

The logo for WBHO, with 'WBHO' in red and the 'O' in a blue circle.

# *The road to transformation*



**The Transformation Journey from 2008 to 2013  
– a compelling tale of our company's success in both  
transformation and social responsibility**

# Foreword

## ***To all the staff at WBHO***

I have always said that there is no such thing as a great company, only a collection of “great people” working for a company, and this publication is living proof of that.

Our Chairman Mike Wylie passed on his transformation vision for WBHO, and although this was planned and debated at the highest levels in our company, the resounding success that we have achieved in such a short space of time could never have been imagined back then.

It is one thing to have a vision and the best-made plans to implement it, but this book proves that without the spirit of everyone in WBHO, this would never have been possible.

This book has therefore been compiled for you, and to reflect on what you have achieved.

Our planning included staff in various positions to draw up policies, to implement procedures and to monitor our progress, and they have played a major role in our success. However, it is not the policy-makers who have transformed our company. It is you, our staff.

You are too numerous to mention but believe me when I say that I know that it is you who have made this transformation happen – from the hard working foreman on a project who recognised potential in one of his team and ensures that he gets additional training, the senior site agent who takes a young engineer under his wing and mentors him, the highly stressed contracts manager who devotes time that he doesn't have to help our Enterprise Development companies, the staff who bring the urgent needs of our communities to the attention of the CSI manager.

Some of you are mentioned in this book, but for those of our staff who are not mentioned, and our staff flying the WBHO flag across our borders, we salute you.



Louwtjie Nel, CEO

**“To every staff member  
who has made this possible  
we thank them for their  
commitment to a better  
South Africa for all.”**

This book is about black economic transformation and to every staff member who has made this possible, we thank them for their commitment to a better South Africa for all.

It has been a privilege for me to be part of this wonderful journey, realising that these are only the first steps on the road to transformation. I look forward to what we will achieve in the years to come!

Regards  
Louwtjie

## Background



### OUR HISTORY OF TRANSFORMATION AT WBHO

– The Input By Our Chairman Mike Wylie Into The Construction Sector Charter

During the late '90s the first BEE qualification requirement in tenders was the PWD APP1 and then APP2 document. This was very simplistic but it was a start. Then in 2002 the DTI published the Sector Charters where each industry in the economy was required to develop their own Charter in line with the transformation codes of good practice.

Mike Wylie was on the SAFCEC council at the time and offered to resign and commit himself to bringing together all players in the construction industry, consultants, contractors and SOEs under the guidance of the PWD, to achieve the daunting task of agreeing to the targets and weightings of seven main elements and the 20 sub-elements of the scorecard which formed the basis of the codes.

After an initial meeting with Lionel October, DG of DTI, in 2003 who gave his blessing to the process, a meeting was held at the DBSA hosted by the then DG of Public Works, James Maseko, and

DDG Lydia Bicci. All industry bodies were present and it was a highly charged meeting. Maseko told the meeting to forget the past and asked all players to work together and agree to a Charter for the construction industry.

Choosing a chairperson for the Construction Charter was not easy – established business put forward Mike Wylie and emerging business put forward James Ngobeni. The impasse was quickly broken when Nhlanhla Mjoli-Mncube suggested a joint chairmanship and a strong relationship started between James Ngobeni and Mike Wylie which still exists today.

And so the CTCG – the Construction Transformation Charter Group – was born.

Committees were formed to investigate each element of the scorecard. It was a huge task coordinated by Pierre Blaauw of SAFCEC. There were hundreds of meetings, huge debates and arm wrestling, and thousands of pages of reports and minutes. Andrea Brown of Moglaleng Consultants did a great job in assisting Pierre. The anger that existed at the first meeting quickly turned to friendship as everyone worked towards a common goal.

The Charter took six years for all 16 parties to agree to. It was an amazing feat. Once gazetted in 2009, the next step was to constitute the Charter Council. This required agreeing to the Constitution – another three years. Once agreed to and signed, James and Mike, now exhausted, retired and Paul Foley and Ingrid Campbell were mandated by the WBHO EXCO to get the Charter Council legally formalised and financed, via SAFCEC. Ingrid and Gregory Mofokeng ran the Council for a period of seven months until a permanent CEO was appointed and a chairperson was appointed by the Minister this year.

Even though it took 10 years to complete, the Construction Charter has pulled the South African construction industry, consultants and contractors together into a unified body which will guide the industry into the future and allow it to continue to build the infrastructure of South Africa.

The commitment and perseverance shown by Mike Wylie in successfully completing this process was the starting point of transformation at WBHO, and a lesson to us all in what can be achieved.

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# WBHO THE FIVE-YEAR TRANSFORMATION JOURNEY

– By Ingrid Campbell, Director, Group Support Services

## WHAT WE HAVE ACHIEVED

The April 2012 *Financial Mail* rated WBHO as the most empowered construction company on the JSE, and the best performing in the industrial sector. This was a considerable achievement, especially with pressure in the construction sector. In addition, WBHO moved from 14th overall to 7th of all companies on the JSE.

Our BBBEE scorecard in 2008 was a level 5, and at the 2012 audit was a level 2 value-added. This means that in five years our recognition level almost doubled – from 80% to 156%.

There was no survey done by *Financial Mail* this year. However, we are the first of our competitors to be rated on the new targets. The targets increased greatly in several areas of the scorecard, and we are very proud to announce that despite the stringent new targets, we have maintained our level 2 value-added status.

We have continually strived to achieve “the impossible” – a mindset handed to us by our Chairman Mike Wylie more than 10 years ago. This achievement has validated our belief that the scorecard with which we have worked has been the key to unlocking the transformation potential in our company.

## HOW WE HAVE DONE IT

We at WBHO have reaped the rewards of many years of hard work to ensure that the concept of transformation is felt. We are a construction company and as engineers have approached the challenge of transformation as a science and the scorecard as a matrix, rather than a loose set of feel-good goals. We have achieved

enormous success by ensuring that each element of the scorecard is used in conjunction with the other elements for maximum effect. This cannot be done with a mind-set of “ticking boxes” for a scorecard audit.

**“Our Enterprise  
Development Programme  
has benefited 40  
companies over the past  
five years, and we have  
supported more than 97  
CSI projects during this  
period.”**

Some examples of our concept of the “multiplier effect” of the different scorecard elements is seen where the focus on education under CSI develops excellence in maths and science at school level; where continuity to these students can be achieved via bursaries for tertiary education under training spend. These students, once qualified, provide an excellent pool of candidates for future leadership within WBHO, and the success of both our school support and training programmes can be seen in the amazing improvement in our junior and middle management Employment Equity scores.

The concept of combining elements is used in all aspects of our programmes – for example, any



WBHO, Tete Site

building work being done for a CSI project is, wherever possible, outsourced to one of our ED companies. When our workers are undergoing training on a site, we ensure that our ED companies engaged on the same project receive training for their workers at the same time. An example of this was on the Newtown Project where our ED JV partner, Fikile Construction, participated in all the WBHO training. This transformation awareness was also embraced during our Management Development Programme, where participants had to select a CSI project as their team project for the programme.

## WHAT WE HAVE DONE

WBHO have proved that the architects of the BBBEE scorecard intended that all elements be used together to effect accelerated transformation. Our Enterprise Development Programme has benefited 40 companies over the past five years, and we have supported more than 97 CSI projects during this period. During all these

intervention projects we have learnt many valuable lessons which have enabled us to refine our implementation methods. We have formalised our policies into strict engagement criteria to ensure sustainable outcomes. Our mission in all areas of engagement, whether it is our own staff, the communities where we work, or the companies that we develop, is to foster long-term sustainable growth, to promote opportunity, job-creation and, ultimately, stable communities.

Thanks to you, the staff of WBHO, we have done this – we have achieved success. The following sections of this book will document just what we have done, and what we have achieved in the areas of Ownership, Management Control and Employment Equity, Preferential Procurement, Corporate Social Investment, Skills Development and Training and Enterprise Development.

I trust that reading this will make you as proud as I am.



## Akani Broad Based Share Incentive Scheme

As part of WBHO's commitment to transformation in South Africa, the company introduced the Akani Broad Based Share Incentive Scheme in October 2006, which allocates shares to its South African black employees with more than five years' service. These shares are then utilised to earn WBHO shares based on the company's share price performance and dividend earnings over a five-year period.

'Akani' is a Shangaan word meaning 'to build', and since its inception the scheme has proven its worth, helping to build an exceptionally beneficial relationship between employee and employer. Annually, the shares are handed out at award ceremonies across the country together

with longstanding service awards, giving management and recipients the opportunity to interact and celebrate together.

The WBHO shares provide employees an investment into the future with the annual dividend income generated from the shares. Furthermore, as the company grows the value of the shares increases and provides an investment for retirement. The Akani Trust plans to use all unallocated dividends for the benefit of its black employees and disadvantaged black communities around South Africa.

Some 405 000 WBHO shares have currently been issued to employees who were allocated Akani shares in 2006 and 2007.





Although employees are encouraged to retain the shares after they have vested for retirement purposes, this is not always the case. Ultimately, however, even after they have been cashed in, the shares play a pivotal role in positively benefiting the long-serving employees of the company.

On the first working day of October every year, the HR Department extracts a report identifying those permanent employees who are eligible for Akani shares; namely those who have a minimum of five years' service with WBHO and who are at least 25 years old and not older than 55 years of age. Once confirmed by all regional MDs, 1 500 Akani shares are allocated to each qualifying wage employee and 2 500 Akani shares are allocated to each qualifying salary employee.

The Company Secretary obtains the 15-day average WBHO share price for the period beginning from the first day when the share trades ex-dividend in October. The strike price is calculated to be the base price per share. The HR Department then prepares the allocation letters dated 1 November with the relevant details including the base share price per share.

Regional MDs then make the necessary arrangements to present the employees with their share letters, including notifying the relevant HR personnel of the date and what arrangements have been made for educating the recipients. Before any shares are issued, WBHO ensures that all recipients are educated through the screening of an educational DVD plus a question and answer session. Using the analogy of a 'mielie field' and investing in a farm, employees are trained about what a share is, when they will vest, how much they are worth, and the practical knowledge needed to understand and maintain their investment portfolio.

There are presently 2 300 participants in the scheme with an additional 650 employees entering the scheme in 2013. The end of October 2011 marked a historic event in WBHO's history, with the allocation of WBHO shares to 1 044 of our employees who were the first participants of the Akani initiative in 2006. As a once off, employees who were older than 55 years of age and did not qualify for shares received a gratuity payout.

# Management Control and Employment Equity

**T**hese two areas of the transformation scorecard work hand in hand to achieve a transformed management structure. It is this area of our scorecard that has proved to be the greatest challenge, but also provides us with a future platform for succession planning in the company.

In 2010 we submitted a three-year Employment Equity Plan of targets to the Department of Labour. Looking at these now we can see that at senior level we have missed some of our aspirations while at junior level our achievements have far exceeded our expectations.

Since our plan was submitted in 2010 our targets have been extensively reviewed, researched, debated and reported on at EXCO and divisional board level. The questions that we have asked ourselves include: "Were the targets too ambitious, buoyed by the 2010 World Cup boom, after which there was drop-off in new projects? Have we put enough effort into finding and developing future management? "How do we change our 'develop from within strategy' and accelerate the development of our future managers?" "Is there indeed a shortage of experienced senior black engineers in circulation?" It is these questions that formed part of our implementation strategy.



Some of our board members at the Kusile site

## OUR CURRENT STATUS

### IN TOP AND SENIOR BLACK MANAGEMENT

Although we have not achieved the targets that we hoped for in all areas, we are pleased to note that there has been a steady increase in black males and females from 2008 to 2013.

### IN MIDDLE AND JUNIOR BLACK MANAGEMENT

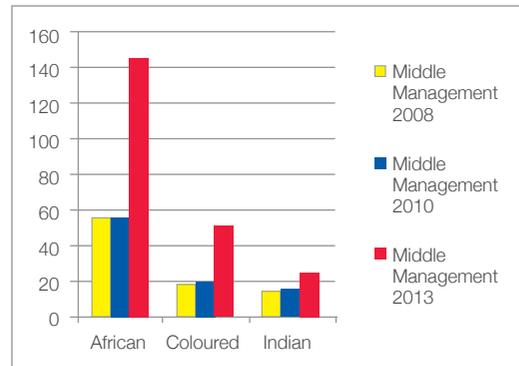
The graph on page 12 of middle management in both black males and females shows the accelerated pace of transformation at these levels.

## THE IMPLEMENTATION OF EMPLOYMENT EQUITY (EE)

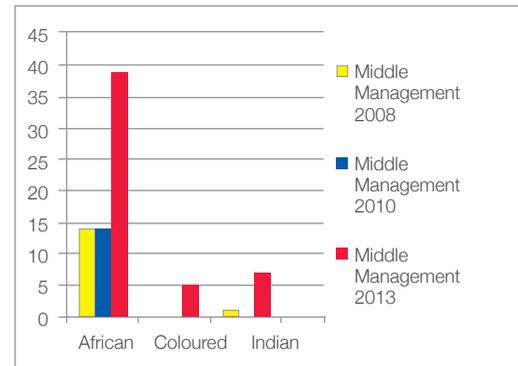
Since the 2010 EE plan was submitted to the Department of Labour, EE has been reviewed at every divisional major meeting and at EXCO board meetings. Every division has been challenged on a two-pronged approach; the first being focused on internal training and ensuring growth and promotion opportunities of our current staff. The second approach was on the number of suitable candidates interviewed by each department and division to ensure that we find suitable candidates.

We are confident that all our divisions are meeting this challenge and attempting to promote and recruit black candidates. A case in point is that between January and June 2013 a total of 257 management employees were interviewed, and 206 of these were black candidates. However the recent contraction in construction has meant that in divisions where the number of new projects has dropped, there is no need to recruit new employees as we have many talented individuals growing into the positions that are required for our growth.

### Middle Male Black Management



### Middle Female Black Management



\* Source: Refer appendix A on page 84 note 1

### OUR SUCCESS

Although we have not achieved all the targets set for the Department of Labour in all categories of senior and top management, we are very proud to have exceeded our forecast in junior and middle management. This has been achieved with a determined effort at site level to recognise the potential in individuals and to ensure that, through accelerated training and mentoring, they reach management level. This dramatic increase in black management at middle and junior management levels is a very positive indicator for a future balanced and representative management structure, ensuring succession planning for years to come.

It is great to note that a review of the top level 2 construction companies last year showed that our Employment Equity score was second highest behind only Edwin, our partly-owned subsidiary.

