

International Association of Drilling Contractors



Supply Chain Committee Meeting
26 June 2014
IADC – Houston, TX
10370 Richmond Ave., Suite 760
Houston, TX 77042

Minutes

Call to Order: The Chairman welcomed everyone in attendance at the Supply Chain Meeting.

Safety Briefing/ Anti – Trust Guidelines: John Pertgen provided the emergency response information. He also reviewed the Anti-Trust Guidelines; wherein he emphasized the core of anti-trust law, and refrain from discussing pricing, dividing, allocating or boycotting suppliers or potential suppliers.

Formal introductions were conducted including new participants.

Minutes from previous meeting held on 25 April 2014 accepted as is.

The Chairman reviewed the agenda for today's meeting and informed the committee that the Subcommittee for Vendor Metrics has been renamed to "Supplier Performance Subcommittee."

DISCUSSION OF SUB-COMMITTEES:

1. Global Logistics & Trade Subcommittee (Co Chairman: Joe Turner / Boris Kos):

- a. The "Global Supply Chain /Trade Compliance Requirements" documentation is now posted on the IADC Supply Chain Committee webpage.
- b. Mr. Turner encouraged everyone to use the document and send to vendors
- c. Some members indicated that they are already including this document as part of the package to set up new vendors.
- d. A point was raised that some additional modifications are needed related to MSDS section as it covers more than must MSDS/SDS.
- e. It was confirmed the reference number for the document is the date on the lower right hand of the front page
- f. One member requested that we remove the last sentence from the disclosure paragraph. Mr. Pertgen will confirm if this is possible or if re-wording might be acceptable.
- g. Joe turner invited everyone to send him comments and feedback on the document.
- h. The next topic for the sub-committee focus is: Import Compliance (latch / un-latch)
 - i. More participants were offered from different companies to support the initiative
 - ii. The Co-Chairman confirmed deliverables are not yet defined, and that once the team is set up this will be addressed
 - iii. One member questioned the scope as this initiative is for US Gulf of Mexico exclusive
 - iv. Everyone agreed this is a US initiative, however, once more people actively participate in the committee then we could conduct more initiatives
 - v. Due to the actual composition of the committee it is currently a good initiative to focus only on the Gulf of Mexico

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- vi. The Subcommittee Chair will present the action plan for this initiative at the next meeting.
- vii. The Co-Chairman again encouraged everyone to actively participate.

2. Supplier Performance Subcommittee (Chairman: Andy Poosuthasee):

- a. The Chairman reminded everyone of the subcommittee's objectives.
- b. Goals for today are to inform of their progress and seek support. He reviewed the following:
 - i. Present Project Plan
 - ii. Potential list of suppliers to be included in survey
 - iii. Potential list of drillers to participate in survey
 - iv. Validate survey questions
- c. Damon Flores indicated that he will reach out to Chesapeak Energy and invite them to participate in this Subcommittee.
- d. Mr. Flores also expressed the importance of communicating the intent of the survey to all participating drilling contractors so as to help motivate participation. He suggested that an endorsement from active committee drillers would be helpful.
- e. The Chairman confirmed that a communication plan is part of the project.
- f. Project plan and milestones were presented, and supported by the IADC Supply Chain committee.
- g. The list of vendors to be included in the survey was discussed
 - i. It was agreed by the group that it should include 25 vendors in the survey classified in the following three areas:
 1. Oilfield OEM
 2. Industrial OEM
 3. Distributors
 - ii. The Subcommittee will decide which vendors based on previous information submitted
- h. The Committee agreed to conduct the survey on a parent vendor level and not the child level
- i. The Committee also agreed that the first survey will be focused on offshore drilling
- j. The list of drillers to participate in survey was discussed and agreed upon.
NOTE: IADC can provide additional drillers name and contacts as required.
- k. Questions to be included in survey were reviewed, discussed and agreed upon.
 - i. The group noted that a few questions needed modifications based on the guidelines.
 - ii. Mr. Pertgen will check if there is any budget for a technical writer to review survey questions.

OPEN DISCUSSION & COMMENTS

It was unanimously decided by the attendees not to have non-drilling contractors participate in the Supply Chain Committee. Only on a case by case basis per exception non-drilling contractors can be invited to participate.

Mr. Pertgen will research this voted on action per the IADC guidelines

The following alternatives for additional new initiatives were discussed:

- Improved documentation
- Anti-Corruption

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- New Supply Chain Committee chapter in Europe
- eProcurement

The committee agreed to hold on to any new initiatives until the committee has more active participants that can lead these initiatives.

Next Meeting:

11:00 AM – 2:00 PM Thursday September 25th 2014, IADC Crown Center 1 & 2 Conference Rooms
Lunch Sponsor: SeaDrill

Attendance:

Name		Company Name
Jorge	Lebrija	Ensco plc
Theodore	Mitchell	Ensco plc
Boris	Kos	Ensco plc
Tom	Schexnayder	Ensco plc
John	Pertgen	IADC
Holly	Shock	IADC
Joseph	Turner	Maersk Drilling
James	Upchurch	Noble Drilling
Brent	Shinall	Rowan Companies
Damon	Flores	Seadrill
Greg	Long	Transocean
Andy	Poosuthasee	Vantage Drilling