

Minutes of the Executive Committee Meeting of the DRBF Executive Board of Directors Istanbul May 14, 2010

A meeting of the Executive Committee of the DRBF Executive Board of Directors was held at the Marmara Hotel in Istanbul on May 14, 2010 with the following participants: Romano Allione, Dick Appuhn, Bill Baker, Jim Brady, Nick Gould, Gordon Jaynes, Volker Jurowich, Kerry Lawrence, Jim Perry, Bob Smith, Paul Taggart, Bob Rubin, Graeme Peck, Graham Easton, Steve Fox and Ann McGough. Hal McKittrick and Jack Norton participated via telephone.

Finance & Administration Report

Steve Fox reviewed the financial report which was distributed to all Board members. He noted there have been no major changes to the membership figures. He said that while the report shows the finances of Region 1 and 2 in separate sections, they do not have separate accounts.

Election

Steve reported that during the recent Region 2 Board elections, 85 members out of 225 cast a ballot, which is a strong turnout based on past election figures. It was noted the reminder email was useful in increasing the responses.

Nomination Criteria

The criteria for Board member nominations for the Executive and Regional Boards was distributed to all members, and Romano cited the differences between them.

Executive BOD: Hal McKittrick pointed out that the ideal model has 5 positions, with 3 served by the President Elect, President and Past President. A proposal was made to change the wording from “have served on 5 DBs” to “some direct experience on DBs,” which was accepted by the Board. The rest of the proposed criteria was approved by the Board.

Further discussion included a suggestion from Gordon Jaynes that all members of the Executive Board should be expected to attend both the Annual Meeting and the International Conference. It was agreed that the Nominations Committee change its title to Election Committee. It was agreed that no proxy system is needed at this time, since the voting is done by email and not in person.

It was also noted that according to the bylaws, a director can stand for two consecutive terms. Romano asked Kerry Lawrence to do a final review of the criteria against the bylaws to make sure there are no conflicts. The document will then be revised and finalized.

Regions: It was agreed to introduce the same changes from the Executive Board document, except that the Region 1 Board would only have the commitment to attend the Annual Meeting and the Region 2 Board would only be committed to attend the International Conference.

The Board agreed to make the criteria for Regions 1 and 2 the same, and to call it “Criteria for Regional Board of Directors.”

Governance

Currently, the DRBF is operating as a company with different regions. As we are not separate entities, there is no need to formalize an Affiliation Agreement and a Responsibility Table. However it was agreed that the Board should still look at the agreement as necessary for the future and agree on the table as a guideline.

It was noted that one outstanding issue is the need to have members belong to the main DRBF organization and not just a local chapter membership. It seems that the problem stems from the incorrect belief by new members that they will get a DB posting, and when they don't they are hesitant to up their membership.

Graeme Peck reviewed some of the 'chicken and egg' problems they are facing in the Australasia Chapter. He said the DB concept is growing and well accepted, but that it is used on mostly large projects (only 27 DBs since 2006) making it hard for smaller players to get involved. A suggestion was made to set up a scaled membership; for example a first year member is considered an "affiliate member" and in the second year they become "junior" members, then "senior" and so on. It was agreed that because the membership to DRBF cannot be imposed, a transition period may be an interim solution for new members.

Romano noted there has been some discussion of setting conference registration rates such that they encourage people to join in order to take advantage of the discounted membership rates. Ann McGough confirmed that the Annual Meeting committee is looking at this and will make a proposal for the Charleston conference which could set a precedent for other events.

There was some discussion of expanding the size of the Boards, and possibly adding informal or non-voting positions. Jim Perry said that this idea was raised as a way to get FIDIC more involved with Region 2's activities. He said he spoke with FIDIC President Peter Boswell about the concept, and he responded that while they are not willing to serve as a member of the Board of Directors, they would be interested in signing a Cooperation Agreement with the DRBF. He said a similar procedure could be put into place with ICC, AAA and other organizations. Jim went on to say that he feels the key to a successful working relationship with FIDIC is to set up quarterly meetings in Geneva between FIDIC and the Region 2 Board.

The Executive Board discussed the idea of expanding the size of the Boards of Directors. Hal McKittrick suggested keeping the Boards small avoids problems with a quorum although Romano noted the bylaws do not specify the number required for a quorum. Gordon Jaynes said he thinks the Region 2 Board in particular needs to expand, noting all the current Board members work full time and there is a need to spread the work among a larger group. Graeme Peck said the Australasia Chapter keeps the Board lean and uses appointed committees to spread the work. Jim Perry said he believes the Region 2 Board does need to be expanded, noting it currently only has members that are European based. The Board voted to keep the Executive Board as is, and to expand the Region 2 Board by 2 slots which would be voted on in a special election. Region 1 will discuss the topic at a future meeting to determine if the Region 1 Board needs expanding.