### THE REALITY – OUR CONCLUSIONS

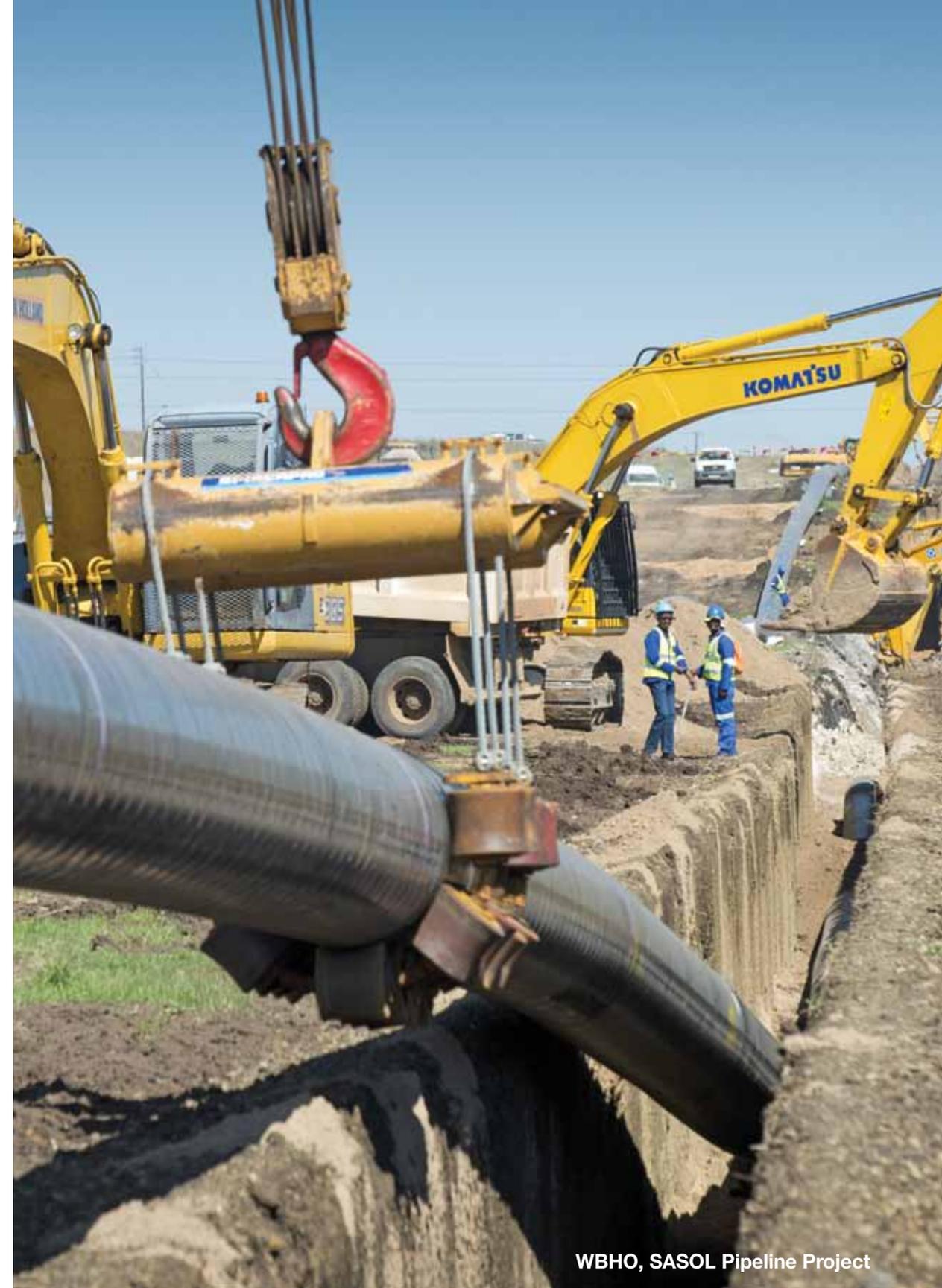
Our philosophy in WBHO is that people are our greatest asset. We would love to see a WBHO where the demographics of South Africa are mirrored at every level in our company, but recognise that our industry relies on the constraints of our national educational system. We are attempting to address this by funding education at school level and with tertiary bursary schemes, but this is only a stepping stone to the growth

of an experienced engineer, to ensure that we remain the construction company of choice. Our development programme recognises that there is no short cut or acceleration to top management. It is a cycle of education, on-site experience, management experience, personal growth and ultimately the wisdom based on experience that is needed at top management level.

Our top management have all had many years' experience within WBHO. During those years they have had to prove their worth to their superiors, to our clients, to their colleagues and to the teams of people that they lead. Our success is the fact that we support each other in teams built out of mutual respect, where every member of that team is valued. All our excellent top and senior black managers have followed this path to success and have earned their rightful place based on their ability and their worth.

We are very committed to the balance of gender within WBHO. Again the reality is that qualified women engineers are naturally attracted to consulting engineering careers that can accommodate city-based careers rather than construction that requires being deployed to remote areas.

Our focus in recent years has also been to see where in our business we can accommodate disabled people, and we have succeeded in vastly improving our statistics in this area.



WBHO, SASOL Pipeline Project



Bursary Students visiting WBHO Head Office

# WBHO Group Training

## TRAINING PHILOSOPHY

WBHO training policies dictate the 'terms of engagement' for all training within the Group, underpinned by the belief that training is the launch pad for the empowerment of our employees. It has always been our culture to invest in the development of our people, which is vital to the long-term sustainability of our business, and is possibly the most important tool in achieving the future leaders within WBHO.

Our development philosophy of promoting people within the Group can only be achieved with a robust commitment to training at all levels, and we believe that the substantial investment made in training over the past five years is the reason our employment equity targets in junior and middle management have been comfortably exceeded. Training is carried out in many core and non-core areas.

## TRAINING STATS AND SPEND

BLACK TRAINING SPEND				
SCORECARD AUDIT YEAR	SPEND BLACK EMPLOYEES	SPEND BLACK WOMEN EMPLOYEES	NO OF BLACK LEARNERS	NO OF BLACK WOMEN LEARNERS
2008	R 12 889 842	R 1 157 910	113	16
2009	R 15 979 152	R 2 208 761	143	27
2010	R 17 376 493	R 2 298 318	150	28
2011	R 22 477 212	R 2 057 420	139	24
2012	R 27 907 265	R 3 721 685	176	35
2013	R 23 166 125	R 2 571 374	162	42
	<b>R 119 796 089</b>	<b>R 14 015 468</b>	<b>883</b>	<b>172</b>

\* Source: Refer appendix A on page 84 note 2

## INTRODUCTION

WBHO has a wide-ranging and all-encompassing vision as far as its training policies are concerned. We actively encourage our employees to learn from dedicated and experienced in-house and external individuals, who impart their knowledge graciously and non-judgementally.

We believe that it is only through thorough and ongoing training that one can empower one's workforce. "It has always been part of WBHO's culture to invest in the development and growth of our employees, as this is critical to the long-term sustainability of the company," says Ilde Rorrison, Training and Development, WBHO, Cape Town.

WBHO aims to foster an informed, knowledgeable and dedicated workforce, and to create leaders, from chargehands at site level up to the engineers and quantity surveyors, from within the ranks of the Group.

Our philosophy of training and promoting those within the Group has paid off. Through informal and formal training efforts, our commitment to training at all levels over the past five years is the reason WBHO now boasts such improved numbers of black junior and middle managers, and improved gender representation at these levels. See table of training above.

The Group trains all levels of employees, including labourers, students, graduates and managers, in many technical skills (known as core areas) and soft skills and training in support functions such as Health & Safety, Quality and Environmental.

In this way, we never lose sight of the fact that the more qualified and experienced our workforce is, the more sustainable the Group is, and we can maintain our position as the "construction company of choice".

In addition to the training of WBHO employees, we ensure that the companies on our Enterprise Development programme are incorporated into training programmes wherever possible to ensure the accelerated development of their staff.

## WBHO PLANTS SEEDS

We have embarked on a number of programmes to develop South African school children's interest in maths and science, as well as inviting school children to construction sites to get a taste of the construction industry firsthand.

So far, the Group has hosted exhibitions and sent qualified staff to talk to children at schools in the northern regions of South Africa. A review of the CSI Projects under education, for example, the Umlambo Foundation, TRAC and Go For Gold, is testament to this.

# Training at WBHO

The Group aims to be the best construction company in southern Africa and to this end makes skills development and training an integral part of company policy.

## SAFETY TRAINING

Safety training is mandatory for both workmen and managers at WBHO. The training department, along with safety officers on site, ensures that all legislative and other safety courses, such as First Aid, are attended by employees. Safety induction and in-house safety toolbox talks take place on site.

## ON-SITE SAFETY TRAINING

During on-site safety training, labourers learn to work at heights, how to erect and take down scaffolding, how to inspect a scaffold, how to handle building materials safely, rigging and slinging, and how to handle power and hand tools. This training takes between one and three days to complete.

*We firmly believe that after working the 'WBHO way', we leave behind communities that are empowered with greater knowledge on a range of topics, such as HIV/Aids, the environment, safety and more.*

WBHO foremen discuss safety issues with the workforce, including the shutterhands and concretehands, on a daily basis. The SHEQ (Safety, Health, Environment and Quality) topics are also presented at the company's toolbox talks.

## TOOLBOX TALKS

The single most effective communication and training tool that WBHO utilises to great benefit within the Group is the custom of

"toolbox talks". This system started at the inception of the business when foremen would gather their team around them before the working day began, to brief them on what tasks lay ahead, what was expected of them,



Munya Nyama, Alternate Plant Director responsible for training at Chloorkop

to check that they had the correct tools, and to ensure they understood all safety and risk issues and so on.

This system has been more formalised over recent years where it has become a very useful platform for imparting all forms of knowledge, including Employment Equity, quality safety and training and environmental training and awareness.

This flow of knowledge greatly benefits all the communities in which we work, as our aim in these areas is to employ as many local people as possible. We firmly believe that after working the 'WBHO way', we leave behind communities that are empowered with greater knowledge on a range of topics, such as HIV/Aids, the environment, safety and more.





Bursary student, Tshepiso Mollo

**OTHER MANAGEMENT TRAINING**

Management is offered training in all relevant and specific fields to their expertise, and in order to comply with the requirements of Continual Professional Development (CPD) to maintain their professional registration.

Over the past four years it has been a mandatory requirement that all senior staff comply with the company's compulsory training and evaluation requirements that were introduced as part of our group Competition Law Training.

**SAFETY AT WBHO IS A PRIORITY**

- As at the end of July 2013, the safety stats at Phillipi Plant Yard in the Cape were: 453 885 hours or 412 days of man hours without disabling injury while the target is 1 200 000 hours or 1 000 days. The Phillipi Plant Yard's previous record stands at 1 136 028 or 929 days.



Bursary student, Ayanda Fani

**MANAGEMENT SAFETY TRAINING**

For management, on the other hand, safety training involves legal and contractual issues as well as health rules and regulations. Management safety training includes incident investigation, legal liability, construction regulations, safety, health, environmental and quality (SHEQ) regulations, a safety management course, hazard identification and risk assessment (HIRA). This training takes between one and three days.

Employees are sent to accredited training providers who present a variety of SHEQ training courses and receive a certificate of competence once a course has been completed. (Courses often include assessments in order to determine a learner's competence before returning to site.)

Management is also required to attend refresher courses every few years in order to stay on top of new safety legislation requirements.

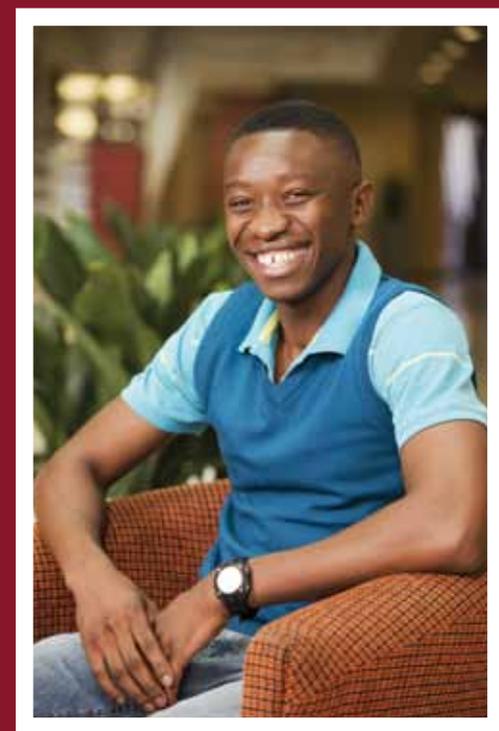
- At Chloorkop Plant Yard there have been 4 221 505 hours or 1 905 Lost Time Injury-Free Days. Chloorkop's next target is 4 500 000 hours or 2 000 days. The Plant Site Workshops are sitting at around 2 200 000 hours Lost Time Injury-Free, with their next target sitting at 3 000 000 Lost Time Injury-Free hours.

**BURSARY STUDENTS**

Since 2008 WBHO has sponsored almost 450 students to study Civil Engineering, Quantity Surveying, Construction Management and other related subjects. Over 190 of these students are studying toward their Science or Engineering degrees and more than 230 National Diplomas have been sponsored by the Group. We also hold annual Bursary Student training camps, during which students learn a range of soft skills including personal mastery, problem-solving and decision-making. Once our students graduate and start working at the company, they receive training in personal financial management skills, in company systems and procedures, and in our working culture and values.

*"WBHO always made sure that the interns were actively involved and hands-on. Everyone respected me even though I was only 18 when I first arrived."*

Over the years, WBHO has also provided experiential training to National Diploma students as well as vacation work to BSc and BEng students, in order to meet the requirements of their practical module as part of their qualification. These students use their skills on site, and while completing their practical module often act as fully functioning employees and are an asset to WBHO during this time.



Bursary student, Ketso Malapane

**Ketso Malapane (22)** is a young man who knows what he wants and how to get there. After school he enrolled for a National Diploma. "I was very curious about buildings and how they are constructed so I was at least moving in the right direction," says Malapane. After gaining three years of valuable practical experience at the Kusile Power Station, he is now studying a three-year Building Science: Quantity Surveying degree at Tshwane University of Technology.

"I was extremely lucky to get a job at Kusile as a site engineer, as it was there I learned that each company has its own specific norms and practices."

It was also where he learned about WBHO's work and training ethic. "WBHO always made sure that the interns were actively involved and hands-on. Everyone respected me even though I was only 18 when I first arrived. Occasionally I even had senior engineers asking me for advice!"



Bursary student, Batho Kosie

Malapane, who stays on the Soshanguve campus, wants to work in construction management when he qualifies, as he thrives on interacting with engineers, managers and workmen on site.

**Tshepiso Mollo** (21) is a motivated and determined young woman who received a bursary for the second year of her Engineering degree, starting in 2013.

"I love the experiential training we are offered during holidays as it consolidates what I learn in class. I started working this year in my June holidays at the Newtown Junction in Johannesburg. It was amazing, demanding and exhilarating."

Mollo says she was really inspired by her on-site experience and by the welcoming and non-judgemental attitude of the WBHO mentors who guided and taught her on site. "The foremen accommodated my youth and inexperience, answered my questions and eventually trusted me to do work on my

own. I also learned that you can't bring your emotions to work. There are deadlines and no room for errors on site. Being part of a team means you have to take responsibility for your work."

#### YOUNG ENGINEERS

The WBHO north division has developed its own, in-house Exposure Programme to train young, newly qualified engineers during the first three years of their career. "Training these youngsters is critical to the long-term success of WBHO," says Ilde Rorrison. "They are the future of the company and we train them in company policy and procedures, administration functions, quality control, environment issues and safety and tendering. They also spend time at our Plant and Services Yard."

The coastal regions send their young talent on selected in-house and public training courses on an ad hoc basis, as per a determined skills matrix, in order to develop the skills and competencies required by the company.

According to William Campbell (43) at Chloorkop, there is always a shortage of technically trained youngsters. "Training young engineers through this programme benefits WBHO and the industry as a whole. We need to be training competent professionals on an ongoing basis for the construction industry."

*"What makes it all worthwhile is working with such a helpful service crew and WBHO employees, who are great. They share their knowledge and then let me make the mistakes myself – the best way to learn anything," says Ororiseng Mokoka.*

**Ororiseng Mokoka** (25) from Rustenburg is a newly qualified engineer now on WBHO's staff, who is training to be a plant manager. A

bright and motivated young man, he started work at WBHO in July 2013, and is based at Frankfort in the Free State.

"Working at the plant is very tough. In order to build up my experience I have to do whatever is necessary, but this is the only way I will build credibility with those whom I work with."

He is very pleased that he is part of the five-year learning programme for young engineers. "What makes it all worthwhile is working with such a helpful service crew and WBHO employees, who are great. They share their knowledge and then let me make the mistakes myself – the best way to learn anything," he says.

