

# **Summary Minutes of the DRBF Board of Directors Meeting**

## **May 2, 2008**

A DRBF Board of Directors meeting was held in Cape Town, South Africa on May 2, 2008 with the following participants: Romano Allione (V), William B. Baker(V), James Brady(V), Volker Jurowich(V), Kerry Lawrence(V), John Madden(V), Harold V. McKittrick, Gwyn Owen (V), Marianne Ramey (V), Robert A. Rubin, and Robert J. Smith (V). Bernard Becq (V), Roger Brown (V), Peter Chapman, Jim Donaldson (V), Peter M. Douglass (V), Jack Feller (V), Daniel F. Meyer, John Norton (V), Joe Sperry and Jack J. Woolf were unable to participate. Dick Appuhn, Ben Beaumont, Steve Fox, Gordon Jaynes, Guenther Raberger and Ann McGough participated by invitation.

Note: (V) represents voting Board members.

### **Introduction**

President Gwyn Owen opened the meeting, welcomed all attendees and introduced the invited guests. The guests were invited to make their presentations first so that they could depart afterwards if desired.

### **Other Business**

#### **Forum for International Conciliation and Arbitration (FICA)**

Ben Beaumont gave an overview of the organization, noting he believes the DRBF could have a role with this UN group. FICA is active in three different working groups: procurement, conciliation and arbitrations, and security. Each group meets twice a year for five days (in Vienna and NY); and the next meeting is in Nov. in Vienna. Mr. Beaumont indicated that he would expect to see the DB mechanism integrated into the UN's procurement guidelines and to allow for the circulation of papers encouraging the use of DBs. It was clarified that the DRBF would participate as members of FICA.

Mr. Beaumont noted that although the current focus of the DRBF is on construction, the DB has an application in other contract management arenas. He thinks the main issue is expertise: if the DRBF is to have a wider reach into new industries and contract types, there needs to be properly accredited candidates. He noted that DRBF members have experience beyond construction – there is also experience in running Dispute Boards.

President Gwyn Owen asked Ben Beaumont to create a paper defining the current situation, what he'd like the DRBF to do, and expected outcomes. He agreed to furnish the paper to directors Romano Allione and Hal McKittrick prior to September.

#### **Offshore Wind Farms**

Guenther Raberger gave an overview of the multi-contracting approach in the offshore wind farm industry. He noted that the risks are high in this industry, and that bankers and insurers are in favor of dispute resolution and he believes the contracting community would follow suit. There is still a need to convince that Dispute Boards are the best solution.

Mr. Raberger indicated the next step would be to develop 2-3 models as the current DB model is too inflexible for multi-contracting. He envisions more of a Dispute Management Board. He agreed to develop a 2-3 page document summarizing the background, what is being asked of the DRBF and what benefit the DRBF would be expected to achieve for further consideration by the BOD.

#### **Provisional President's List**

Gwyn Owen reported that the Provisional List has been set but not yet launched because the committee is still working on the liability clause. He noted that the committee has used the list to help put 15 Boards in place already.

## **Mentoring**

Gwyn Owen reported there were 48 responses to the mentoring email, with the majority requesting a mentor and a decent number of people volunteering to mentor. He was pleased to note that about half were members based in the U.S.

## **Treasurer's Report**

Treasurer Jim Donaldson was unable to attend the meeting, and Steve Fox gave the report in his absence. He began with an overview of the highlights of the budget summary. Some notes that were made include: the Institutional Funding Committee has asked for a budget and that money has been integrated into the budget; and the International Conference figures are thought to be conservative. Steve noted that the Region 2 budget is expected to come together mid-summer.

An audit was completed last year. There will be a standard review each year until the next audit, which is scheduled for every five years.

Bob Smith noted that the organization doesn't appear to grow because the attrition rate matches the new member figures. Hal McKittrick said that the DRBF has noted this trend for many years, and the consensus has been that the only way to grow significantly is through aggressive marketing by an Executive Director or a quantum leap into a new industry. Bill Baker noted that the main reason given by those who do not renew is that they expected to get work through their membership and when they don't get an appointment they drop out. Gwyn stated he is hopeful that the emphasis on new regions will spur growth. Steve Fox noted that there has been aggressive lobbying in Texas which holds big potential, and Hal suggested that the Board should consider Texas as a location for an Annual Meeting because of that potential.

