

# POWERLINES



## AFTER A LONG HARD SLOG, A BRIGHTER FUTURE BECKONS

Over the past two years South Africa has been through some rough waters. Our economy, the decay of our parastatals, state capture and the increasing rate of corruption has left our nation teetering on the brink of uncertainty. The construction industry has not been immune to the economic and political climate. During this time Power Construction faced its greatest challenges in a 36-year history.

Tough times always call for difficult decisions and decisive leadership. One of those difficult decisions was the restructuring of the company. This resulted in the unavoidable need to retrench staff. Never before has Power Construction taken this course of action but the need to reduce overheads and remain sustainable left us with no other choice. Every level of the organization was affected resulting in a sense of insecurity amongst the staff. Added to these difficult decisions were three challenging road projects which dented our financial performance.

Despite these challenges the future is not filled with dismay, because as a result of swift, responsible decisions the company is poised to capitalize on our current position and to move towards the future with confidence.

The bulk of the contracts, in civils and buildings, are running smoothly and delivering good returns. These projects include the Saldanha Road Project, The Hague housing development in Delft and the continued work on Cape Town's Integrated Rapid Transport (IRT). We have already secured 90% of our orders for the 2020 financial year. Most of these orders are for renewable energy, roads, bulk earthworks and mass housing.

### N7, Malmesbury



In alignment with our hundred-year vision, "To improve the quality of life in Africa through infrastructure development," mass housing continues to be a core market. Having already delivered 50,000 houses the new contracts which are in excess of R500m continue to position the company to fulfil its vision.

Renewable energy is an exciting growth point for the company. Wind farms are being developed in the Western Eastern and Northern provinces. Despite a delay in securing contracts that were negotiated four years ago, Power Construction has recently secured five wind farm projects. Wind farm projects are scheduled for Oyster Bay, near Jefferys Bay and Garob near to Prieska, in the Northern Cape. Each of these projects demand a wide range of services including well-developed networks of roads that can accommodate mobile cranes and heavy tower segments. Each aspect of these developments contributes to the company's future ability to deliver in the growing renewable energy sector.

People development has always been a core value at Power Construction and has not superseded project development. The company continues to pride themselves in excellent standards of safety and all staff are encouraged to keep focus on ways to improve their performance in this area.

While the continuous change over the past couple of years has been unsettling, this phase is now behind us. Our task now is to strengthen the closely-knit team that is Power Construction and to continue to foster strong links between head office and our teams on site. Together with a renewed focus in improving our operational efficiency, I am confident that we will be well on our way to success. Cobus Snyman.


### Rhodes Food Group



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# POWER CONSTRUCTION IS A LEVEL 1 B-BBEE CONTRIBUTOR



**BEE VERIFICATION AGENCY CC**

**Black Economic Empowerment Verification Certificate**

**Measured Entity**

Registered Name	Power Construction (Pty) Ltd
Trade Name	Power Construction
Registration Number	2006/03128391
VAT Number	402017917
Location	Windward Road East Rand 7191

**BEE Status**

Certificate Number	VER101	Black Ownership %	82.50%
Issue Date	01 September 2018	Black Women Ownership %	11.31%
Expiry Date	31 September 2020	Qualifies as being 80% Black Owned	No
Re-issue Date	N/A	Qualifies as being 51% Black Owned	No
Applicable Standard	General Construction	Black Women Owned	No
Applicable BEE Code	Government General	Qualifies as being 35% Black Women Owned	No
BEE Status Level	Level One Contributor	Qualifies as being 30% Black Women Owned	No
Preferential Procurement	100%	Black Women Owned	No
Employment	Yes	Skilled Emp. Through Preferential Supplier	Yes (Actual 28.77%)
Preferential Supplier	Yes	Preferential Supplier	Yes (Actual 17.36 Jan 18)

**BEE Score per Element**

Element	Actual Score	Target Score
Ownership	27.00	27
Management Control	27.00	28
Skills Development	23.74	21
Preferential Procurement and Supplier Development	23.74	24
Social Economic Development	8.00	8
<b>Total:</b>	<b>109.72</b>	<b>108</b>

BEE Verification Agency CC (BVV) has assessed the BEE contribution of the above certified entity and verified, hereby, that the BEE status, as certified above, is a true and impartial reflection of the BEE status of this enterprise.