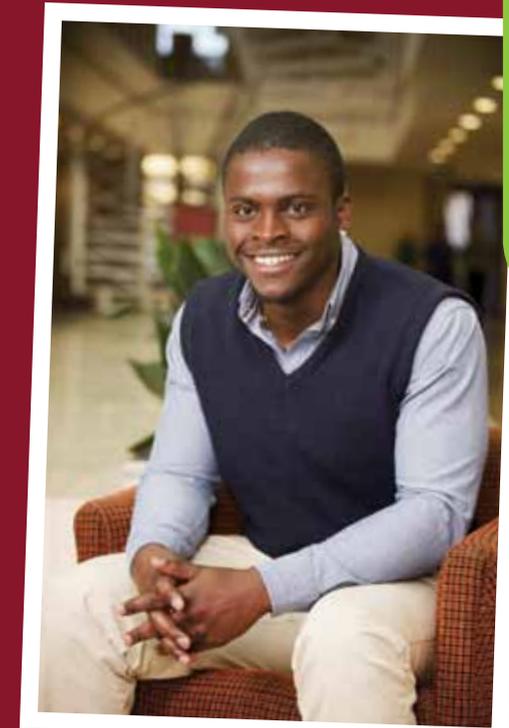


William Campbell, Training Manager, Plant Department Chloorkop

Mokoka says that the other thing he is learning quickly is to speak other languages. "I am picking up Afrikaans and Swati, among others, while I work – it's a matter of survival!"

#### FOREMEN LEARNERSHIP PROGRAMME

WBHO trains a large number of junior foremen every year, and there is currently a number of Supervision of Construction Processes learnerships running throughout the Group. Senior WBHO managers select individuals with the potential to become foremen. These



Bursary student, Samuel Muya

men and women undergo a LAB Assessment in order to determine that their Maths and English proficiency are at the level required to complete an NQF 2 or NQF 4 Learnership. Accordingly, a Maths bridging course may also be required.

The successful candidates are entered into a structured learnership programme, coordinated by WBHO, the learner and an accredited external provider. The learnership includes classroom-based learning as well as an on-the-job training component. The aim of the learnership is to create qualified individuals who will become the future foremen of WBHO.

**Desmond Seleka** (32) from Johannesburg qualified with an Engineering Diploma from Johannesburg Technical College in 1999 and received his degree in 2002. "I have done a variety of things in my life but my passion is engineering. I worked hard as an apprentice after qualifying. I trained as an artisan and junior foreman, and now hold a foreman position where I run a crew of mechanics."

Seleka started work at WBHO at Chlookop. "Practical experience is the key to success in this industry. The only way to learn skills and put the theory you learn into practice is through doing the work, and WBHO always gives young people the opportunity to prove they are able to master the skills needed, to themselves and to the team at WBHO."

He worked on the Gauteng Freeway Improvement Project as a field mechanic to prepare the roads for the World Cup in 2010, and in the same year trained as a junior foreman at Lindley in the Free State. Seleka wants to continue his climb up the WBHO ladder to eventually become a plant director. "I want to still study finance next to further my career."



Skills training at WBHO, Alice Lane Site

*Many of our current junior managers were informally "adopted" by a foreman who inspired and trained them to reach their potential.*

#### ON-SITE TRAINING

We offer many on-site training courses to ensure that our tradesmen continually improve their skill levels. External providers are sent to site (alternatively learners are sent to an external training facility), in order to acquire the necessary skills for their respective trades.

Additionally, management and qualified foremen constantly assess and train the workmen, chargehands and junior foremen on site. This training includes assessment by more qualified personnel. Many of our current junior managers were informally "adopted" by a foreman who inspired and trained them to reach their potential. Sadly, there aren't many records of these committed foremen, but their legacy has ensured that experienced and skilled WBHO teams move from one project to the next.

**Bonginkosi Hendrik Ndlovu** (29) from Uzizweni started out as a labourer and is now working towards his shutterhand Grade 2 certification. He has been with the company since 2004 and worked on the steps to the Peter Mokaba Stadium for the 2010 Soccer World Cup. "My trainers and foremen have taught me everything I know. I am now learning to use a theodolite and I have already built two rooms of my own house, which I started in 2002."

**Jim Nkosi** (49) is married and has four children. A true site veteran, Nkosi has 18 years' shuttering experience, is a shutterhand Grade 1 and is currently working towards becoming a chargehand. "I have worked in many, many different places, which was good for me. I started at a mine in Hendrina and am now based in Johannesburg. My foremen have always praised me and I understand all the words the men use on site."

The key to success on a site, explains Ian Weir, is communication. "Whether you find the word in English, Afrikaans, Zulu or Pedi, as long as you get your message across, things will go smoothly, and someone like Nkosi, after so many years on site, has mastered this art."



Desmond Seleka, Foremen Learnership Programme



Skills training at WBHO, Alice Lane Site

**Siyabonga Poswayo** (28) is married and has one child. Originally from the Eastern Cape, Poswayo started at WBHO in 2005 and worked as a labourer for two years, and has since worked all over the country. He has his shutterhand Grade 2 and is working towards his shutterhand Grade 1 qualification. "Grade 1 is difficult. Every day I have to learn something new, but I am determined to be a chargehand."

It's a long process to become a skilled shutterhand. The more the men see and do – watch an experienced shutterhand and then do the tasks on their own – the greater the variety of tasks they experience and the more easily they progress through the levels. "Our foremen choose only the most suitable candidates to go for training. They keep an eye on their progress and engagement in the work," says Ian Weir, who has over 40 years' experience in construction.

#### WORKSHOP (PLANT) TRAINING

In order to properly maintain WBHO's construction equipment, we have chosen to train our own staff in this regard. So far, WBHO Plant spends a large portion of their annual training budget on specialised training run by the Operator Training department. The Plant Awareness programme affects all involved at the Plant, from managing director all the way down to plant operator level.

#### APPRENTICESHIPS

Plant employees at all levels can take advantage of the Apprenticeships/ Learnerships offered by the company. Currently, Plant Chloorkop is running an Apprenticeship Programme for 18 employees. It takes 20 months to complete and consists of practical and theoretical modules. Candidates are first sourced internally from

service truck employees or mechanical assistants, before the company approaches Technical Schools and/or FET Colleges for them.

Plant Cape Town is also running a number of electrical, diesel and welding learnerships. Fitter and turner as well as boilermaker apprenticeships are also being offered.

*"My trainers and foremen have taught me everything I know. I am now learning to use a theodolite and I have already built two rooms of my own house, which I started in 2002."*

#### CONTINUOUS DEVELOPMENT PROGRAMME

All employees at Plant Chloorkop, starting at bolts man level right up to plant manager level, can take part in this initiative to improve their level of skill and expertise. This training bridges the gap between skills and knowledge for those who have trained at FET Colleges, Technikons or Universities.

#### MENTORSHIP DEVELOPMENT PROGRAMME (MDP)

In 2011, WBHO launched Khula Nathi, a pilot programme utilising the Mentoring 4 Success Structured Mentoring Programme to inspire and assist young managers to become effective and successful leaders.

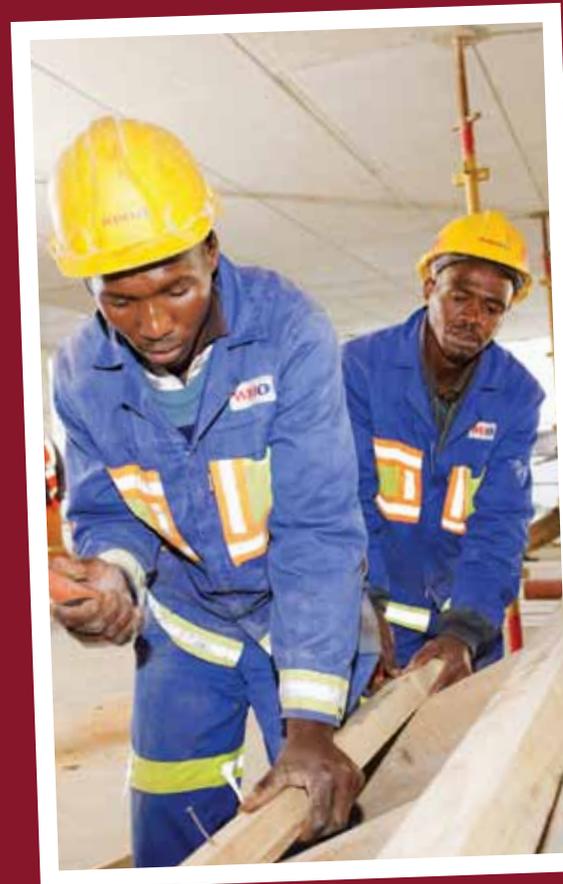
In terms of the company's overall empowerment philosophy, we have combined the CSI element with training to develop this awareness within our management team. This was introduced into our MDP in 2012.

We have also incorporated the Make a Difference (MAD) project, an initiative that encourages the growth and development of hard and soft skills in both mentors and mentees, by effectively carrying out a social development project. Each group of mentees, chosen from junior and middle managers

at the company, has to work as a team to complete their chosen projects.

This initiative has been extremely successful and is evident in the tremendously positive feedback received from both mentors and mentees.

According to Greg Williams, Regional Mentor of the Year for 2012/13, structured mentoring undeniably boosts the mentees' confidence and morale, which means the individuals within the team are more creative, more productive and more successful. And the healthy competition between teams helped raise the bar for everyone in the programme.



Skills Training at WBHO, Alice Lane Site



Skills training at WBHO, Alice Lane Site

Nasreen Motani, Regional Most Improved Mentee of the Year and Partnership of the Year in the same programme, says, “I often get lost in the details of a task, and my mentor helped me to see this and find ways not to get bogged down by detail. This guidance has assisted me with my studies too. I also learned valuable lessons about people. We are all different and need different things to succeed. This is something WBHO recognises in its employees which makes it so much easier to take risks and develop yourself.”

Growing employees in this way creates a culture of learning and coaching, which helps us retain and get the best from our employees.

All three MAD projects were directly related to the CSI awareness embedded in the transformation philosophy of WBHO:

- Amanzi Wethu – Gauteng Group 1’s aim was to ensure that all communities in which WBHO worked where municipal water would regularly be cut off, would have a permanent and accessible water source.
- Phoenix College Take a Flight – Gauteng Group 2 aimed to revamp school buildings to be of a standard passed by Council, and to create an alternative means of generating a steady income for the school using their computer room to train members of the community to become computer literate.
- Oasis is an NGO that runs a recycling centre, a bric-a-brac shop, bakery and tea garden. The Coastal Group’s aim was to help this non-profit organisation improve its areas of production and create a means of saving income for future repairs and maintenance that may need to be done.



Ororiseng Mokoka, Trainee Plant Manager



**Introduction and Policy**

# Enterprise Development

**BACKGROUND AND PRINCIPLES**

WBHO has always subscribed to the principle of small business development. Research indicates that 93% of emerging construction contractors (SMMEs) are unable to sustain a business past a three-year period, with business and management knowledge being the missing ingredient.

We have developed our Enterprise Development Programme with the following in mind:

- To develop and mentor developing contractors in the construction industry and assist them to become independent and sustainable
- To have a model that is sustainable and simple to manage
- To formalise the mentoring process
- To have an auditable paper trail on the development of each entity

In order to ensure improved sustainability and individual benefit, development of the entire entity – both the company and its employees – forms the core of our focus. As each entity develops, natural and sustainable job creation occurs. Key personnel within WBHO are identified to guide, coach and mentor those active in the same role within the beneficiary organisation. External training interventions by subject experts are sponsored when needs are identified, to ensure development and growth.

The aim of WBHO’s ED Programme is to develop the beneficiary to achieve independent operational capacity at its maximum potential level. The ED model is designed to ensure that the support which WBHO provides to the developing organisation is slowly withdrawn in an agreed and structured way, leaving a company that can stand on its own two feet and succeed in the future.

Continuity of work is crucial for the sustained growth of the beneficiary company, and it is therefore ideal if our relationship is a long-term one, ensuring that the developing contractor has a continuous workflow to facilitate growth with on-site guidance from WBHO. This provides the ideal opportunity for the ED beneficiary to gain exposure and experience in the construction industry. While WBHO has a moral obligation to assist with the success of the developing organisation, the cyclical nature of construction is such that emerging contractors cannot rely solely on WBHO for work continuity. Beneficiaries are therefore expected to utilise their new skills and seek building contracts throughout the industry at large.

**TARGET GROUP**

The selection of candidates is approved by the Enterprise Development manager under the control of the EXCO scorecard committee. Existing contractors with the potential for sustained development and growth are targeted, as well as emerging companies involved in supporting industries in construction. There are comprehensive selection criteria that have been developed

*“The aim of WBHO’s ED Programme is to develop the beneficiary to achieve independent operational capacity at its maximum potential level.”*

based on our last five years’ experience.

**COMPLIANCE**

For the WBHO Enterprise Development Programme to be recognised by the Construction Charter scoring methodology, the programme must include a minimum of three of the legislated components, and that is taken into account when selecting engagement programmes with the ED company.

**THE RESPONSIBILITY OF WBHO**

We have refined our programme over recent years to ensure a successful and sustainable intervention and we undertake to ensure that:

- All developing companies are carefully selected according to the agreed criteria
- For each developing company, there is an ED champion within WBHO who will



## Introduction and Policy - Enterprise Development (Continued)

carefully select mentors and protégés, and who has a sincere commitment to company development and a positive attitude towards the success of the programme

- Early identification and prompt corrective action if and when problems arise
- Detailed interviews with prospective ED companies to ensure a comprehensive understanding of all aspects of the programme, i.e. the roles and responsibilities of both WBHO and the developing organisation to confirm that there are no unrealistic expectations
- A relationship of trust is fostered and that sensitive information relating to the emerging company is kept confidential by their ED champion
- That WBHO is not financially committed in any way to the emerging contractor and that the agreements are drafted allowing either party to withdraw from the programme should the need arise.

### RESPONSIBILITIES OF THE DEVELOPING ORGANISATION

The success of the Enterprise Development Programme is a dual responsibility between WBHO and the developing organisation, with some of the basic responsibilities of the latter identified as follows:

- A positive and committed engagement throughout every aspect of the programme
- Total disclosure of all information at the outset of the programme including ownership, debt, assets, legal compliance, cash flow etc, with the understanding that sensitive information will be kept confidential

*“All our ED Champions are the ‘unsung heroes’ in WBHO – they take on this responsibility in addition to their own very onerous project responsibilities.”*

- Complete understanding of all aspects of the programme
- Attendance at all meetings and training interventions
- Prompt action on all matters that are identified for legal compliance, i.e. registrations etc
- Submitting all required information to WBHO within agreed time frames
- Keep confidential all WBHO’s internal information

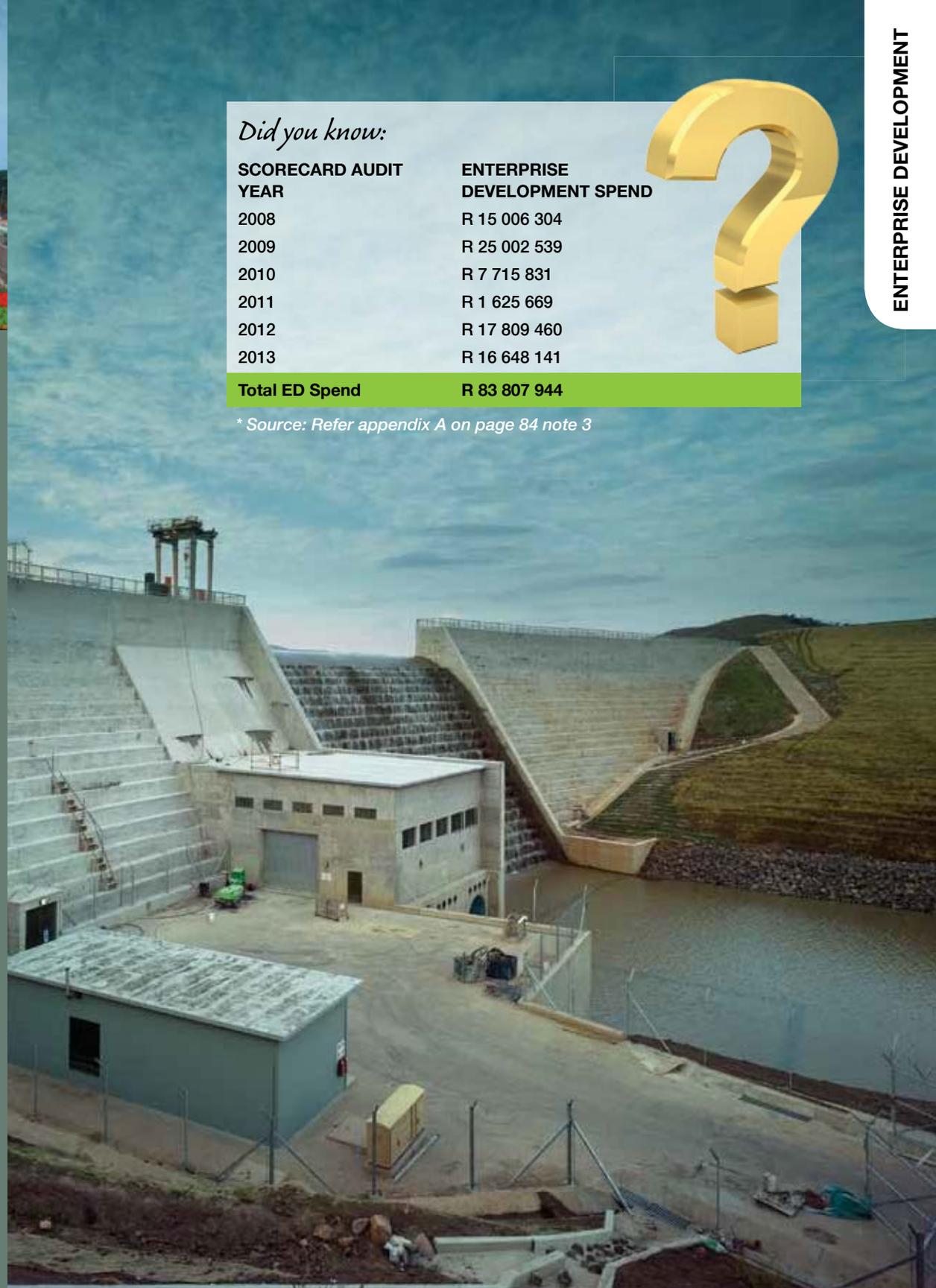
### IMPLEMENTATION PROCEDURES

WBHO have developed a very sophisticated ED implementation system that defines candidate selection, the initial needs analysis of the business, resource allocation listing, milestone completion reports and engagement criteria details such as mandatory monthly meetings. These actions are necessary to accurately track and measure the growth and performance of each ED company.

