

# International Association of Drilling Contractors



## Supply Chain Committee Meeting

25 September 2014

11 am – 2 pm

IADC

10370 Richmond Ave., Suite 760  
Houston, TX 77042

## Minutes

### SUPPLY CHAIN COMMITTEE MEETING MINUTES

**Call to Order:** The Chairman welcomed everyone in attendance at the Supply Chain Meeting. John Pertgen stated that it was important for everyone to sign up prior to the meeting with their contact details and email.

**Safety Briefing/ Anti – Trust Guidelines:** Mr. Pertgen provided the emergency response information. He also provided an overview of the Anti-Trust Guidelines and requested that members review the full policy on the web site, which explains the non-collusion, non-sharing of pricing information, non-exclusion of vendors and other pertinent information.

#### **General Introductions**

The attendees introduced themselves and their company affiliation.

#### **Review/approval of minutes from previous meeting**

A solicitation for changes or modifications to the previous meeting minutes was presented. No changes were recommended and the minutes were accepted as written.

#### **Agenda Item- Use of non- OEM parts on a BOP system – Mark Siegmund, BP – (Presentation)**

Representing OGP (group of about eighty mainly Oil Company and Manufacturers ) the BOP task force- Objective was to understand and, possibly through the IADC Supply Chain committee, to form a sub-committee to research and confirm (through member Survey) if member IADC drillers are using non-OEM repair parts in the BOP and Well Control equipment and report same.

The Purpose of (WEC) OGP and review of non- OEM well control parts was to:

- Enhance the integrity of Well Control equipment
- Identify best practices to further strengthen reliability to BOP equipment/control systems
- Promote common industry solutions by bringing operators, contractors, and OEMs together to work collaboratively

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- Concerned about use of Non- OEM parts and how are they identified and sourced.
- Who supplies, and how many non OEM suppliers (Including: What is the frequency of occurrence, and how many non OEM parts are there on a typical BOP?)
- Known & Potential risks;
  - o Are the Non OEM parts known? (are the OEM parts known?)
  - o Are Non OEM parts undiscernible against the original part?
  - o Do Non OEM parts have specs that meet the original specs?
- How do non OEM parts get discovered? During operations, maintenance, testing, re-certification or post failure during RCFA?
- Are MoC's being applied to manage non OEM parts risk? If not, why?

## UPDATE OF SUB-COMMITTEES:

### Supplier Performance Subcommittee (Andy Poosuthasee - Chairman):

- The SC Chairman reiterated the objective of the subcommittee to survey the Drilling Contractors top 25 vendors for delivery and quality performance and to complete the pilot by year end
- The Supply Chain Committee Chairman commented that IADC Legal now has concerns after review of the Vendor Survey. However, the 10 vendor questions have been approved, but the IADC Executive committee must review and approve the entire process and the survey.
- The Committee Chairman commented that he was approached by a 3<sup>rd</sup> party company to potentially administer the IADC Vendor Survey. Meeting to be held next week.

### Action points:

- The SC Chairman is to prepare Supply Chain Vendor Survey plan with an Executive Summary for the IADC Executive Committee approval.
- The Committee Chairman is to meet with the 3<sup>rd</sup> party company and report back to IADC Supply Chain Committee

### Global Logistics & Trade Subcommittee (Joe Turner- Chairman / Boris Kos- Vice Chairman):

- The SC Chairman thanked the attendees of the sub-committee for their participation
- He requested support for further sub-committee efforts
- He reiterated the objectives of the sub-committee including the current issue of Import/ Export of goods to Rigs in the Gulf of Mexico
- The SC Chairman mentioned that we need to look for new initiatives and proposed the export regulations for the GOM Drilling operations when the rig is latched verse unlatched.

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- The SC Chairman reiterated that the sub-committee was working on a list of questions for the CBP Officer (SCBPO) Port of Morgan City, LA or Michael Herbert to answer for the record.
- The approach has changed to focus on items of concern, (i.e., High Risk Items).
- The Sub- Committee has decided to approach CBP Port of Morgan City, La or Michael Herbert, through custom broker / freight forwarder,
- CDI (Central Dispatch) is to present the Sub-Committee's questions to the SCBPO on behalf of the IADC Supply Chain
- Two committee members brought up the point that the original objective was to have SCBPO Michael Herbert go on the record as to identify the interpretation of latched versus unlatched and the timeline with each vessel type. The US Vessel Handbook was called into question and the authority of Mr. Hebert to interpret same.

## Action Points

- The Committee members are to draft their list of questions by the 15<sup>th</sup> of October, and forward those questions to the SC Chairman

## Other Items

The Committee Chairman stated that a former member of the committee would like to do a presentation on inventory management. The Chairman requested a committee vote, wherein all agreed not to allow the presentation as this was viewed as a "Sales pitch".

## OPEN DISCUSSION & COMMENTS

Date for next Meeting - December 18<sup>th</sup>, 2014

Volunteer for a lunch sponsor was requested- ENSCO accepted

## Final Comments, Review of Action Items & Adjournment

### ACTION ITEMS

1. All committee members are to send their questions to Mr. J. Turner, regarding the latch and no latch item issue, no later than the 15<sup>th</sup> of October.
2. An Executive summary regarding the proposed survey will be done by Mr. Poosuthasee.
3. The Committee Chairman is to meet with the 3<sup>rd</sup> party company and report back to IADC Supply Chain Committee

**Adjourn:** 1350 hrs.

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## Attendance:

<b>Name</b>		<b>Company Name</b>
Mark	Siegmund	<b>BP</b>
Seth	Rivera	<b>Drilling Systems Inc</b>
Kos	Boris	<b>Ensco plc</b>
Keith	Fleming	<b>Ensco plc</b>
Tom	Schnexnayder	<b>Ensco plc</b>
Warren	Rhone	<b>Hercules Offshore</b>
John	Pertgen	<b>IADC</b>
Joseph	Turner	<b>Maersk Drilling</b>
Jim	Upchurch	<b>Noble Drilling Services</b>
Matt	McClellan	<b>Paragon Offshore</b>
Esperanza	Reyna	<b>Parker Drilling Company</b>
Rafael	Lucho	<b>Queiroz Galvão O'leo E Gás S.A.</b>
Kirk	Hoffman	<b>Rowan Companies</b>
Brent	Shinall	<b>Rowan Companies</b>
Damon	Flores	<b>Seadrill</b>
Greg	Long	<b>Transocean</b>
Andy	Poosuthasee	<b>Vantage Drilling</b>