



International Association of Drilling Contractors Supply Chain Committee Meeting

26 July 2013
IADC – Houston, TX

SUPPLY CHAIN COMMITTEE MEETING MINUTES

Call to Order: The Chairman welcomed everyone in attendance at the Supply Chain Meeting, and reviewed the purpose of the meeting. John Pertgen was introduced as the IADC committee liaison to the new members in attendance.

Safety Briefing/ Anti – Trust Guidelines: Mr. Pertgen provided the building and emergency response information. He also reviewed the Anti-Trust Guidelines hand-out; wherein he emphasized the core of anti-trust law, which is the prohibition of business collusion and the effect it has on restraint of trade.

The group also expressed the feeling that a change is needed to the way companies calculate delivery estimate dates in order to raise the ‘on time’ rate. It was decided that a subcommittee should be formed to get down to the metrics; wherein they would define the term “on time.” This would require the committee to invite manufactures and vendors to our meetings for better discussions.

DISCUSSION OF SUB-COMMITTEES:

The Chairman then asked the Chairs of the Subcommittees to review their goals and objectives, and present their prioritized initiatives. The SC Chairs expressed the following:

1. **Metrics Subcommittee (Wayne Mason):** Discussed the design and implementation: Definition of process from now through end of 2013 and how to measure supplier performance starting in 2014. This SC reviews for relevance and feasibility. (The group then has an open discussion on this topic). The SC Chair explained the concerns, challenges, and future steps for this SC.
 - a. Second Meeting (7) companies representatives
 - b. Four Primary Topics (Time frame, Feasibility of Supplier Metrics, Challenges, Next steps)
 - Design implementation (2013 remainder) - Design and quantify metrics)
 - Collection of data (2014)
 - Supplier Recognition end of 2014
 - Mirror IADC Safety Statistics process within IADC, definition, collection , anonymity
 - Metrics that may not be possible:
 - Quotation lead time
 - PO acknowledgement (Define and capture , may not be possible)
 - Inspection repair and lead time (Define and capture , may not be possible)
 - Invoice receipt date(Definition of invoice receipt vs invoice date)

- Safety (data) for vendors and divisions of vendors (Wayne Mason)
 - Discussion of Metrics relative to Service vs Supply (Wayne Mason)
 - Lead Time (Definition) (Damon Flores)- Discussion with (Jorge Lebrija)
 - Discussion on removing ambiguity from definitions will take (6) months to complete these discussions.
 - Discussion with IADC Safety Statistics personnel that initially established the IADC process to report Safety Statistics. (Joe Herd?)
 - Using IADC as a filter to accumulate and publish vendor metrics from Drilling Contractors.
 - Need for land based drilling contractors to participate in the Metrics process
 - Question as to when to allow vendors to participate
 - Mentioned (5) meetings between now and end of year, suggested sub-committee include more members and break out into task groups to work as a team
2. **Global Logistics & Trade Subcommittee (Boris Kos):** Reviewed the minutes of the SC meeting on Friday, July 12th, 2013. He discussed the need to have Trade compliance representation from all of the major drilling contractors. Thereafter, the group discussed developing a plan to invite the leaders of identified drilling contractors to make presentations at future IADC committee meetings.
3. **Quality Subcommittee – Presentation (Ted Mitchell):** Ted explained the Vision and Objectives of this SC. He then went on to explain – “What is IADC Quality?” Next he introduced his final topic entitled “Next Steps” and the group went into an open discussion.
- a. Presentation focused on lack of API or IADC standards for drilling equipment.
 - b. Quality Subcommittee Chairman Ted Mitchell explained that it would benefit the Drillers to fill the gaps in OEM quality standards by establishing a specific IADC Quality Standards Committee and developing specific standards for OEM equipment.
 - c. It was decided that Ted Mitchell would reach out to other Drillers in an effort to gather momentum to form a separate IADC- Quality Committee separate from Supply Chain.
 - d. Report at next meeting to follow efforts on above.

OPEN DISCUSSION & COMMENTS

The group discussed inviting non-industry personnel to subcommittee meetings. All committee participants were encouraged to invite drilling contractors, onshore and offshore, to attend their next meetings. It was expressed by many that “the more input we have, the more successful this committee will be.”

Next Meeting Date and Venue:

11:00 AM – 2:00 PM Friday, 27 September 2013, IADC Crown Center 1 & 2 Conference Rooms

Lunch Sponsor: Seadrill Americas, Inc.

Proposed Agenda 27 SEPTEMBER Meeting

- Report from the Vendor Metrics SC
- Report from the Logistics & Trade SC
- Report from the Quality SC

Attendance:

Name		Company Name
Clarissa	Aguilar Ruiz	Ensco plc
Jorge	Lebrija	Ensco plc
Theodore	Mitchell	Ensco plc
Tom	Schexnayder	Ensco plc
Rodney	Barretto	Ensco plc
Boris	Kos	Ensco plc
Adam	Rogers	Helmerich & Payne
Warren	Rhone	Hercules Offshore
Lindsey	Hust	IADC
John	Pertgen	IADC
Holly	Shock	IADC
Brian	Wolf	Noble Drilling (US) LLC
Wayne	Mason	Patterson UTI
Damon	Flores	Seadrill Americas Inc