*Did you know:*

SCORECARD AUDIT YEAR	ENTERPRISE DEVELOPMENT SPEND
2008	R 15 006 304
2009	R 25 002 539
2010	R 7 715 831
2011	R 1 625 669
2012	R 17 809 460
2013	R 16 648 141
<b>Total ED Spend</b>	<b>R 83 807 944</b>

\* Source: Refer appendix A on page 84 note 3





## Listing of ED Companies 2008 to 2014

ED Company	Division	Champion	Financial Year	Grading	Capacity
Thekwane	R&E RSA	Kobus Robertse	2014	EME	Sub
M RTP	R&E RSA	Kobus Robertse	2014	QSE	JV
Airfield Maintenance	R&E RSA	Conrad Meyer	2014	EME	Sub
SaRili	R&E RSA	Bill Bodington	2013	QSE » Large	Sub
Lakeshore	KZN Building	Balan Naicker	2013	QSE	JV
Bankuna	Civils	Ian Weir	2013	QSE » Large	
Vaal Readymix	R&E RSA	Eugene Gibhard	2013	QSE » Large	Supply
Fikile	Civils	Ian Weir	2013	Large	JV
Bustque	Services	Andrew Breckenridge	2013	EME	Supply
Thermaire	Building North	Lance Cohen	2013	Large	Supply
Pro Khaya	Port Elizabeth	Arnie Van Jaarsveldt	2012	QSE » Large	JV
Munasi	R&E RSA	Conrad Meyer	2012	EME	Sub
MMK	Roadspan	Marreleen Coetsee	2012	EME	Supply
Ratehang	Plant	Simon Woodward	2012	EME	Sub
Peter Harley Construction	Cape	Nick McKinnley	2012	EME	Sub
Mlilo	Plant	Simon Woodward	2012	EME	Sub
R Legae	Civils	Berto Smit	2012	EME	Sub
Hire to Haul	KZN R&E	Wantz Klopper	2011	QSE	Supply
APK	KZN R&E	Wantz Klopper	2011	EME » QSE	Sub
Shikani	KZN R&E	Wantz Klopper	2011	EME	Sub
Sinako	Plant	Simon Woodward	2011	EME	Supply
Tsepudi	Plant	Simon Woodward	2011	EME	Supply
GCB	Plant	Simon Woodward	2011	EME	Supply

ED Company	Division	Champion	Financial Year	Grading	Capacity
Max T	KZN Building	Balan Naicker	2011	EME	Sub
Simunye	Eastern Cape	Denis Bean	2011	EME	Sub
Rainbow	Building North	Louwtjie Nel	2011	Large	
Sifiso	KZN Building	Balan Naicker	2011	EME	Sub
Bay Point	KZN R&E	Basil Schmidt	2011	EME	Sub
Cyprum	KZN R&E	Basil Schmidt	2011	EME	Sub
Ijumbantonto	KZN R&E	Basil Schmidt	2011	EME	Sub
Isikhwele	KZN R&E	Basil Schmidt	2011	EME	Sub
Jonprop	KZN R&E	Basil Schmidt	2011	EME	Sub
Lerisani	KZN R&E	Basil Schmidt	2011	EME	Sub
Sfundo	KZN R&E	Basil Schmidt	2011	EME	Sub
Zenzeleni	KZN R&E	Basil Schmidt	2011	EME	Sub
Sivonile	KZN R&E	Basil Schmidt	2011	EME	Sub
Muntu Jikelele Civil and Maintenance	R&E	Sanjeev Ishwarlall	2008 to 2010	EME	Sub
Hire to Haul	R&E	Frank Stalhut	2008 to 2010	EME	Sub
CBNT Construction	R&E	Frank Stalhut	2008 to 2011	EME	Sub
L & N Phakathi	R&E	Sanjeev Ishwarlall	2008 to 2010	EME	Sub

Total of 40 companies in five years have been part of our programme

### Observations:

- Note above where companies have increased in size during our intervention i.e. from Qualifying Small Enterprise (QSE) to a large company or an Emerging Micro Enterprise to QSE
- Most of the 2008 to 2011 companies were placed on programmes as part of the client project requirement, and in some cases WBHO had to purchase all materials and hire a certain criteria of subbies to be mentored and developed for the duration of the contract.
  - A lot of these initiatives proved unsustainable after these projects ended. After the 2010 World Cup boom many EME companies folded due to delayed payment by municipalities or SOEs.

# Programme Overview

After nearly 40 years in business, WBHO has developed specific departments with a wealth of intellectual property that is passed on to our ED companies via the mentors assigned to them by their ED champions during the course of their development. Apart from the core competency of contracting, these include quality, safety, environmental, insurance, tendering, accounting, HR and our preferential procurement systems.

Over and above this, we also partner with various organisations to ensure that our beneficiaries receive the specific training and skills development they require in order to succeed.





Mpho Mogodi



Khuthaza Training

## Khuthaza Development Solutions

**K**huthaza offers professional development programmes targeted at women who are setting up or running construction companies. The company has a holistic approach that includes SETA/ CETA accredited training, practical hands-on exposure to the industry and a personal development programme that is creative, interesting, dynamic, challenging and rewarding.

the construction industry since 2007, while simultaneously investing in her education and improving her managerial and technical skills. Mpho registered for Khuthaza's advanced Re A Abelana (RAA) certificate through WBHO's Enterprise Development Programme, and despite a number of personal family challenges, very soon established herself as one of the leaders in the group. Hungry for knowledge, new skills and other opportunities to develop herself, she applied for the Goldman Sachs 10 000 Women Programme at GIBS to which she was selected, and although no longer part of WBHO's ED programme, continues to be someone to watch out for.

*"Each of its eight-month certificate programmes is made up of a combination of personal and professional development, technical skills, business skills and industry experience."*

Each of its eight-month certificate programmes is made up of a combination of personal and professional development, technical skills, business skills and industry experience.

An example of the success of one of our ED candidates on the Khuthaza programme is Mpho Mogodi of Ratehang Projects. A true go-getter, Mpho has been active in



WBHO sponsors TLB for Khuthaza Training



ED Graduation 2012



Mampho Selokoma from Bustque

## ED Alliances

**I**n 2012, ED Alliances rolled out a tailor-made transformation programme for WBHO's ED beneficiaries to better support the growth and sustainability of their enterprises. Over a period of six months, each beneficiary was taken through a structured programme that offered development opportunities in both the personal and business areas of their lives, focusing on conscious entrepreneurship training, performance coaching, construction industry mentorship and operational management mentorship.

The programme is structured differently to any other in that it not only looks at ensuring the entrepreneurs have an understanding of basic critical business processes and skills, but more importantly is purposefully empowered on a personal level so that these entrepreneurs can consistently be the best they can be for their businesses.

Despite attendance, administrative and other challenges, as a direct result of this initiative WBHO saved several million rands in on-site losses, ensured the sustainability of two businesses, helped one start-up stand on its own two feet and supported another in becoming an industry leader in its area.

*"Over a period of six months, each beneficiary was taken through a structured programme that offered development opportunities in both the personal and business areas of their lives."*



Herman Munasi presenting at 2012 ED Graduation



ED Champion for SaRili,  
Bill Bodington



SaRili Construction

## Success Story – SaRili

Established in 2007, SaRili is a 100% black-owned earthmoving, construction and project management company. Its managing director, Gcobani Nyabaza, has vast experience in the earthmoving and construction industry, and also holds an honours degree in Business Administration.

SaRili has an asset base in excess of R8-million and is continually looking to expand when sustainable opportunities arise. The company is very dynamic and flexible with regard to its operations. SaRili employs 13 permanent people and has the ability to upscale its operations within a few days should there be a necessity to do so.

SaRili has been enrolled on the WBHO Enterprise Development Programme since 2008. Simon Woodward was their ED Champion until Bill Bodington took over the role in 2012. Bill is currently advising Gcobani on contractual issues while Simon Woodward assists with financial mentoring. Peter Gray has provided valuable on-site advice and has been key to the management and training of plant operators.

WBHO is currently mentoring SaRili on technical skills pertaining to their largest project to date – a load and haul operation

for Anglo American and Amplats in Potchefstroom, where 421 000 tons of earth needs to be moved every month.

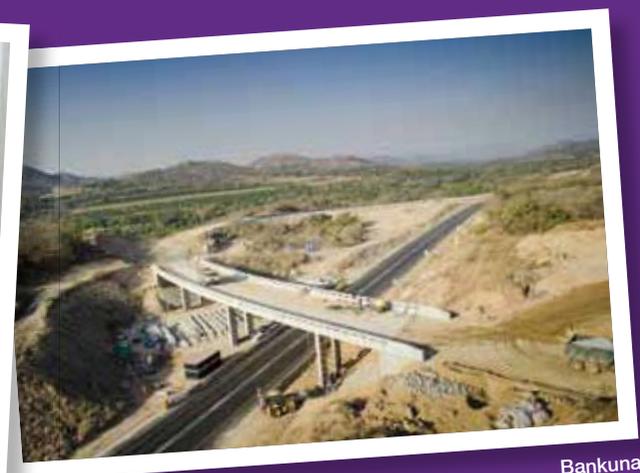
“As our business has grown over the years we have had to bring in and hire the skills needed to fulfil the demand,” says Gcobani. “This project alone has transformed SaRili from a R6-million annual turnover business to one achieving a turnover of the same each month. While this is hugely positive it has brought many challenges, most notably the need to hire more staff and ensure they have the right skills for the job.”

In this regard, WBHO have deployed site managers and supervisors to work with SaRili employees in a skills transfer intervention, focusing on planning, tendering and programming skills. We have also been instrumental in structuring and revising the contract that SaRili has with their plant supplier, which is supplying the extra plant and equipment needed for the project.

“On a daily basis our employees are benefiting from the knowledge and experience that the WBHO site managers bring to the table,” concludes Gcobani. “The company has stepped in whenever necessary to mediate in our partnership with Barloworld, and has also waived a R5-million surety to ensure that our cash flow remains positive. Together, these initiatives will help to ensure the successful delivery of this project, as well as other projects in the future.”



Paul Zikhali from Bankuna



Bankuna

## Success Story – Bankuna

Paul Zikhali is the director of Bankuna Engineering and Construction, a diversified construction company with services spanning civil works, building construction and domestic installations.

“The company was established in 2003 and has since been growing at a rapid pace,” says Paul. “It has been a challenge keeping up our skills base with our growth, and although fairly competent, our engineers are young and inexperienced. I approached WBHO’s ED Programme in 2011 when it became evident that Bankuna’s employees were in need of mentorship.”

Paul attended WBHO’s business management course which he says was instrumental in making him take a step back and assess how to survive the growth spurt of the past few years and manage its cash flow.

“Over a period of eight months we focused on the basics of business management at an executive level, and the key operational pillars that make up a successful organisation. WBHO also provided the skills that we needed to tap into – we immediately felt the benefits of an experienced support team when we joined the ED Programme.”

According to Paul, if Bankuna “hits a brick wall”, the company is still able to phone their ED Champion, Ian Weir, who will come out to site, take a look and make recommendations. Ian Weir has also helped Bankuna with its legal and contractual issues with other customers, and structured its billing to the company’s advantage.

Bankuna’s turnover has increased and they can no longer be measured as a QSE. The company will now have to comply with all areas of the scorecard in order to maintain their current BEE Level, and WBHO will be assisting Bankuna to implement systems for its own Enterprise Development Programme, Corporate Social Investment, Skills Development and Preferential Procurement. Bankuna is also currently partnering with WBHO on a R70-million Rand Water project in Soweto.

“With WBHO’s help and assistance we have a far more focused approach to acquiring new business, as well as realising the importance of going back to older clients. Our shotgun approach has been replaced by a far more strategic and measured one, ensuring that we deliver on all our projects timeously and to the best of our ability.”

## Success Story – Bustque



Mampho Selokoma, the CEO of Bustque



ED Champion for Bustque - Andrew Breckenridge

**D**riven, passionate and infectious, Mampho Selokoma, the CEO of Bustque, is perhaps the epitome of what an ideal entrepreneur should be. One of those people who instantly lights up the room, Mampho's dedication and hard work have resulted in her business going from strength to strength.

Bustque started in 2005, and is a distributor and supplier of safety and corporate clothing, with its own specialised range of women's overalls and conti-suits. Mampho and Bustque became a WBHO ED beneficiary in 2011 after she quite literally beat the door down to the ED department, demanding an interview. Her passion was infectious, and Mampho became the first beneficiary of the programme who was not a contractor, but rather the owner of a supporting supplier business related to the construction industry.

As a 100% black woman-owned business, Bustque now has 10 permanent employees, and supplies WBHO and other construction companies with safety boots and PPE for various sites. Its small factory in Selby, Johannesburg is kept busy with a constant flow of orders, and Mampho has recently invested in a number of new sewing machines, sponsored by the Department of Trade and Industry (DTI), to keep up with the demand.

Mampho attended WBHO's business management course where she was one of the

few participants to attend all of the classes – a dedicated two days' training per month over an eight-month period. Besides business administration, financial management and marketing, the course focused on a model of consciousness that Mampho found particularly enlightening. "We started with an in-depth look at ourselves – what our strengths and weaknesses are, the good and the bad, how to cultivate both positive and negative energy – and to use this in business."

It should be noted that a few weeks into the course it emerged that every other contractor on the same WBHO programme was sourcing their overalls from Mampho only!

According to Mampho, WBHO has been instrumental in equipping her with the right tools and skills to grow her business. Mampho has formed a lasting relationship with her primary mentor and ED Champion, Andrew Breckenridge, who has mobilised a team of mentors to address the identified needs. "I have monthly meetings with WBHO where I can use them as a sounding board for any challenges or problems that may arise, as well as having access to any mentor I may need in terms of skills development."