## **Region 2 Update**

Hal McKittrick and Romano Allione reported on the activities of the Region 2 committee. Nominations for the new Board positions were distributed to the BOD. The nominating committee consists of Bob Rubin, Hal McKittrick and Romano Allione. Elections are to be held in July in accordance with the plan. The committee recommends that a shadow board for North America be established immediately so that they will be ready to start at the October appointment (the shadow board would consist of the nominees). It was noted that there will be a smaller number of directors on each Board, and there are some restrictions (for example, a requirement to live in the geographical area covered by that region). Nominations are to be decided by the President and voted on by the general membership. Ballots will be sent to all members by email in July. A motion was passed with no objections to endorse the nominations of the nominating committee and the establishment of the shadow board.

Discussion shifted to what budget changes will need to be addressed with regard to the new structure. There will be three Boards initially: Executive, North America, and Region 2. There was concern that the Executive Board must have overall control of each region's finances. A motion was passed that the overall philosophy regarding the financial structure is that each region is a self-sustaining non-profit organization and financial reserves are held by the Executive Board.

## **Annual Meeting Update**

Senator Jim Webb has been secured as a guest speaker. The committee is pursuing a lunch speaker through Bob Robertory. Other plans include a DOT speaker's panel, play acting of an advisory opinion, and a look into why some DRBs don't work with a look at recalcitrant parties.

## **International Conference – Dublin Update**

John Madden distributed a report to the BOD. He noted there is still some question about whether to go with a 2 or 3 day format, which he felt would likely be resolved by the end of the Cape Town conference. He noted he hopes of have a planning committee of about six people.

## **Sponsorship**

There was some discussion about the role of sponsorship in conference events. Are we happy with the approach that sponsors underwrite the cost of the conference so that all delegate fees are profit? What about the sponsors themselves – any restrictions? Should we have a set package for sponsors or leave it to the individual committees to set their own plan? John Madden noted he is already planning a sponsorship subcommittee for the Dublin conference, and he plans to have a plan to present to the BOD in October.

Kerry Lawrence recommended developing a standard package for all conference planners, and indicated this is something he would be willing to work on with Ann McGough and Dick Appuhn. The package would include timelines, sample documents (letter of appreciation, for example), and more.

## **Workshops**

Kerry Lawrence reported that there will be half-day A&P and Chairing workshops in Washington, DC in October, and maybe a "Presenting to a DRB" session. The training committee is working on core courses based on the DRBF Manual that can be adapted if needed. The goal is to get everyone working off the same template. He asked for Ann McGough's help in standardizing the workshop package materials. The materials would be stored electronically in Seattle and would all be branded and copyrighted. Generally speaking, Kerry noted that the committee is moving towards half-day sessions over full-day, and looks to make about \$300 profit from each workshop.

Kerry also reported there is a new presentation being created that could be offered as a 45 min. lunch or dinner talk. The session is targeted to owners, and covers the basics on what DRBs are. Kerry said he will be planning a 2-3 day "Train the Trainer" workshop taught by a professional trainer. He said if it couldn't come together in time for the Annual Meeting in Oct., it could definitely be done in time for the International Conference in Dublin.

The Training Committee is also looking at compensation for trainers. The current proposal is \$700 a day plus reasonable expenses; \$1000 if the event runs over five hours. He noted that a half-day session takes a full day of the trainer's time. At this point, there is no compensation for time to prepare materials, however if an agency requests something customized and pays for the document prep, some of that could be passed on to the trainer. This proposal is based on 1 trainer for a half-day workshop. It was suggested to consider this policy "for a year" and then re-evaluate if needed. It was also noted that if there are two trainers, both would get paid. The motion passed unanimously.

The final issue discussed was with regard to remuneration for course material developers. Kerry noted that under current copyright law, there are limitations as to how much of the Manual can be reproduced in a training program. Marianne Ramey cautioned against setting up a system that is too rigid, suggesting that it stay flexible enough to allow it to grow based on local needs and new ideas.