Signature: Technical Secretary  
Trade name: Zif  
BEE Verification Agency CC  
2006/03128391  
Tax ID: 402017917  
info@bvee.co.za



Power Construction's Level 1 status not only proves the company's long-established pledge to empower and uplift people, it also gives customers and suppliers a competitive edge. Renisha explains: "Besides choosing Power Construction for the company's impressive track record and dependable service, companies now have a further incentive to procure from Power rather than from a company with a lower B-BBEE. For every R1, 00 a customer spends with Power Construction, they can claim R1, 35 against their own preferential procurement score."

Power Construction has consistently upheld its striving to reflect a more representative demographics of the construction industry. A major step towards attaining this goal was the co-ownership offer extended in 2007 to all employees with five years' service or longer.

Further diversification was achieved through: The Power Women's Staff Trust in which 17 African women in mid- and junior management were allocated shares, and the TOLBEE (Thee Tree of Life BEE Foundation) Trust. "The proceeds from the TOLBEE Trust are used for the care, education and development of at-risk black children."

Renisha says the transformation is rewarding, not only to the economy, but also in a humanitarian sense: "You can clearly see the difference we are making. We have visibly contributed to an active economy and more empowered people in our region. Earning a Level 1 B-BBEE is not about the certificate on the wall; it's about making meaningful, on-going changes to society."

It further supports our purpose; To improve the quality of life in Africa through infrastructure development.

## MEET OUR DIRECTORS



**COBUS SNYMAN**  
CEO: Power Construction



**STEFAN BOTHMA**  
CEO: Power Developments



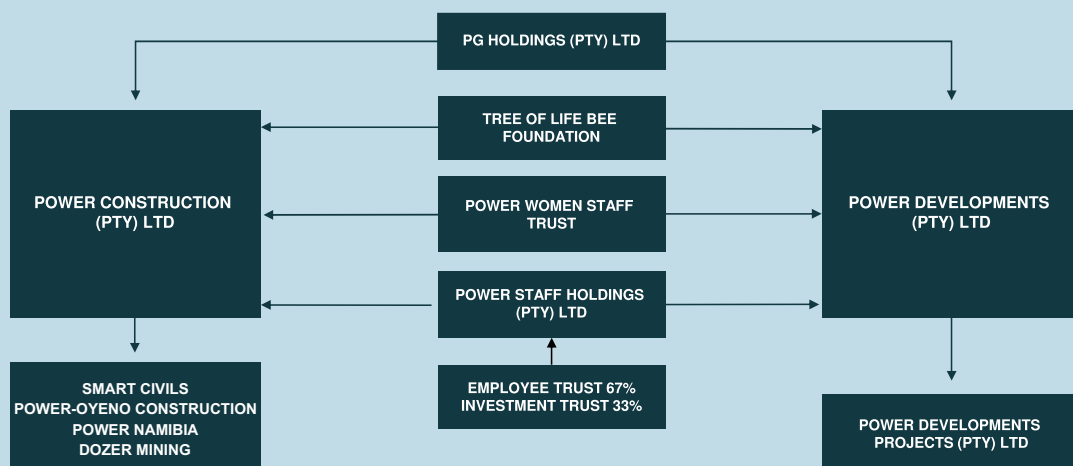
**GERARD GILBERT**  
Director: Power Construction and Power Developments



**RENISHA NAIDOO**  
Director: Power Construction and Power Developments



## THE POWER GROUP'S NEW SHAREHOLDING STRUCTURE





# PELICAN PARK – A FEATHER IN THE CAP FOR OUTSIDE-THE-BOX THINKERS

Challenging times call for innovative thinking. This is where Power Developments has proven its mettle throughout its 35-year history of successful developments.

A case in point is Pelican Park, next to Zeekoevlei, Cape Town. This sprawling development is home to over 3 200 families. It is one of the first, and largest, fully integrated housing development in South Africa. Pelican Park has become the benchmark for affordable residential developments in South Africa. It is a proud example of Power's purpose: "To improve the quality of life in Africa through infrastructure development".