Mampho attended the Zambian Copperbelt exhibition at the beginning of June 2012 and had the opportunity to exhibit her products to their local government. Her daughter, who is involved

*"WBHO have done credit references for me to enable me to raise finance, and have also accompanied me to other organisations to source new work. The company always pays in seven days, which is unheard of in the industry, but is a massive help in maintaining my positive cash flow. Without a doubt WBHO is serious about change – their ED Programme is not just lip service; they really are dedicated in effecting positive change."*

in the business, will be doing an MBA at Stanford next year. "There are no shortcuts to success," adds Mampho. "You need to work hard, be actively involved and constantly push yourself to fulfil your dreams."



WBHO installed a roller door at the Bustque factory



Vaal Readymix concrete on site



Eugene Gibhard, ED Champion for Vaal Readymix



Vaal Readymix trucks on site

## Success Story – Vaal Readymix

In 1989, Simon Marite was earning R247 a month, and sleeping in a bakkie outside the construction factory where he worked. Today, he is the director of Vaal Readymix, a ready-mix concrete supplier that turns over an average of R20-million a year.

While Simon has no formal education, he has always been involved in the concrete industry. In 2006, after some encouragement from a former employer, he decided to take the plunge and opened his own business.

“While my knowledge of the concrete world is sound, I quickly realised it was imperative to get the fundamentals right,” says Simon. “My relationship with WBHO began on site in 2011 when Vaal Readymix worked on its South Deep project. It was a relationship that opened doors and led me to approaching its Enterprise Development arm for assistance.”

Eugene Gibhard is the ED Champion and has advised Simon on strategic planning, specifically of the viability of establishing a permanent batch plant in Secunda. With

Eugene’s intervention, the WBHO Plant & Services Department assisted with effecting a batch plant which is compliant with mining standards.

Through WBHO, Simon underwent a six-month business management course in order to build on his limited marketing, business administration and financial management knowledge. One week per month was dedicated to the course, over and above the everyday responsibilities of running a business, which required ongoing commitment and dedication.

“The training and mentorship I received from WBHO has been instrumental in helping me sustain and grow my business,” explains Simon. “Over and above this, WBHO have an open door policy which means I can approach them with any challenges I may be experiencing. I started Vaal Readymix with my savings, and the fact that they pay within seven days has meant that my cash flow has never been a problem. While we may be a small business, we are always trying to

*“The training and mentorship I received from WBHO has been instrumental in helping me sustain and grow my business.”*



improve our quality and level of service, and the support we receive from WBHO helps to drive this.”

Simon is currently in negotiations with us on rates for the Orange Farm Shopping Mall tender which, once finalised, will enable him to establish a batch plant near the site. His current batch plant in Secunda

continues to function well, and by the end of 2014 Simon is hoping to have five plants in operation.

“We still face the challenge of sourcing aggregate in the Secunda area, and are currently awaiting feedback on our application to lease a quarry from the municipality. Apart from these issues our business is thriving, and besides WBHO, continue to do work for other construction companies.”



The following companies also make up WBHO's Current Enterprise Development Programme:



ED Champion for Munasi – Conradt Meyer and team

**Munasi – WBHO Roads and Earthworks**

Munasi Civil Contractors specialise in small civil works, road marking and maintenance. WBHO have worked with Munasi over the last five years on various projects. Through ED Champion, Conradt Meyer's intervention, technical and management skills have been transferred. Conradt has provided mentoring on critical planning, tendering and programming skills, the effects of which can be measured by Munasi's increased success rate on tenders. Simon Woodward has been a key mentor of Munasi since the commencement of the ED relationship in 2008. His experience in financial management has been vital.



ED Champion for MMK 2009-2011 – Simon Woodward

**MMK Plant – Roadspan Division**

MMK Plant is a small plant hire company. MMK have been developed under the Roadspan division since 2010. Simon Woodward was their ED Champion, when the programme commenced under WBHO in 2008 with his primary intervention being financial management. Marreleen Coetsee, the current ED Champion has mentored MMK on various daily business activities and business administrative systems. WBHO Plant Department are also involved with mentoring on the servicing and maintenance of MMK's plant.



Lakeshore project - Empangeni Hospital, KZN



Balan Naicker, ED Champion for Lakeshore Trading

**Lakeshore Trading – WBHO Building KZN**

Lakeshore Trading is a 100% black women-owned company which specialises in building construction. Lakeshore joined the WBHO EDP in 2011. Balan Naicker is the ED Champion and has put together an effective team of mentors for Lakeshore. WBHO currently shares a joint venture partnership with Lakeshore at the Empangeni Hospital Project. This relationship provides the necessary development for all Lakeshore employees, who are paired with a WBHO mentor in areas such as quantity surveying, programming, project administration and technical skills.



Arnie Van Jaarsveldt, ED Champion for Pro Khaya Construction

**Pro Khaya Construction – WBHO Building PE**

Pro Khaya Construction is a building and civil contractor, and WBHO's JV partner on a project in Port Elizabeth. Pro Khaya have shared a long-term relationship with WBHO in Port Elizabeth. Arnie Van Jaarsveldt is their ED Champion. Nico De Klerk has been involved with mentoring Pro Khaya on legally compliant disciplinary procedures and has spent time in their disciplinary hearings. Arnie has provided advice and input on tenders



Fikile project – Newtown Junction



### M RTP – WBHO R&E

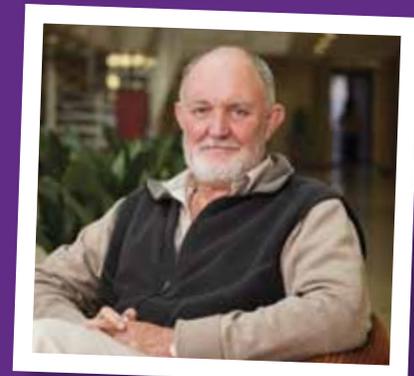
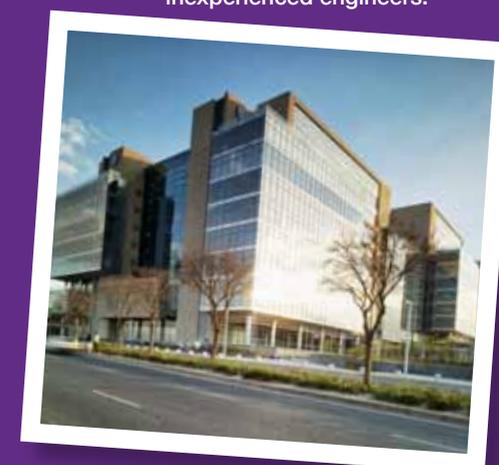
M RTP Engineering was founded in 2011 by young black professionals in response to the needs of both public and private sector companies for local access to engineering spares and equipment of the right quality and standard. The company is primarily focused on the railway sector where there is limited participation of local companies within the scope of supplying critical spare parts. As such, M RTP provides high quality rail solutions for South Africa, as well as project management support where engineering and logistics play key roles in delivery of the project and turnkey solutions. While the company has the passion and commitment to succeed, Ian Weir, their ED Champion, has identified various skills development issues that need to be addressed, specifically the need for a structured mentorship programme for M RTP’s young and inexperienced engineers.



Simon Woodward, ED Champion of Ratehang

### Ratehang – WBHO Plant

Ratehang is a black woman-owned plant hire and earthmoving company. Since 2008, Simon Woodward has been the ED Champion for Ratehang and has assisted with various areas of development such as plant rates, accounting skills, financial statements, managing of operators and plant services and maintenance. Our five-year relationship with them has been a successful one, but has now seen the end of its term, with Ratehang joining WBHO’s subsidiary Edwin’s Enterprise Development Programme.



Ian Weir, ED Champion of Fikile

### Fikile – WBHO Civils

Fikile Construction is an 80% black women-owned building and civil construction company, currently sharing a JV partnership with WBHO on the Newtown Project. Although Fikile is a large building company, they needed assistance to grow their civil division.

Their ED Champion is Ian Weir, who has established a team of mentors on the Newtown contract to assist Fikile in the development of skills within their civil division. WBHO and Fikile Qs are working together and Fikile’s junior site agent is under the mentorship of Quinton Oliphant.

Their labour have attended skills training organised by WBHO in order for them to achieve a CETA-Accredited skills grading.



Lance Cohen, ED Champion of Thermaire

### Thermaire Investments – WBHO Building

Thermaire Investments trades as Improvair Environmental Solutions and is a private company providing a comprehensive range of services in the HVAC (Heating, Ventilation, Air-Conditioning, Cooling) contracting industry within South Africa and sub-Saharan Africa. Thermaire joined the WBHO Enterprise Development Programme in April 2013 with Lance Cohen as their ED Champion. Areas of development have been identified and the Enterprise Development Programme has been implemented.

## INSIGHTS... REALITIES, POSITIVES, NEGATIVES

**E**nterprise Development is mandatory in assisting small black-owned businesses to develop into industry players. We as WBHO recognise that this is our responsibility for both the economic wellbeing of our country, and the much-needed growth in our industry. Our industry cannot survive with just the big players.

We have sadly noted that the survival of EMEs depends totally on cash flow and many folded after the World Cup boom. Some state

owned enterprises (SOEs) prescribed in their construction contracts that companies be developed during the course of their project with no consideration of their long-term sustainability. Most of even our larger QSE have suffered due to liquidation of their main contractors this past year and we have had to assist in financing these debts to keep them going.

On the positive side, this ED aspect of transformation is very much a win-win scenario. For us it is one of our secret weapons – to

## AND LESSONS LEARNT

have a relationship with a diverse range of companies that work as we do, are comfortable with our systems and standards, and that we can count on to do aspects of projects that dovetail with our work. In the beginning of their programme they sub-contract work from us and end up as partners with us in a joint venture. This relationship ensures that we can put our valuable reputation on the line to our clients.

All our ED Champions are the “unsung heroes” in WBHO – they take on this responsibility

in addition to their own very onerous project responsibilities. Behind every success story there is a WBHO Champion who has invested enormous time and energy with absolutely no financial compensation... just a genuine desire to see them succeed. We have also realised that although our young-dynamic engineers are more than willing to give of their time, ED is the perfect platform to engage with our older retired engineers who have a wealth of knowledge and wisdom to impart.





## Introduction and Policy

# Corporate Social Investment (CSI)

### BACKGROUND AND PRINCIPLES

WBHO embraced the concept of social responsibility well before the introduction of legislated spend – we have always viewed this assistance as a moral responsibility rather than a contractual obligation. Construction companies are ideally placed to provide assistance and upliftment to communities, in particular in the remote rural areas where they operate. It is this principal of the private sector providing assistance in their primary area of expertise that WBHO subscribes to.

The WBHO CSI programme focuses assistance in key areas, both nationally and abroad, where interventions are sustainable and measurable.

### OBJECTIVES

We implement Corporate Social Investment programmes that benefit our community and our Group in a measurable, tangible and transparent manner.

WBHO's CSI programme is an extension of all the interventions already in place in the areas of skills development and training, HIV/Aids awareness and employment equity. While the main beneficiaries of these programmes are our staff, it is intended that these be incorporated into our CSI programme where possible, so that the benefits of these can be passed on to and sustained by the communities where we operate.

We also believe that Corporate Social Investment in education is a platform for investing in employment equity in the Group. Maths and science interventions at school level provide a pool of bursary candidates who could form the core of future leadership with the group and for the engineering and construction industries in general.

### KEY FOCUS AREAS

In order to provide clear selection criteria for prospective projects, it is important to establish key focus areas, namely:

- Projects must have the potential to be sustainable after measured interventions to avoid donor-dependency. The intention of all financial assistance is to ensure that the tools for sustainability and self-actualisation are incorporated into the programme.
- Projects that will provide on-going employment.
- The principal of “less is more” – although the temptation exists to assist with as many needs as possible, the greatest success has been with a few well-managed interventions rather than a multitude of projects and random donations.
- To provide relief, assistance and opportunity to currently disadvantaged people, and for each intervention to benefit as many underprivileged people as possible.
- Infrastructure projects – this could incorporate the repair and improvement of buildings such as schools, clinics and crèches or the provision of services. As a construction company WBHO incorporates mentoring and training to enable organisations to properly maintain any infrastructure project after renovation or after repairs have been completed. This ensures the ongoing sustainability of the project which will benefit the community as a whole, and provide skills development and possible future employment. Employees are encouraged to identify opportunities for infrastructure interventions on existing projects.
- Environmental projects – interventions are incorporated into existing projects by community liaison and training and by developing awareness of issues such as erosion control.
- Education – this has been identified as a key focus area. In order to provide sustainability, particular attention is given to assistance in the area of maths and science in schools so that pupils can be identified for tertiary education assistance and employment with WBHO or within the engineering and construction industry.
- Clustering – experience has shown that projects are more likely to gain momentum and ongoing success if they can interface with other projects.

*“The WBHO CSI programme focuses assistance in key areas, both nationally and abroad, where interventions are sustainable and measurable.”*

### IMPLEMENTATION METHODOLOGY

Prior to each financial year, the WBHO EXCO debates and finalises the CSI budget. This is based on the total spend allocated throughout RSA, taking the legislated requirement of 1%



Dr AMS Makunyane School Library opening

NPAT into account. Spend on CSI is therefore dependent on the budget and although ongoing projects are given priority on funding, their budgets are always critically reviewed and adjusted when necessary. Consideration is then given to the requests received during the previous financial year.

After a project has been selected for assistance, the following broad guidelines are used for implementation:

- Identify a project leader, either within WBHO or a specific person who is employed to take overall responsibility for the project.
- Identify an individual from a host organisation (the host manager), who will be responsible for interacting with WBHO for the duration of the intervention.
- Together with the host manager, clearly identify key objectives of the interventions. These must include the implementation of steps for sustainability such as training and mentoring. Once the objectives are agreed to a programme is designed and implemented so that all objectives are measurable in terms of time and budget, with clear start and end dates.
- A formal agreement must be signed by both

parties that incorporate all the items above so that there are no misunderstandings or unrealised expectations from the beneficiary.

- A schedule of meeting dates must be agreed upon, together with monthly reports detailing progress of the project in terms of execution and budget.
- Enlist the support of all community leaders and community liaison officers to develop buy-in and support for the project from the local community. Ongoing sustainability can be gained with input from our clients and all NGOs involved in similar projects. This must be actively pursued by our internal project leader during the course of the project.
- Financial control must be kept by WBHO who are accountable to shareholders for the expenditure committed to these initiatives. The project leader must involve the host manager during the course of the project so that this person has the necessary training and experience to continue after completion.
- All projects will be reported on at board level. Close out reports in all areas will be done so that the experience gained in the course of each intervention is not lost to the company.