### **Executive Committee**

Gwyn Owen reported that attendance at the monthly Excomm meetings has been good, so his overall assessment is that the system is working well. Volker Jurowich suggested it would be helpful to distribute the Excomm minutes to all BOD members.

In the future, the Executive Board will meet monthly by telephone conference call. A budget will be set aside for the Region Presidents to attend two face to face Board meetings a year. The Region Boards would also meet monthly by telephone conference call at least for the first year.

Lastly, Gwyn expressed a preference for defining the responsibilities of the President, and a subcommittee was formed with the following members: Gwyn Owen, Jim Brady, Hal McKittrick and Bob Rubin.

### **Chapters**

Gwyn Owen raised the concern that some chapter members are not DRBF members. The Florida model is that you have to be a member of the DRBF in order to be a member of the local chapter. An extra \$20 is collected with their dues, and Steve Fox sends a check for those funds to the chapter.

There was some discussion that the Region 2 Chapters should send a set amount per head to the DRBF. It was suggested that for those chapters already in place, there should be a push for people to join without making it mandatory. It was also suggested that there should be a policy established for new chapters, and the existing chapters could be given two years to comply with that new policy.

A motion was made that all chapter members have to be members of the DRBF, and the local chapter membership is considered "value added." The Australia Chapter is excluded from this policy for now. There was one dissenting opinion that the new policy would be unenforceable and onerous, and the motion passed 8 in favor and one against.

### **International Training**

A report from this committee was distributed to the BOD. The only addition was that Toshihiko Omoto has recently given a series of seminars in Japan and there are a few in development by both Toshihiko and Salvador Castro of the Philippines.

### **International Committee**

John Madden distributed a written report to the BOD. Several new country reps are under consideration, and John noted he would look closely at their backgrounds before making any final decisions. In Africa, there was a recommendation to look at adding reps in Sudan, Swaziland and Libya. In Ireland, the government recently passed a new law embracing conciliation and arbitration, essentially rejecting Dispute Boards. The rep, Nael Bunni, has said that he will continue to make presentations and write papers on an international basis. John said he will be in touch with Nael to discern whether he has the time and interest to participate in planning for the upcoming International Conference.

## **Forum**

Ann McGough expressed interest in receiving feedback on the Forum, as well as a continuing need for input on potential story ideas. She reported that printed Manuals are now available for purchase through the web site and at conferences, noting 19 had been sold already at the International Conference. The BOD expressed an appreciation for the new printed Manuals.

## **World Bank Liaison**

Gordon Jaynes distributed a report to the BOD. He noted that the committee would like to change the name to MDB Liaison Committee, reflecting the need to involve as many of the Multi-Development Banks as possible. There had been a question about whether there was an association of the MDBs. Gordon noted that the five procurement heads meet annually. In addition, they are invited to participate in the World Banks' bi-annual meeting of the procurement and financial management groups.

The name change motion was passed unanimously and the committee will now pursue adding new members to the committee from the MDBs. It was noted that committee members do not have to be DRBF members.

## **Institutional Funding**

Gwyn Owen gave an overview of the creation of the committee and reported that the committee has created an action plan and requested a budget of \$10,000. Gwyn mentioned that he gets many emails about why the DRBF doesn't have an Executive Director, and noted that funding could put the Foundation on the proper financial footing. It was noted that the 10 Year Plan specifies the need for an interim Executive Director. The motion for the budget allotment passed with one dissent; the dissenting voter felt it was premature in light of the new 10 Year Plan changes.

## **New Business**

Bill Baker shared a proposal from David Neagle regarding the Institute for Conflict Management, noting it is for information only and no action is required at this time. David wants ICM to be a DRB provider for the vertical construction industry.

It was noted that the Country Rep for Belgium has inquired about hosting a regional conference in October. It was not clear what help he would expect from the DRBF. Some concern was raised about the date possibly conflicting with the Annual Meeting.

Meeting Minutes submitted by Bill Baker and Ann McGough.