As a truly integrated settlement, Pelican Park brought together homeowners from different economic groups, with varying housing requirements. Neighbourhoods include BNG (Breaking New Ground) houses, FLISP (Finance Linked Individual Subsidy Programme) homes, GAP Housing, Affordable Housing and Open Market Homes.

Along with numerous provincial and national industry awards, particularly in the affordable housing sector, the company received a Special Merit Award from the South African Housing Foundation for its innovative work at Pelican Park. It was also awarded the Govan Mbeki Minister's Merit Award for the Contribution to Human Settlements Delivery in the Western Cape.

Today, Pelican Park is a bustling community with facilities that include a shopping centre and various commercial offerings.

As part of the approved Spatial Development Plan for the project, schools, clinics a fuel station and a library will be coming soon.



## EXTENDING OUR LINES OF BUSINESS ... JOINING HANDS WITH **DOZER!**



Power Construction recently ventured into a new line of business by getting involved in mining operations in Mpumalanga.

The decision was prompted by the realisation that mining, as one of the largest sectors of the South African economy, was presenting many opportunities which we as Power, were missing out on.

Being a new field of business for us, the decision was made to intentionally limit the complexity and speed by which we would start to explore these opportunities. To this end we partnered with a Plant Company named Dozer and formed Dozer Mining towards the latter part of 2018. Power has a 50% shareholding in the company. We were very fortunate to secure our first contract at the Klipspruit mine in Mpumalanga shortly thereafter.

We are happy to report that the Klipspruit operation is running smoothly and is assisting in establishing our name in the market. We are confident that further opportunities will present itself but will remain cautious in our approach to avoid overcommitting ourselves and our resources. It is also important to note that this was done with minimal cash flow impact.

We are very excited of the potential that this venture holds for the Power Group as it will also contribute to diversify and strengthen the Group's order book.



## Congratulations to our **2018 Merit Award Winners**

Arguably the most coveted awards in the company are the Forrester-Jones, Leon Meyer and Glenville Cullum merit awards. The awards are named after deceased directors; Vaughn Forrester-Jones, Leon Meyer and Glenville Cullum and are presented to employees who have rendered exceptional service to clients and staff throughout the year.

The awards were announced and presented at the annual Prize Giving event in December 2018. Gerrit Mintoor received the Forrester-Jones award for Construction; Deloshnie Lachmanna the Glenville Cullum for Developments and Nico van Wyk, the Leon Meyer award for the Services departments.

Each of these worthy winners received prize money to the value of R10, 000. Congratulations to our shining stars!!



**Top to bottom:** Gerrit Mintoor, Deloshnie Lachmanna and Nico van Wyk.

## FROM **AFFORDABLE HOUSING** TO SPECIALISED ACCOMMODATION



Power Developments' ability to operate successfully in widely different market sectors has been proven yet again.

On the other side of the housing spectrum (and of the country) to where Pelican Park is, Featherwood Retirement Estate in upmarket Pretoria East has become Gauteng's premier development of its kind. It is being marketed as "a living, breathing suburb, housing all your dreams and bringing together families and lifelong friends."

All completed phases, including 130 freestanding houses, have sold out. The fifth, final phase offers 86 stylish 2- and 3-bedroom apartments and 84 assisted-living homes. The apartments are presented for purchase on Life Right or Sectional Title. Assisted-living units are either sold on Life Right or rented at R13 650 per month, including levies.

Denver says; "there was at first a lack of understanding in the community about the Life Right model. Thanks to clear communication and the reputable names of the shareholders; Power Developments, Retire 24 and Old Mutual being linked to the estate, initial scepticism has made way for great demand."

The development also includes a world-class 98-bed frail care centre, Phase 2 of which will be completed by September 2020. In a unique synergistic partnership with major shareholder Old Mutual Alternative Investments (OMAI), we have gone beyond the planning, logistics and development of the physical Featherwood to also provide the on-going running of the estate through various specialist sub-contractors.