KZN Library initiative



WBHO Roads and Earthworks community work



Isibonelo Creche

# CSI Project listing

## EDUCATION

**TOTAL: R13 628 819**

- IT and Laboratory rehabilitation
- Library building – Grassy Park, Cape Town
- Competition for maths, science & accounting
- Penryn Trust educating teachers
- Training Programmes FET
- Alexandra Education Committee
- Go for Gold – engineering programme
- Thembeka High School – Project management of classroom erection
- Education – underprivileged Phola Site – Ogies
- Business Trust initiative for education
- National Business Initiative CIP Construction
- Talhado Children's Haven & Pre-Primary School
- JSE/Liberty Investment Challenge Adopt A School Programme
- Walecedene Primary School – school library
- Cape Town Opera House – Jan Kaminski Bursary
- Mobile science labs – TRAC
- Umlambo Foundation Headmaster Development – Alex five schools
- Act of Grace – Orphanage in Maitland
- KwaHluzingqondo High School (media centre and computer lab)
- Science Educator – Lukasa Cimanga
- Mbokazi General Trading – Science lab
- Waterloo Junior & Secondary School (Computer lab, media centre, science, sports field and general maintenance)
- Isibanisizwe High School
- Dalmeny Primary School
- Sinamuva Primary School
- Mfundwenhle Primary School
- Nkosibomvu Secondary School
- Emona Primary School
- Mbonisweni Primary School
- Youth in Construction
- Mason Lincoln Special School
- Edendale Technical High School
- Mtubatuba – Department of Education Science Lab
- Teaching Training Intervention & supplies
- TREE (ECD)
- AMS Makunyane School Library
- Little Flower School
- Isolesizwe High School

## HIV / AIDS

**TOTAL: R6 091 040**

- Careworks Aids management programme
- Topologo Aids Hospice – HIV/Aids Centre
- Umuzi Wethemba (HIV/AIDS & home-based care)
- 2008 Abstinence Walk Centre of Hope Clinic
- loveLife
- Umvoti AIDS Centre

## HEALTHCARE

**TOTAL: R441 895**

- First-Aid Training Programmes
- Somerset Hospital – Provision of X-ray machine
- Khanya Africa
- Diabetes SA

## HOUSING

**TOTAL: R614 033**

- I Care – Building three houses

# and Schedule of spend

## SPORT DEVELOPMENT

**TOTAL: R3 322 543**

- Black golf sponsorship for Bongani James Kamte
- Izivungu Sailing School
- High 5 Sports
- Ernie Els Foundation
- K K Palace Football Club
- Martin Dreyer "Change a Life" Academy
- Tongaat Basketball Association

## COMMUNITY CARE/ASSISTANCE

**TOTAL: R7 199 874**

- Salvation Army Aids Orphanage Soweto
- Upgrade of Church Hall Mamelodi SA Ballet School
- Compass Project
- Cheshire Homes
- Business Against Crime
- SAWIP – Sponsorship
- St Josephs Care & Support Trust
- Child care – Boys and Girls Town
- Mayibuye Creche
- Midrand Sizakancane Creche
- Qalokusha Creche
- Othandweni Creche
- A Re-Ageng Simunye Safe Haven
- Waterloo Community Centre
- Bambanani Soup Kitchen
- Bulamahlo Home & Daycare Centre
- Mvezo Community Project
- Afrika Tikkom
- Mfundo project
- Nonelela project
- Netcare – Habitat for Humanity
- Waterloo Community Sewing Group
- Polokwane Catholic Church
- Wildcoast Sun Community Care Centre
- MEC Ministeries, Ray of Sunshine
- JAB Dare to Dream
- SAPS Tongaat Victim Support Unit
- Upgrading of Ratanda Soccer Stadium
- Camphill Village – Old Age Home
- Verulam Child & Family Welfare
- Sisonke Organisation for the Elderly
- LIV foundation
- Hambanathi Senior Club

## SOCIAL DEVELOPMENT UPLIFTMENT

**TOTAL: R2 565 286**

- Social development programme – King Shaka Airport
- Free Market Foundation – Development programme
- SA Riding for the Disabled Cape
- ComMark Trust/NAMC – Eastern Cape Red Meat Project
- Ndwedwe Buhle Buyeza – agricultural development
- Khuthaza
- WWF and Vulture Fund
- Shakashead Creche & Resource Centre
- Mt Moreland Access Road upgrade

## GENERAL WELFARE

**TOTAL: R3 247 121**

- General donations to various charities
- Group management and disbursements

**TOTAL SPEND 2008 to 2013**

**R37 110 611,00**

\* Source: Refer appendix A on page 84 note 4

# Education

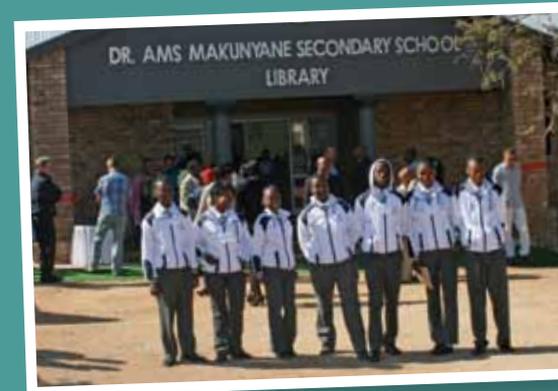


WBHO CSI Project: Waterloo Primary School

## Educating tomorrow's leaders today

**M**ore than any other mechanism, an education has the power to lift individuals and generations out of the clutches of poverty – by broadening horizons, creating an employable youth and equipping people with the means to make their own opportunities. At WBHO we support a huge range of education initiatives – in kind, in time, in funding and by leveraging our own core skills to assist with the building of educational facilities and resources.

We firmly believe that it is our CSI focus on education and our training interventions in the company that jointly create the foundations of future black engineers within WBHO.



WBHO CSI Project, DR AMS Makunyane Secondary School

Education is so firmly linked to the eradication of poverty that the provision of universal primary education is one the United Nations Development Programme's Millennium Development Goals to which South Africa committed in 2000. According to the Global Partnership for Education, one additional year of schooling increases an individual's earnings by up to 10%; each extra year of schooling [achieved by a country's population] raises a country's average GDP growth by 0.37%; and, they argue, if all learners in "low-income countries" achieve basic reading skills before leaving school, more than 170-million people could be lifted out of poverty.

*"Together with our partners and then-mayor Thabo Makunyane, WBHO spearheaded the conceptualisation and realisation of a state-of-the-art library worth R1-million."*

### Books are the building blocks

One of our proud contributions was the building of a much-needed library at the Dr AMS Makunyane Secondary School in Polokwane. Together with our partners and then-mayor Thabo Makunyane, WBHO spearheaded the conceptualisation and realisation of a state-of-the-art library worth R1-million. This project was officially opened in a ribbon cutting ceremony that saw top management from the partner companies, representatives from the provincial education department and our own CEO, Louwtjie Nel, in attendance.

Contributing learning resources to schools is always a fruitful endeavour. WBHO has contributed to the development of libraries, school kitchens and science labs at Emona Primary School in Upper Tongaat, Dalmeny Primary School in Ntuzuma and Isolesizwe High School in Mtubatuba respectively – interventions that directly benefited almost 4 000 current school children, not to mention the next generation of school intakes. Other schools we were able to supply with much-needed computers, scientific equipment and books and, on occasion, the building of new structures to house libraries and media centres include:

- Waterloo Primary School near Umhlanga;
- a high school in KwaMashu;
- Mbonisweni Primary School and



TRAC mobile unit



Go for Gold student Mandlakazi Kandeni



Go for Gold student Delicia



Edendale Tech



Sinamuva Primary School



Mason Lincoln Special School

- Nkosibomvu Secondary School in Hambanathi;
  - the Kunene Centre in KwaHluzingqondo High School;
  - Sinamuva Primary School and Mfundwenhle Primary School in Imbali, Pietermaritzburg;
  - Edendale Technical High School in Pietermaritzburg;
  - Isibanisezwe High School in KwaDukuza; and
  - Mason Lincoln Special School in Umlazi.
- In line with our policy of sustainability the science labs in these schools continue to be serviced by a science educator who

*“The huge demand for library and computer centres has created a need for further training in the running and maintenance of these types of facilities, which is why WBHO also supports the Library Initiative.”*

we fund to visit them weekly until we are satisfied that these schools have the correct mechanisms in place to maintain these assets.

The huge demand for library and computer centres has created a need for further training in the running and maintenance of these types of facilities, which is why WBHO also supports the Library Initiative – aimed at training school librarians and library committees (including pupils) from funded schools.

*Access to inspiring science*  
While increasing access to education is a worthy end in itself, we are also very concerned with addressing the areas which directly affect our pool of future engineers, namely maths and science. At WBHO, we are naturally interested in programmes aimed at addressing this as

it directly affects our future engineering superstars. With this in mind, the group has been involved in supporting a programme called TRAC (Technology Research Activity Centre) that deploys mobile science labs to interested and needy schools.

TRAC is a national NPO that works to support mathematics, science and technology education in SA, as well as encouraging pupils to pursue careers in the above fields, as well as engineering. It is also an intervention programme that works to raise the standard of physical science teaching, by offering teacher training programmes, vocational guidance advice and 40 curriculum-based physical science experiments for grades 10 to 12. WBHO sponsored a Gauteng-based mobile lab trailer and a full-time science teacher to support teaching at the selected schools in Alexandra, including Liberty Community College, Minerva High and East Bank High School, and the results were remarkable: Liberty College, for example, increased their pass rate from 44.1% to 88.1%. Thanks to our previous support of TRAC in KwaZulu-Natal there were up to 15 schools that benefited from similar support.

It is with this future generation in mind that we've also supported the Youth In Construction and Go For Gold programmes. Youth In Construction is an annual exhibition-based programme for pupils in grades 10 to 12 who wish to learn more about the industry and the companies involved. Go For Gold came about in partnership with the Western Cape Education Department and offers pupils tutoring in maths, science, computer skills and life skills, followed by sponsored training and eventually guaranteed jobs in the sector. To date WBHO has invested more than R879 000 into the programme – with five students in phase 1 (tutoring), six in phase 2 (gap year students working on site in the Western Cape), three students with WBHO bursaries and, finally, our first Go For Gold graduate who is now employed by the group and working as an engineer on site.



Phumzile Mlambo-Ngcuka: Umlambo Foundation

*And inspiring art*

Finally, on the topic of scholarships, it is important to note that as much as WBHO is committed to supporting science and engineering students, we also sponsor and support students in unrelated fields. One such example is the WBHO/Jan Kaminski Bursary Fund that provides financial assistance to talented singers who wish to study overseas. In partnership with the Cape Town Opera the fund makes money available for tuition and accommodation.

*Leading the way*

Leadership within our educational systems, especially at school level, is another primary concern. Schools face such systemic issues that to have any hope of overcoming these, they must be headed by strong leaders. This is why WBHO has chosen to support two organisations that direct their programmes at the principal and headmaster level, namely Umlambo Foundation and Penryn Trust's Penreach.

Umlambo engages with school leaders to provide opportunities for further training in leadership and management capacity building. WBHO's contribution towards the organisation has resulted in the upliftment of five schools. Penreach also

builds leadership capacity in schools' management teams, but pairs this with advice on systems implementation – such

*Umlambo engages with school leaders to provide opportunities for further training in leadership and management capacity building. WBHO's contribution towards the organisation has resulted in the upliftment of five schools.*

as the school "houses" system – that can help principals in creating great schools.

As you can see, many teachers and learners have benefited from our commitment to education under our CSI programme. We are extremely proud of our group's contribution. We look forward to welcoming not just hundreds of brilliant young minds into our employment in future, but also witnessing the potential of the next generation of South Africans in all fields take their rightful place as contributors and leaders in our country.



CSI at Ogies



Waterloo Primary



Ogies recycling project



Isibanisizwe new computer lab



Abstinence walk

## Hope in the face of HIV

**M**ore than three decades after HIV and AIDS were identified as the threat to human health that they are, South Africa and Africa continue to be plagued by high infection rates, low treatment penetration and persistent myths and misconceptions about the illness. National government has taken great strides to redress earlier mistakes in our approach, but systemic interventions in the public and private sectors are still needed to assist those living with HIV/AIDS, those at risk, and a nation beleaguered by the effects of the pandemic. WBHO is not an island apart in this, and we support many NGOs and organisations on the front line of this battle.

The WBHO HIV Management programme is a project close to our hearts at WBHO and the main recipient of our HIV/AIDS-focused spend. Based in Cape Town and established in 2004, Careworks is both a

treatment and an intervention programme with the lofty and admirable goal of having a tangible impact on the degenerative effects that HIV/AIDS and TB have at all levels.

WBHO's HIV Management programme reaches more than 3 800 employees. The successes are many, but most notably a 95% high adherence rate in people on ARVs for over a year, exceeding our goal of 80%.

Centres that offer care to remote, rural or particularly affected communities need all the support they can get. The Umvoti AIDS Centre in Greytown, KwaZulu-Natal, is another recipient of our funding and support. The centre provides home-based care, a crèche and an advice and support "drop-in centre" for the surrounding community, 40% of which is unemployed. Tapologo Aids Hospice near Rustenberg and Umuzi Wethemba KwaJesu in Etete, and Shakaskraal and Groutville in KwaZulu-



WBHO CSI Project: Umuzi Wethemba

*WBHO's HIV Management programme reaches more than 3 800 employees. The successes are many, but most notably a 95% high adherence rate in people on ARVs for over a year, exceeding our goal of 80%.*



WBHO CSI Project: Umuzi Wethemba

Natal provide outreach and home-based care to their respective communities. For the Umvoti AIDS Centre and the latter, our funding provided a much-needed vehicle to assist with home-care provision, as well as office accommodation and equipment for this hard-working group.

Worldwide, the group most devastated by the HIV pandemic is the young, and in South Africa especially our youth are at high risk, not just in terms of high infection rates, but also socially. One insidious impact of the disease is a youth who sees little hope for their future. loveLife, South Africa's largest national AIDS prevention, education and behaviour initiative for young people, addresses this group and their needs specifically – education, upliftment and the creation of leaders within peer groups to drive behavioural change. We

are proud to support this emerging group of young leaders, people loveLife call "Groundbreakers", who create change in their own communities, addressing HIV/AIDS, teen pregnancy, sexual health and violence.

Last, but not at all least, WBHO staff members expressed their support for an abstinence-based prevention campaign, and put their voices and funding support behind the Abstinence Walk Centre of Hope Clinic in Durban.

In this way, WBHO and our partners are working together across the spectrum of HIV/AIDS relief and intervention.

# Working towards better health for all

**W**BHO's commitment to health is more multifaceted than targeting one illness or need-group, and often our specific CSI interventions within this arena are driven by our staff's passions and compassions.

Khanya Africa is a non-profit organisation that brings together health-care professionals from a number of disciplines (doctors, nurses, occupational therapists and radiographers, among others) to provide comprehensive, quality healthcare services to the uThungulu District in KwaZulu-Natal. This inspiring group of individuals has partnered with the Department of Health in the province and nationally and services 33 000 patients in a noble attempt to deal directly with the complex health issues these underserved areas experience, as well as what the organisation describes as "escalating morbidity and mortality rates".

By answering their appeal for funding for the procurement of transport and clinical equipment – including two vehicles, trailers and mobile ultrasound and cardiocography machines – through the Ilembe project we help Khanya Africa to reach more patients more often, and both implement and maintain life-saving health interventions for the rural and often isolated communities in the target area.

Education within the scope of health management is also a vital intervention, which is why we were pleased to be able to assist with funding the Diabetes South Africa outreach initiatives, "Agents for Change" and "Empowering the Patient". These

workshops were held in KwaZulu-Natal for staff within the provincial Health Department and a number of local clinics.

In terms of primary impact, the workshops reached 100 people in Mount Edgecombe, Richards Bay and Pietermaritzburg, but given the attendees, roles as healthcare

*Ensuring and supporting the health of our own workforce has always been a priority for the group, but as you can see from the above, WBHO is also contributing towards a healthier nation.*

providers and advisors, this programme has the potential to reach a huge number of people throughout KZN. It is this kind of sustainable effort that WBHO is happy to stand behind, especially as long-term support and follow-up was integrated into the programme, ensuring that the ripple effect of this kind of training would be felt far and wide.

Finally, we also contributed to providing Somerset Hospital with a much-needed new X-ray machine and made significant contributions towards firstaid training.

Ensuring and supporting the health of our own workforce has always been a priority for the group, but as you can see from the above, WBHO is also contributing towards a healthier nation.



Mags presenting at a cancer fundraiser



Mags Naidoo, CSI project leader



WBHO CSI project, Bambanani Soup Kitchen

# A culture of caring

Welfare and community CSI aims to contribute towards the health, happiness and wellbeing of society, be that in terms of physical, emotional or even spiritual wellbeing. It's a multifaceted, layered and exciting part of our overall strategy for CSI. As noted in our Schedule of Spend, a very large portion of our funding and efforts go into caring for communities – especially the rural and impoverished communities that our projects often bring us closer to – which speaks directly to the calibre of our staff and the culture of care we enjoy within the WBHO Group.

The Bambanani Soup Kitchen in the Nasaret Township in Middleburg, Gauteng, started in 2006 serving children from single parent homes once a day. The extensive need and increasing number of children wanting a nutritious meal soon instigated a move of venue to the Middleburg Combined School, and the kitchen now serves up to 270 meals a week (135 children, two days a week).

