

# International Association of Drilling Contractors



## Supply Chain Committee Meeting

14 August 2019

1.00pm - 3.00pm

IADC

3657 Briarpark Drive, Suite 200  
Houston, Texas 77042

## Minutes

**Call to Order:** The Chairman (Tom Steiner) welcomed everyone in attendance to the Supply Chain Meeting.

### **Safety Briefing/ Anti – Trust Guidelines/Administration**

Thad Dunham provided the emergency response information, including muster points. He also reviewed the Anti-Trust Guidelines; wherein he emphasized the core of anti-trust law, and the required refrain from discussing pricing, dividing, allocating, or boycotting suppliers or potential suppliers. Tom Steiner added that there should be no poaching of personnel during the meetings.

### **General Introductions & Agenda Review**

Attendees went around the table and introduced themselves

### **Supplier Performance Sub-Committee Update**

- Stephen Elliot provided the supplier performance update
- The sub-committee obtained goals for on time delivery from four suppliers (MH Wirth, NOV, GE, and Cameron)
- The Committee agreed to set the standard for on time delivery (OTD) for all suppliers at 95%, calculated using a 7-day buffer (grace period). The Committee decided that this target may be publicized/published on the IADC website, but that targets from individual suppliers would not be publicized.
- A concern was raised by a supplier during a prior sub-committee meeting that their OTD performance may suffer if they hold a shipment in the interest of waiting to complete the entire order before shipping. The Committee agreed that where it is specified to the supplier that the order must be shipped complete, orders held in the interest of making a complete shipment will not negatively impact OTD. Attendees also mentioned that they rarely require orders to be shipped complete
- The sub-committee will focus on encouraging suppliers to track their own OTD metrics

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- The sub-committee will next engage with selected MRO and safety suppliers. Stephen will contact member companies to create a shortlist of the next suppliers to engage with (ACTION)

## Inventory Sub-Committee Update

- Andy Rennie led the discussion
- The sub-committee has drafted the “Draft Guidelines for Elastomers”. Andy distributed this to members and requested feedback by September 6<sup>th</sup>. (ACTION)
- The Committee reviewed and discussed selected parts of the draft guidelines document
- Andy intends to hold one more sub-committee meeting with only drilling contractors to further develop the draft guidelines. (ACTION)
- The following sub-committee meeting will likely be with selected suppliers to review and get feedback on the document. Andy requested strong drilling contractor support at this meeting to duly represent drillers as we engage with our suppliers.
- Inventory sharing
  - Not much movement since the last meeting. The inventory list is still available on the IADC website, but has not been updated in some time.
  - No one voiced a strong opinion to update the list or further develop this initiative at this time
  - The committee agreed to leave the list on the website as is for now

## Southeast Asia Chapter Update

- Rodney Baretto, Chairman of the Southeast Asia Supply Chain chapter, attended the meeting and provided an update on his chapter
- They held a kick-off meeting earlier in 2019, which was well-attended with 27 participants
- They have made some progress on developing import/export guidelines for a few countries in the region. The chapter is also discussing applications for RFID tagging and how members can collaborate to share information
- The chapter discussed an inventory sharing initiative, but has not made much progress. One obstacle is the requirement to move materials across borders in order to effectively share within the region

## Member Benchmarking Sub-Committee Proposal

- Tom Steiner led a discussion where he proposed creating a new “Benchmarking” sub-committee to provide unique value to members, drive participation by heads of Supply Chain departments, and re-invigorate the Committee
- This sub-committee would create surveys on topics of interest for Committee members, E.g., low cost country sourcing, waste disposal practices, strategic sourcing practices, etc. These surveys would then be administered by the IADC, and the responses aggregated and anonymized before being fed back to Committee members
- Feedback was generally positive, and several other ideas for new sub-committees were mentioned

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- Tom Steiner to engage with Supply Chain department heads to discuss the benchmarking idea, and encourage them to attend the next meeting in November. The Committee intends to hold a more fulsome discussion on benchmarking to include more senior-level participants at this meeting, with the goal to choose a topic and launch the first survey (ACTION)

## Next Meeting Date and Venue:

**1:00PM – 3:00 PM Wednesday 13<sup>th</sup> November, 2019, IADC Offices (3657 Briarpark Drive)**

## Attendance:

Name		Company Name
Steve	Sagerian*	<b>NOBLE DRILLING (U.S.) LLC</b>
Tom	Steiner	<b>VALARIS</b>
David	Tennison*	<b>NOBLE DRILLING (U.S.) LLC</b>
Thad	Dunham	<b>IADC</b>
Brian	Wolf*	<b>NOBLE DRILLING (U.S.) LLC</b>
Esperanza	Reyna	<b>PARKER DRILLING</b>
Stephen	Elliott	<b>PATTERSON-UTI</b>
Garrett	Chilek	<b>MAERSK DRILLING (U.S.) LLC</b>
Andy	Rennie	<b>TRANSOCEAN</b>
William	Villalobos	<b>TEXAS A&amp;M UNIVERSITY</b>
Tami	Nutley	<b>PARKER DRILLING</b>
RODNEY	BARRETTO	<b>SAPURA ENERGY</b>
LUCAS	LOVE	<b>PPC</b>

\*Attended via teleconference