Even in a challenging environment for project-based businesses, and with the construction industry especially hard hit, Power Developments is consistently delivering.

## True **quality** of life

Pelican Park has restored the dignity and upgraded the living conditions of thousands who have been able to buy into the development.

Take the Mentoors, for instance. For many years, Mr and Mrs Mentoor had lived in a wendy house as backyarders, unable to afford paying higher rent or buying their own property. They were in their late forties. The poor living conditions and a leaking roof in winter added to Mr Mentoor's health problems. Things got so bad, he was eventually boarded, unable to work.

Ironically, being medically boarded was a blessing in disguise: his pay out was just enough to buy a single storey home in Pelican Park. This was dream come true for them! The Mentoors moved into their very first real house in 2014.

Life became more comfortable. The neighbourhood was friendly and supportive. Despite his worsening health, it was a time of relative happiness for the long-suffering couple.

Two years later, Mr Mentoor lost his battle against kidney failure. Sad as it is, the story has a bittersweet ending. His suffering was not all in vain. He died with the peace of mind that his caring wife will live comfortably in her own house for the rest of her life.



# GROWING SEASON HAS STARTED

As our long summer days start to shorten and a cool winter breeze begins to blow I am reminded of the fact that there is a season for every activity under heaven. As some things die, new life is seen in other areas. Over the past 45 years I have seen many seasons come and go. There have been times of great difficulty but also of great success and growth. These seasonal shifts have also been seen in our nation's socio-political climate, but today I can say with great joy that together we can overcome the challenges that cross our path.

Despite overcoming many past challenges, I have never seen our industry facing such dire circumstances. Projects are frequently put on hold, and many don't even make their way into the planning phase. SANRAL, one of the largest clients in the road building industry, has not put out any sizeable projects to tender in the last 18 months, and over 50% of the JSE listed construction companies with whom we compete, are either in liquidation, business rescue, or have been forced to undergo serious reconstruction. We too were forced to have a sizeable reduction of our staff. A decision that was not taken lightly, but was necessary in order to survive this season in our history.

The average age of our leadership team has reduced as a number of members have reached retirement age. This change has resulted in the birth of a new dynamic team, that bring with them a renewed energy and an unmistakable spark of innovation. What is most admirable about them is their sheer will to focus on making the most of the current situation in preparation for the future.

I firmly believe that every obstacle brings with it immense potential for success. For example, Eskom's failures, which have affected us all at home and at work, represent a huge opportunity for us to make a difference. With a shortage of electrical power, many sectors are turning to renewable energy. To date we have completed seven wind farm projects and after three years of delay, the next round of windfarms has recently been awarded. As with the shortage of electricity, so too the severe drought in the Western Cape has resulted in an urgent focus on the upgrading of water networks.

Current studies show us that by 2050 approximately 75% of our population will be living in major cities. This rapid urbanisation means new housing, new infrastructure and the resultant servicing and maintenance of these developments on a massive scale. We need to be positioned and ready to fulfil these needs, because I truly believe that South Africa is able to lead by example. Our current challenges present us with the opportunity to grow into a shining beacon of light, and as we do the rest of Africa can follow suit.

I am thankful for our dedicated, loyal and committed staff members. Please join me in praying for GOD's divine wisdom and favour over our 'New' Leadership Team and our staff, as we enter a new and exciting season within the company.

I have always been passionate and determined to employ above average people, to expect above average performance and to provide above average rewards. This commitment remains a key cornerstone in our drive to deliver excellent service to our clients.

I generously extend a heartfelt 'thank you' to each one of you,

*Graham*

*Psalm 121: A song of ascents.*

*I lift up my eyes to the mountains, where does my help come from? My help comes from the LORD, the Maker of heaven and earth.... The LORD will keep you from all harm he will watch over your life; the LORD will watch over your coming and going both now and forevermore.*

# MEET OUR B-BBEE COMPLIANCE DIRECTOR



Renisha Naidoo joined Power in July 2018, in her role as the Broad-Based Black Economic Empowerment and Equity Compliance Director. She is also responsible for Employment Equity.