In order to keep up with the demand the kitchen required an extensive makeover and WBHO stepped in to lend our expertise – tiling the floor, putting up dry-walling to define the cooking and eating areas, replacing damaged ceiling boards and windows, fitting built-in cupboards, painting walls, installing a new water point and fully kitting out the kitchen. We also renovated the exterior of the building, and fitted new double doors and security gates.

It was a major job that the team and our suppliers, led by WBHO project director Marius Nel and CSI project manager Mags Naidoo, were able to complete in just three months earlier this year. The revamp has made a dramatic difference to the kitchen's

ability to live up to its mission statement – to reach as many underprivileged children as possible within their community – and we are very proud of our staff's contribution to this worthy cause.



Sizakancane Creche

Bamabanani isn't the only organisation that we've been able to uplift, specifically in terms of the physical state of premises. The Simunye Safe Haven for abused women and children in Westonaria, Gauteng, was the grateful recipient of a prefabricated structure donated by WBHO. The structure was then positioned and converted by the Roads and Earthworks team (with Eddie Seletso as project leader) and a number of partners into a 10-bedroom refuge, with bricked boundary walls and a paved garden, for those needing temporary accommodation. WBHO also built a new crèche facility for the Sizakancane Crèche in the Embo area of Botha's Hill, KwaZulu-Natal. The organisation had outgrown their original dilapidated building. This is just one of many crèche centres that we've been able to revamp or rebuild.

Additionally, we've donated funds to many worthy organisations working to support vulnerable sectors of society, including



Qalokusha Creche - Before



Qalokusha Creche - After

the elderly, orphans and the disabled. The instances of generous dedication by our staff and the causes we have been able to support are almost too many to detail, but include:

- Netcare's Habitat for Humanity build – enabling the initiative to erect 15 homes for beneficiaries in three provinces
- The Ray of Sunshine Home for abandoned children in the Western Cape – rebuilding after the home burned to the ground at the end of 2012
- Sisonke Organisation for the Elderly – funding went towards arts and crafts materials including sewing, knitting and beading, and a clinical area for the organisation
- Dare to Dream – assisting the holiday camp for orphaned children to purchase a minibus to facilitate getting volunteers to the camp
- Verulam Child & Family Welfare – funding sewing machines, gardening equipment, catering tables, office furniture and supplies, and much-needed training programmes

Contributing to the education of deserving individuals is another area in which we are proud to say we have played a role. Since 2007, WBHO has donated more than R250 000 to Boys and Girls Town to assist the institution in the support they provide, including the funding of a learner. We also had the chance to sponsor University of the Western Cape student Camille Fredericks. Camille is an excellent student with a remarkable commitment to her work and,



New jungle gym at Qalokusha Creche



Sisonke Organisation for the Elderly

importantly, her community-focused extracurricular activities.

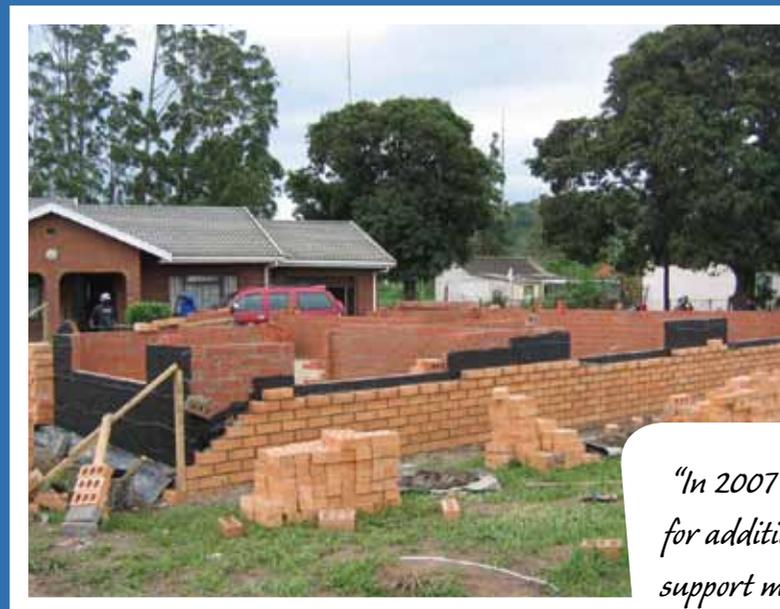
In this way, by assisting Camille and the other caregivers mentioned above, we believe that we are creating a cycle of care, one that has the ability to drive change within the wider communities it impacts. It is a legacy that the group and all of our staff can be proud of.



I Care houses completed



I Care house open plan kitchen, dining room & lounge



I Care building in progress



I Care building in progress

*"In 2007 I Care acquired plots for additional homes. Here our support meant the development of three four-bedroom homes that could accommodate six children and two house parents each in 100m<sup>2</sup> properties."*

## Home is where the heart is

The safety and security associated with having a roof over your head is no small wish for too many South Africans, and our homeless youth are arguably our most vulnerable segment of society. The best bet for a better life for our youth is to be given a chance to get off the streets and engage with society. Because of this, WBHO is proud of our association with the I Care organisation based in lower Illovo, KwaZulu-Natal.

I Care is a non-profit organisation that, through a systematic set of interventions, works to care for and rehabilitate street children. They describe themselves as being "devoted to finding meaningful and sustainable solutions to the challenge of street children in South Africa" and do so in conjunction with being a ministry that promotes a Christian ethos.

After researching the matter extensively, the organisation determined that the success rate of rehabilitating children – of giving them the life skills and experiences necessary to become effective members of society – is when they live within a "family" unit. With this learning in mind, I Care designed a system that places children in "family homes" with two "house parents" to give them the stability and opportunities they both desire and deserve.

In 2007 I Care acquired plots for additional homes. Here our support meant the development of three four-bedroom homes that could accommodate six children and two house parents each in 100m<sup>2</sup> properties.

In these homes, the house parents ensure that routines and rules are established in

order to create an environment conducive to the learning of responsibilities and discipline, as well as providing for the emotional development of these at-risk children. They must learn to live with these new authority figures, to maintain relationships with their "siblings" (fellow former street children) and they attend school and church as a family.

More than 130 children (and the number naturally continues to grow) have benefited from this remarkable intervention that, while low in number penetration of the wider homeless group, is truly invaluable and inestimable in terms of the real difference it has made to the lives of those who pass through the system.

# Social upliftment & development: Ubuntu is alive and well

**S**ocial upliftment is not just a good thing in a moral sense, but also an imperative for a successful society. We cannot move forward as a nation without addressing and working to counteract the pervasive and widespread poverty in our rural areas, where the prospects of an improved lifestyle are so limited.

*“Umuntu Ngumuntu Ngamantu”  
“I am a person through other people”  
– Zulu proverb*

Our rural communities show a great need of interventions that provide fair access to resources and opportunities for development. The Ndwedwe Community Project, also known as Buhle Buyezwe (Community Gardens) in KwaZulu-Natal, came to our attention via a municipal application on behalf of the community who own and tend the co-operative gardens. The co-op members (about 120 farmers, mostly women) produced vegetables for subsistence and commercial purposes, but their potential success was hampered by poor soil quality and irrigation, as well as basic needs such as tools and seeds. Fences were also required to protect produce from grazers.

On this project we installed water tanks and pumps to store water and feed into a newly installed irrigation system, plus those vital tools and seeds. Training on agricultural best practice was also provided. The project, with support from the Department of Agriculture, has become a self-sustaining resource for these women and their families.

We also previously assisted the rural farming community in the Eastern Cape by building a road to facilitate access to the cattle auction market and a rural feedlot system. This was the result of a partnership with government and ComMark to assist the Umzimvubu Red Meat project in Mount Frere. Chairman of WBHO Construction Mark Wylie, who attended the launch alongside a number of government dignitaries, said that the intention was to support farmers and uplift their lives. The project forms part of the Eastern Cape Red Meat Project which aims to empower black cattle farmers in the area, particularly in terms of access to markets, marketing and technical information.

As well as playing our part in various areas of Corporate Social Investment, WBHO is also committed to supporting empowerment and representation within our own industry. This is why we are so pleased to be able to support the Khuthaza initiative that offers professional development programmes for women in the construction sector, as detailed in our Enterprise Development section.



Community farming project - Ndwedwe Buhle Buyeza

WBHO is also a senior corporate member of the Free Market Foundation (FMF), an independent organisation that aims to “promote and foster an open society, the rule of law, personal liberty, and economic and press freedom”. Our annual membership contribution supports their efforts to facilitate the upliftment of disadvantaged sectors of South African society.

But not all of our social upliftment projects take the form of large national or provincial programmes, and sometimes our ability to assist small groups leads to our proudest moments. Take, for example, the Shakashead Crèche and Resource Centre, where the local pastor approached us with a plan to instal a fenced play area with a jungle gym for the kids of the crèche. Another such example is our contribution of nearly R50 000 to support the WWF’s Vulture Fund.

Some of the other projects we have contributed to include:

- The social development programme associated with King Shaka Airport
- SA Riding for the Disabled in Constantia

As our group CSI policy acknowledges, construction companies like ourselves are very well placed to assist and uplift communities in need, and this goes far beyond the legislated requirement. Rather, it is a moral responsibility that we embrace as part of our corporate culture.



Women farmers at Ndwedwe Buhle Buyeza



Hambanathi Swallows FC, sponsored by WBHO

## We're game: supporting sports future stars

It's so natural and understandable for us at WBHO to support sport and our future star athletes as part of our commitment to corporate social investment. As our most eloquent former president Nelson Mandela said: "Sport has the power to unite people in a way that little else can. It can create hope where once there was only despair. It breaks down racial barriers. It laughs in the face of discrimination. Sport speaks to people in a language they can understand."

Our staff members, too, have a passion for sport and have brought so many good causes to the attention of our CSI team.

Our primary focus in this sector has been our ongoing partnership with the Ernie Els & Fancourt Foundation (EEFF) and their rising stars like Evance Vukeya, a member of the Soweto Country Club. WBHO have also been proud sponsors of Bongani James Kamte, another of golf's heroes who, by qualifying for the 2008 European Tour, became the first black South African player to earn full playing privileges since 1976 French Open winner Vincent Tshabalala.

The EEFF was founded in 1999 and works to identify and assist youths with a passion and aptitude for golf, but not necessarily



Tsoanelo Ntene and Sibusiso Mwandla representing WBHO at the Ernie Els Foundation Golf Day, sponsored by WBHO

the resources to match their developing abilities. The WBHO team, including staffers Sibusiso Mwandla, Francois de Villiers and Tsoanelo Ntene, have given time and support to back this fantastic initiative that is transforming the profile of golf in the country.

Over the years we have also fostered strong ties with sports teams from communities situated close to a number of our projects, one of these being the Hambanathi Swallows Football Club in Tongaat. This passionate club approached us in the hopes of getting new uniforms and our team stepped up to support them. They received shining new kit – including brand new Adidas jerseys, shorts and socks. The Tongaat Basketball Club also received a

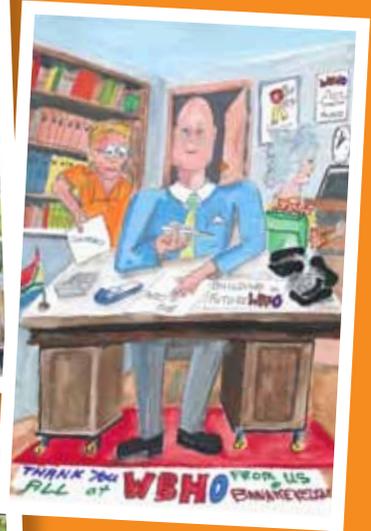


Mfuzo Boxing Camp

generous donation of equipment – including balls, whistles and first-aid kits. KK Palace Football Club, also in KZN, approached us and was successful in their hunt for new uniforms. We have also been in a position to make donations to the Izivungu Sailing School and High 5 Sports.

We're not the only ones who believe in the transformative power of sport, and as such partnered with Martin Dreyer's Change a Life Academy that works with adolescents from the Valley of a Thousand Hills area, training them in canoeing and multisport (running, cycling and paddling). Martin and his partner at the academy, Lucas Mthlane, are not just teaching kids to paddle, they are transferring valuable life-skills such as teamwork, goal-setting, organisational skills and discipline. Their support included a 14-seater Toyota Quantum and trailer, as well as canoes, paddles, splash-covers and lifejackets.

Access to sports is a privilege – the time, resources and energy it requires are not always available to those with passion and potential in a society as unequal as ours. Through our commitment to CSI and, most importantly, the dedication and drive of our staff, we have been able to contribute more than R3.3-million to sports development in South Africa, and in this way are levelling the playing fields, in a very literal sense, for so many.



## Charity Drives: a gift in kind

While our Head Office charity drive was born out of the 2010 World Cup, it's become a thriving initiative with proven longevity, providing support for the most vulnerable in our society – children, many of them orphaned, and the elderly. The focus here is on individual staff members making donations of goods and their time rather than WBHO CSI spend, and the entire project is driven by Nasreen Motani and her committed team of individuals who bring in and collect food stuffs, toiletries, clothes, toys and blankets for a number of needy organisations, including the Banakekeleni and Abangani Enkosini orphanages.

The Banakekeleni Haven in Alexandra is an NPO with 13 years of good work to their name as an orphanage and hospice. Started in 2000 by former teacher Rose Martins Kubayi, the orphanage section caters for children aged three to 18 years old, most of whom have lost parents to terminal disease.

Abangani Enkosini started out as an organisation providing home-based care to the elderly, and has grown to encompass counselling, support and care for the elderly and individuals with HIV/AIDS. Beyond the motivation and care Abangani provides, under the leadership of founder Portia Mongake, they now also care for and feed more than 250 orphaned and destitute children.

Thanks to the sustained charity initiatives in the office, WBHO has been able to supply monthly food packages to both groups for over two years. Staff members like Celeste Crawford are passionate about this continued support and come up with fun and creative ways to keep driving donations, including Movember, treasure hunts and "Amazing Race-style" competitions. Friendly rivalry between individuals and departments has translated into hugely successful projects. Our Easter Egg donation drive, for example, far and away exceeded the needs of the two

orphanages and we were able to donate the extra treats to a school feeding project in Alex. Our blanket drive in winter was taken up by a number of WBHO officers and we were able to distribute 200 blankets to ease the chill of winter.

Our charity drives are a testament to the spirit of our amazing WBHO staff, and have two distinct and equally worthy results: first, the continued and generous support from our staff means that we can give much-needed basic support in the form of sustained monthly food parcels to both the above-mentioned homes. Second, and no

*"Thanks to the sustained charity initiatives in the office, WBHO has been able to supply monthly food packages to both groups for more than two years."*

less significantly, our fun days, park days and Easter and Christmas projects provide these children with real moments of joy and levity, and a break from the harsh realities of life as an orphan in Alexandra.

# Preferential Procurement

**P**referential procurement can be defined as the “transfer of equal responsibility” element of the BEE scorecard, where WBHO ensures that the hard work in achieving a good scorecard is equally embraced by all the suppliers and sub-contractors that we engage with. This is an excellent tool for ensuring that “follow-through” happens throughout our industry. In other words, we have set a very high transformation standard for ourselves so why would we engage with non-compliant suppliers, who by their scorecard have demonstrated that they do not prescribe to the same value set?

*“WBHO is incredibly proud to be the first construction company in South Africa to achieve a score of 20 out of 20 on preferential procurement.”*

In 2007 we recognised the importance of the accurate tracking and forecasting of preferential procurement. The most important aspect of this is to ensure that we know exactly which suppliers to engage with at all levels of the company prior to contracting with them. This is done by doing a forecast on each project, followed by monthly tracking reports.

WBHO is incredibly proud to be the first construction company in South Africa to achieve a score of 20 out of 20 on preferential procurement. None of this success would have been possible without the input and commitment of our IT department, and our visionary and dedicated team of IT engineers led by Nick Barnes.



Nick Barnes



Russell Adams

Using the King Shaka Airport contract as a pilot project, we designed, developed and tested our own in-house computer system on ‘BLU’ that was linked to our ordering and accounting system to forecast, track and measure preferential procurement. The project proposals to the forecasting system were done by Russell Adams who developed his own innovative programme using Excel, and he then worked with Nick outside his normal daily commitments to ensure that the BLU system was accurately implemented.