Australia Report

Graeme Peck told the Board that the Australasia Chapter is ready to become Region 3 in 2010. There was some discussion of the territory that would be in Region 3. The term “Australasia” is a local term for Australia and New Zealand, and the chapter does not foresee adding Southeast Asia to the Region for the time being. Graeme noted that in addition to geographical constraints, there is not much DB activity there. He said if the DRBF wanted to include that area in the Region, it would be necessary to include the funding needed to travel there (which is expensive).

Region 2 Report

Volker Jurowich submitted a written report to the Board detailing the work achieved during his presidency of the Region 2 Board. He said one area he wanted to bring to the Board’s attention is that he feels the DRBF has plenty of members with construction experience, but not much process experience. He sees this as an area of future growth for the Foundation, and suggests the issue needs to be considered. Romano suggested a solution may be to partner an experienced DB practitioner with an experienced process person. Graeme said there are currently 2 DRBs in Australia, one for a manufacturing project and another a 10 year ship maintenance plan. He said the DRBA trains the technically experienced people on the DRB process. It was noted that software projects would be an obvious area that could benefit from the DRB process, as there are lots of problems in those contracts. That market may well be served by the DRBF’s legal members, since the problems are not of a technical nature.

Romano thanked Volker on behalf of the Board for his leadership in getting Region 2 started for the DRBF, and Bob Smith noted he is impressed by Volker’s efforts in Region 2 and the work done in Australia.

Training

Dick Appuhn said that the recent workshop in Istanbul was very well received. He said he has developed a large training committee and has invited some new people to join. He finds there is no shortage of volunteers, just a need to organize the effort effectively.

Dick said that there is a large demand for training, and noted the committee may ultimately decide to create an international training manual. He said that for the US and Australia model, training focuses on how to run a DRB no matter the contract type, yet for Region 2 there is a need for FIDIC contract and ICC rules to be included. This can create a challenge because we want to avoid being in competition with FIDIC and other training programs. Nick Gould concurred, saying that you need to explain FIDIC contracts in order to properly explain the DB. Dick concluded by saying that it is important to look at the terminology for the workshop names in addition to the content covered by the program.

Yearly Planning

Nick Gould said he likes joint events like the ones the DRBF has done with ICC, noting it takes much of the workload away and builds new potential members.

Jim Brady said Annual Meeting/Charleston plans are underway, and reviewed some of the topics currently being developed. He said he wants to have some Region 2 input on the agenda.

Gordon Jaynes suggested it might also be appropriate to have some Region 1 members involved in the International Conference/Sao Paolo planning.

Future conference locations currently being considered are:

<u>Year</u>	<u>Region 1</u>	<u>Region 2</u>
2010	Charleston	
2011	Seattle	Sao Paolo
2012	New York	Australia

Forum & Website

Ann McGough reported that the new brochures have been completed and are already being distributed at the Istanbul conference. She said the next step will be to update the website design to reflect some of the same colors and new style. Another big effort for the website is to expand the library of articles in the member's only section. It was suggested that an Editorial Board be formed to assist with the article review, and to review Forum articles as needed. Bob Rubin agreed to head up the Editorial Board.

New Business

Romano said that he is finalizing a cooperation agreement with the Italian organization Arbitral Chamber of Milan to share information and spread information to their members, as well as meet regularly with their leadership. The Board agreed unanimously to allow Romano to sign the agreement on behalf of the DRBF. It was noted that the agreement would be used as a basis for drafting similar agreements with other organization.

Database: Kerry Lawrence updated the Board about the Cadet who will be doing this project, including the fact that he will write a publishable paper to present to the membership in Charleston. Romano noted that there is not a similar effort underway yet for Region 2, and said that the issue of confidentiality needs to be addressed. It was generally thought that if something is public information ("if you can Google it..."), then it should be acceptable to report. The DRBF does not need confidential information, just basic project information that is readily accessible.

Manual: Bill Baker reported that work is underway with Joe Sperry leading the committee. He said they have an optimistic goal to complete the revisions by next spring. He said they are also putting together a review team, and need to establish a separate International Committee, Gordon Jaynes has agreed to lead on this effort. Bill said he has personally used the Manual a lot for training and he thinks it is a solid piece of work that will be manageable to update. He said the expansion of Section 4 (International) will be a major effort.

The next meeting will be held by conference call on Friday, June 18, 2010 at 12 EDT.

Meeting Minutes submitted by Bill Baker and Ann McGough.