Renisha has extensive knowledge and involvement in B-BBEE, Employment Equity, including experience in Auditing and Human Resources. Her previous employment with Aveng-Grinaker LTA, McCarthy Group and KSB Pumps and Valves, has provided her with a good understanding and background of B-BBEE legislation and the requirements for compliance.

At Power, her main responsibilities include ensuring B-BBEE Compliance to all elements of the scorecard requirements. Renisha supports the different sites in terms of their CPG Targets as well as B-BBEE compliance. One of the imperative tasks given to Renisha is to monitor procurement and supplier management on the various sites on a monthly basis.

Renisha is married to Ricky and they have 3 children (aged 10, 15 and 20 years).

*"I am truly grateful for the opportunity God has blessed me with to be part of an amazing Company. I've been surrounded by welcoming, supportive and collaborative colleagues during this transition. I'm excited about the road ahead and looking forward to being part of Management Team that has a United Vision".*

# IFA AGREES STRATEGIC PARTNERSHIP WITH POWER



On 7 November 2018, the IFA and Power Construction (Neil de Beer and Graham Power) entered into a memorandum of understanding, setting out the terms of its new practical business partnership. Under the provisions of the agreement, the IFA will utilise the diligence, evaluation and technical construction and engineering services of Power as it works through the strong pipeline of infrastructure transactions it is now being presented within its target AU Member States.

As an infrastructure fund for Africa, the IFA is able to fund huge infrastructure developments in Africa, and together with Power, construct and implement these projects to enhance regional trade among AU Member States and dramatically improve the lives and opportunities for the African people.

The IFA is a new Mauritian-headquartered infrastructure investment fund, which is seeking capital investment opportunities across the SADC region, working directly alongside the governments of these states to support their economic development strategies. Eligible programmes concern transport (air and rail, cargo), agriculture (bulk water, reservoirs, storage, cold chain), power (solar, wind, hydro) and technology (cellular hardware and data centers)

The initial target countries are Botswana, eSwatini, Lesotho, Namibia, Mauritius and Zimbabwe.



## ENCOURAGING MESSAGE FROM FREDERICK BLOM

## 2019 SAFCEC VOLLEY BALL WINNERS



*I have been with the company for 26 years now, and during that time, I have experienced – and grown from – the good and the tough times. In fact, the company has been through particularly challenging periods twice during my last two-and-a-half decades here, and each time, we as employees have banded together to pull through. On a personal level, working away from home for so many years was especially difficult at first, but it became easier as time went by.*

*People have come and gone, and we can only hope that their decision to leave the company has worked out for them. For those of us loyal employees who are here for the long haul, though, it's important that we remain focussed and committed to pulling the load together, for the betterment of the company, as well as to achieve our personal goals. Although our strong management team guides and supports us all the way, the truth is that we are all in this together!*



## PEDALING IT OUT FOR A CAUSE

7 Cyclists. 3 Support staff. 504km of grueling inclines and roadside adventures.

Graham Power, together with a few ambitious Unashamedly Ethical team members, took on the It's Time Tshwane Cycle Tour in October last year, in the run up to the It's Time Tshwane 2018 event coordinated by Angus Buchan. The cyclists recorded an average speed of approximately 30 km/hour in very warm weather conditions.

A ministry team following the cyclists hosted significant community gatherings in various locations along the way, encouraging unity and reconciliation. The aim of the tour was to raise awareness concerning It's Time Tshwane as well as the UE campaign.

See [www.unashamedlyethical.com](http://www.unashamedlyethical.com)



## CELEBRATING SERVICE MILESTONES WITH POWER

Reaching a significant milestone at work is a notable achievement. It demonstrates longevity, loyalty and the skill or ability to do whatever job it is well. Let's face it, if you've managed 20 or even 30 years with the same company you must be doing something right!

At Power, we realize that our employees are our greatest asset, and we are delighted to honour their dedicated service and commitment to the company.

It is our employees who uphold our corporate values, demonstrate our vision to be recognised and respected as the first choice supplier of civil, development and building services as we lay the foundation for growing successful business partnerships in realising our 100-year dream and make us the passionate organization we are today.