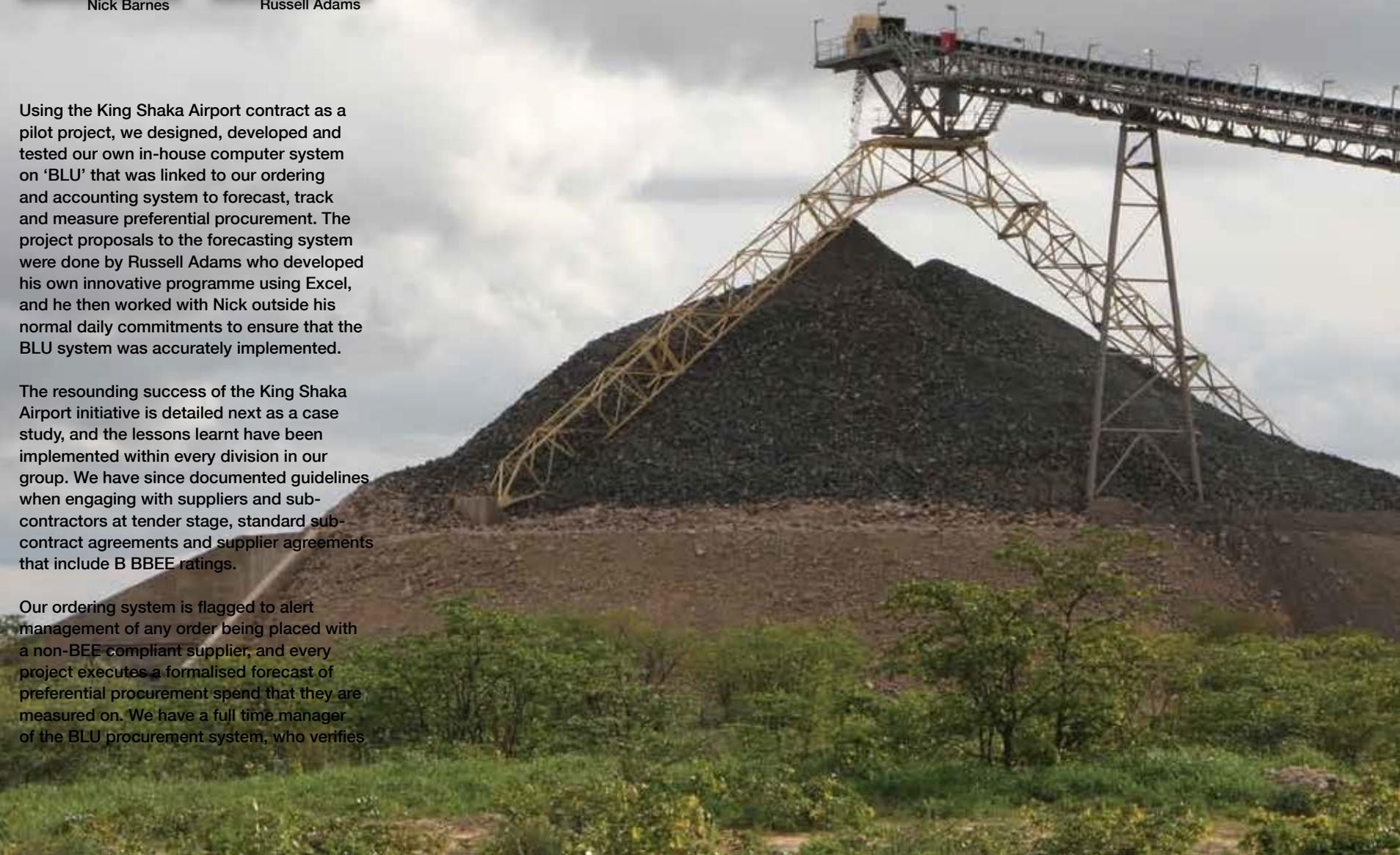
The resounding success of the King Shaka Airport initiative is detailed next as a case study, and the lessons learnt have been implemented within every division in our group. We have since documented guidelines when engaging with suppliers and sub-contractors at tender stage, standard sub-contract agreements and supplier agreements that include B BEE ratings.

Our ordering system is flagged to alert management of any order being placed with a non-BEE compliant supplier, and every project executes a formalised forecast of preferential procurement spend that they are measured on. We have a full time manager of the BLU procurement system, who verifies

all scorecards prior to loading them and scanning them onto our BLU system. On site managers all over the country now have the ability to view each scorecard prior to engaging with suppliers, as and when they like. Each divisional MD is sent a monthly report of the preferential procurement spend, and a listing of any non-compliant suppliers being used or suppliers used with expired scorecards.

WBHO applauds all of our staff who have shown amazing support and commitment to scoring the very best that we can under very difficult contracting conditions.

We trust that the lessons learnt will stand us in good stead when facing the current challenge of achieving the more onerous targets set in the Construction Charter from 2013 going forward.





## Case Study: The King Shaka Airport Project

### A landmark project of the implementation and achievement of the B BBEE Codes of Good Practice in Preferential Procurement.

This document is a case study of the implementation of preferential procurement on a large project. Recognition must be given to the two joint clients, ACSA and Dube Tradeport, under whose instructions the seemingly impossible targets on this project were devised. It is testament to the undertaking by all state bodies that the World Cup projects were implemented with the aim of furthering economic empowerment.

The building of the King Shaka Airport was never going to be an easy task. With the much anticipated 2010 Soccer World Cup looming and attracting a lot of negative international media attention, the project appeared as if it was doomed for failure. Even before it started it faced insurmountable obstacles. Not only did the

time frame seem unrealistic, but the appointed contractor was tasked with implementing a rigid preferential procurement policy.

Some would say the task seemed impossible.

But not for Ilembe Consortium, the multi-skilled group of companies under the

*“The outstanding success in exceeding the onerous targets set on preferential procurement can be attributed to the meticulous planning and rigid adherence to both the strategy and implementation documents.”*

leadership of WBHO, who ultimately built a world-class facility that surpassed all expectation. Three years after finalisation the airport continues to scoop awards.

“In terms of preferential procurement this project was a landmark achievement, with our implementation far exceeding expectations,” says Ingrid Campbell, CJV Project Procurement Manager. According to Campbell, the consortium’s strategy document defined the exact requirements and the methodology to be implemented in order to achieve these. In addition it sought to define the Total Measured Procurement

value, which to date had not been previously prescribed for a project that included a multitude of enterprises. “The outstanding success in exceeding the onerous targets set on preferential procurement can be attributed to the meticulous planning and rigid adherence to both the strategy and implementation documents,” she says.

#### BUILDING OF A DREAM

In July 2007, the Ilembe Consortium was awarded the contract to design, procure and contract, in 32 months, a world-class international airport – the King Shaka Airport, seen as the gateway to the Zulu Kingdom of KwaZulu-Natal.

This facility, which faced some stiff criticism, cost about R7,8-billion and was built as an integrated passenger and freight airport alongside the new Dube Trade Port. King Shaka Airport opened in May 2010 – just a month before the Soccer World Cup – and is three times bigger than Durban International Airport with five times as many shops.

The airport has managed to silence its critics with it being rated among Africa’s best and boasting the highest passenger growth rate in South Africa. Among its accolades the airport has recently been listed as the fourth best airport in Africa by the Airports Council International (ACI), after Cape Town International, Cairo International in Egypt and OR Tambo. In 2011 the airport was named Africa’s Best Regional Airport in the 2011 Skytrax World Airport Awards.

“The shareholders of Ilembe are honoured to be part of this momentous project, which will significantly contribute to the future economic development of the region and KwaZulu-Natal in general,” said Vusi Mavimbela, chairman of the consortium, during the announcement of the consortium’s appointment.

#### MEETING AND EXCEEDING B BBEE TARGETS

The project’s Request For Proposal (RFP) detailed several rigid requirements for the achievement of the B BBEE criteria for the design and construction phases of the airport, in all areas of black economic empowerment

like black ownership, management control, enterprise development, the employment of local labour, training interventions, CSI spend and preferential procurement. It was a contractual requirement that all parties in the consortium submit a procurement forecast. These targets were measured and reported on monthly and at contractual measurement dates, and failure to meet any of the targets resulted in financial penalties.

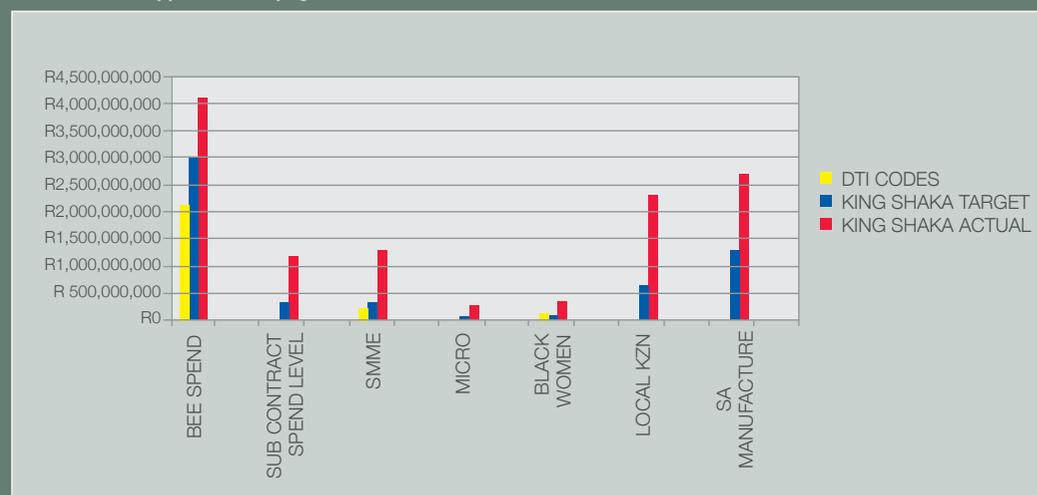
In response to these rigid B BBEE requirements, the Iembe Consortium outlined the implementation and achievement of these in the bid submission by means of a detailed strategy document for all the listed criteria. The consortium, fully embracing the client's requirements, undertook to develop and implement a procurement strategy in respect

of subcontracting of the project operation, monitoring and reporting. This was aimed at encouraging wide participation of both local and BEE sub-contractors, suppliers, service providers and manufacturers, and meeting the preferential procurement targets.

It must be noted that when the Construction Sector Codes were legislated in June 2009, the King Shaka Airport project had already been running for almost two years. The legislated codes had four procurement targets, while there were seven on the King Shaka Airport project. The targets and aims of preferential procurement in this landmark project were therefore way ahead of those envisioned on any other project in South Africa. Not only were the targets met, but also comfortably exceeded:

DESCRIPTION	FINAL SPEND VS TARGETS	
	TARGET VALUE	ACTUAL SPEND ACHIEVED
Spend on B-BBEE ENTITIES	2,995,125,449	4,073,829,448
Work sub-contracted to level 4 or better companies	307,358,470	1,188,602,757
Spend on SME companies	320,906,298	1,301,025,028
Spend on micro companies	42,787,506	262,382,001
Spend on black-women owned companies	85,575,013	350,290,235
Spend on KZN enterprises	641,812,596	2,323,886,692
Spend on local manufacturing	1,283,625,193	2,693,683,824

\* Source: Refer appendix A on page 84 note 5



It should also be noted that the targets in the original forecast were based on percentages of spend. As in most projects, the spend value increases due to variations and the targets were increased accordingly during the course of the project. This moving target was achieved in all seven criteria

The normal procurement procedure for large construction projects was totally restructured to cater for the preferential procurement requirements as follows:

- A full-time, well qualified B BBEE manager was employed specifically to verify each and every supplier as well as monitor the validity of their annual certificates, turnover, registration etc.
- Every site requisition for plant or materials was signed by the procurement manager to ensure that supply was sourced from approved vendors.
- In addition to all the sub-contract agreements, more than 150 specific supplier contracts were signed, specifying the B BBEE rating of the vendor as well as stipulating a financial penalty should the supplier fail to maintain their level rating.
- All procurement was done from companies who registered on the database that was set

up at the outset of the project. Any deviation from this list was approved only at the procurement committee meetings.

- The tendering and procurement departments worked in tandem to ensure that all candidates on tender invitation lists met the procurement objectives and criteria, and all evaluations of successful contractors were done using the computer procurement package developed specifically by WBHO for the project. The programme enabled the evaluation of tenders to be made based on historical appointments, and outstanding targets to be reached with the remaining unallocated spend. The contractual forecast was entered into the programme and enabled the fair evaluation of the award of tenders, with weighting criteria to ensure that criteria were met together with pricing.
- Accurate records of actual spend and orders placed were required to continually monitor spend in different categories.

“The emphasis on preferential procurement completely altered the procurement process that staff members were accustomed to,” says Campbell. “Lead times of three weeks were required to implement enquiries and evaluations prior to orders being placed and therefore required detailed planning. The



focus on SMMEs required in-depth sourcing by the procurement department of smaller suppliers to satisfy spend requirements. This resulted in using a large number of less experienced suppliers who required hours of staff input in order to meet the stringent project requirements of quality, safety and timeous delivery.”

The intention of the strict requirements in all areas of B BBEE of the King Shaka Airport project were designed to have a flow-through effect that would ultimately be beneficial to all participants of the project and the local economy.

The one component of the DTI Codes of Good Practice that is designed to do this is in the area of preferential procurement. Simply put if one uses only suppliers and sub-contractors who have a scorecard, as per the component of the DTI's Codes of Good Practice, then one ensures that these companies are ultimately conforming to the requirements of black ownership, black management and control, employment equity, preferential procurement, skills development and training, as well as

enterprise development and corporate social investment.”

The measurement of all the participating companies in the Ilembe Consortium showed a marked increase in all of these areas. The “follow-through principal” was clearly evident when a test sample of suppliers and sub-contractors was done after a 12-month period, clearly showing that the majority of all vendors used had increased their scorecard rating during the course of the project.

The strict requirements in all areas of B BBEE on the project were designed to have a flow-through effect that would ultimately be beneficial to all participants of the project and the local economy.

Concludes Campbell: “The systems that were implemented on this project and the resulting success would not have been possible without our partners in the Ilembe Consortium and Ilembe Joint Ventures. They must be given recognition for their vision and support in meeting the considerable challenge that this project presented.”



*“The ‘follow-through principal’ was clearly evident when a test sample of suppliers and sub-contractors was done after a 12-month period, clearly showing that the majority of all vendors used had increased their scorecard rating during the course of the project.”*

## APPENDIX A

The facts and figures contained in this booklet have been obtained from various internal and audited sources, and are believed to be correct at the time of this publication going to print. In order to document these sources, they have been annotated in note form for reference to this Appendix for further clarity as follows:

**Note 1:** – A refers to African, I to Indian and C to Coloured. Stats for 2008 and 2010 from the EE reports submitted to the Department of Labour, and the 2013 figures are the June 2013 figures submitted for the 2013 to 2014 scorecard.

**Note 2:** – Sourced from audited scorecard reports 2008 to 2013 and it should be noted that the 2013 to 2014 audit report was in draft form at the time of this publication going to print. The totals reflected at the bottom of the table refer to “learner years” as learners are generally on the programme for more than one year.

**Note 3:** – Sourced from audited scorecard reports 2008 to 2013 and it should be noted that the 2013 to 2014 audit report was in draft form at the time of this publication going to print.

**Note 4:** – Figures contained in these totals are in excess of those CSI spend values in the audited scorecard reports. A review of all CSI spend was done by analysing company and project ledgers, when it transpired that several CSI projects were not submitted for scorecard audits as we had comfortably exceeded the required 1% NPAT required for audit. Where CSI initiatives were undertaken on Joint Venture Projects, only the JV percentage spend attributable to WBHO has been measured in these figures.

**Note 5:** – From final measurement reports from Ilembe EPC JV to the employer.





**WBHO**

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