# Moving from ISO9001:2009 to ISO9001:2015

Power construction has successfully completed the conversion from ISO9001:2009 to the new quality standard ISO9001:2015.

The company decided in February 2010 to become ISO9001 compliant and on 21 April 2011, SABS completed the audit. The system is known as the PQMS (Power Quality Management System), with Gary Hirst as the "champion" thereof.

"I would like to thank everyone who helped with developing and testing the new documentation and systems. Thanks also to the sites and departments that were selected for audits for doing well and following the systems diligently.

There is a requirement for continual improvement and we must all put in an effort to reducing red tape and keeping the systems simple, but effective. Once again well done this is a great achievement for the business."

Gary Hirst



## LOUWTJIE LOUW BIDS FAREWELL TO POWER AFTER 35 YEARS' OF SERVICE

At the end of January 2019, Louwtjie Louw retired after 35 years of dedicated service at the Power Group.



Louwtjie turned 63 years on 18 January 2019. He worked with Graham at Savage and Lovemore since 1976 and started his career at Power Construction in 1984 as a general foreman. Louwtjie ended his career at Power as a Senior Contracts Manager and has been a legendary figure in the division's civil activities. We will remember Louwtjie for his straight talking, hardworking, drive and willingness to tackle seemingly insoluble problems. His extensive knowledge and experience ensured the success of diverse contracts over the years.

We wish Louwtjie, Mare and their family well with the next chapter of his life!

## DEVELOPMENTS' AWARD



On Friday 31 August 2018, Provincial Human Settlements Minister, Bonginkosi Madikizela honoured municipalities, contractors, developers and other stakeholders in the human settlements delivery chain during the Department's prestigious Govan Mbeki Awards, held in Cape Town.

Power Developments received the Minister's Merit Award for its contribution to Human Settlements Delivery in the Western Cape. To date the company has successfully delivered more than 47,000 subsidised houses.

The Govan Mbeki awards are an annual feature and is the premiere human settlements event in the Western Cape, where projects are nominated for awards under the various categories. The awards honour those who have performed best in the Human Settlements sector and have been running since 2008. It is used to encourage and thank all the Human Settlements stakeholders who are making a valuable contribution to help government realize the goal of providing decent housing, security of tenure and comfortable living to all South Africans.

## SOCIALLY SPEAKING Lunch is served at Forest Village!



On Friday 12 October 2018, Graham and Cobus put on their aprons and wigs and set out to treat the Forest Village Team under Martin Naude's leadership.

The two gentlemen lost a bet made with Martin, which involved the removal of 70,000m<sup>3</sup> of rubble from a hole and filling it again with sand, in one month. Well, Martin made sure his team was not going to lose and they managed to complete the task. This meant that Graham and Cobus had to braai meat and entertain the team, on what was said to have been one of the hottest days in October!

*"Almal het dit baie geniet en van ons almal af waardeer ons baie dat julle vir ons kom braai het. Dit beteken baie vir die span en hulle sal dit altyd onthou. Veral die hoof bedeksels. Dit is sulke geleenthede wat geskep en die pad vorentoe bou. Tot ons weer saam braai!"*

## IRIS PARK PROJECT CONTRIBUTES TO RR FRANKS SCHOOL



Renisha Naidoo had the privilege of visiting RR Franks Primary School on 31 October 2018, where the Power Group, in collaboration with Citra (Iris Park owners), donated 500 gifts to the scholars in grades 4 to 7.

Situated in Kleinville, the school caters for the poorest, by offering free education to all their children. It was so rewarding to see their smiles and appreciation for something very small. Let us never stop doing good where we can.

John Wesley reminds us to:

*"Do all the good you can, By all the means you can, In all the ways you can, In all the places you can, At all the times you can, To all the people you can, As long as ever you can." — John Wesley*



# A PICTURE PAINTS A THOUSAND WORDS

At Power, we have a tradition of recognising and rewarding the efforts, excellence and commitment shown in our workforce and this is done at an annual event, which coincides with the year-end shut down. A few recipients are pictured here, as well as a few sociable moments at Power.

