



HOW THROUGH COMMUNITY UPLIFTMENT, TSEBO SERVED 24 000 MEALS DAILY WITHOUT ANY DISRUPTION TO ESKOM'S CORE WORK PROGRAMME

INTRODUCTION

ATS SA forms part of the Tsebo Solutions Group – a leading workplace management solutions provider operating in 27 countries across Africa Middle East. With more than 20 years' experience, ATS SA is an expert in remote site and facilities management.

In 2009, when Eskom resolved to solve South Africa's electricity shortages by approving plans to build power stations, they needed a partner that was capable of working with the community and had the experience and capacity to take on the catering for their massive flagship coal-fired power station, Medupi. With a purpose statement of: "we develop people, to serve people, to uplift society" as well as a deeply ingrained understanding of operating in local communities, Tsebo was well placed to fulfil the role while maintaining its commitment to its global best practice systems of:

- **Quality Management**
- **Ethics**
- **Health & Safety**
- **Environmental Protection**

In tendering for the contract, ATS SA as a subsidiary of Tsebo joined forces with Mooncloud 44, an empowerment consortium of 44 women from the previously disadvantaged Lephalale community in Limpopo, immediately east of the Waterberg coalfield. With a passion and footprint in the community Mooncloud 44 brought the empowerment credentials, while Tsebo offered the necessary technical experience in business, logistics and strategy to pull off a catering project of this magnitude.

A 50/50 partnership was created in 2010 resulting in Lephalale Site Services (LSS), which was awarded the tender (recently extended by one year to project completion in 2021) to set up and supply the catering for in excess of 24 000 ground staff (at the height of the contract).

The success of the joint venture and affiliated legacy projects, which allowed LSS to develop an effective infrastructure and localise the supply chain, has created a blueprint for doing business across Africa Middle East, and made Tsebo an expert in successful joint ventures (JVs) with communities.

The impressive results achieved by the JV partnership at Medupi later led to Tsebo being solely contracted to provide catering services at Eskom's Kusile Power Station – a second flagship coal-fired power plant that is currently under construction.

THE CHALLENGE

The environment surrounding the new power station was highly charged and Eskom was under extreme pressure to be acknowledged in making a positive contribution to the country and the environments in which it operates.

This expectation was passed on to its service providers to create a sustainable business model that would add value for all stakeholders and ensure business sustainability in the community, in addition to developing skills and providing local employment.

THE FIVE PILLARS

1



Employ local:
staff to be
sourced from
local community

2



Transfer skills:
business,
administrative,
Health & Safety

3



**Set up local-to-
site business
development:**
produce to be
sourced from
local suppliers

4



**Deliver on scale
and volume**

5



Leave a legacy

Eskom's requirement for value for money had to be factored into the pricing model. In addition, Tsebo had to ensure that it fulfilled the requirements of the five main pillars:

EMPLOY LOCAL

The Eskom contract provided a unique opportunity to develop a strategy to grow the business interests of LSS in the region to ensure sustainability of the business and employ people from the local community.

TRANSFER SKILLS

As a consortium of members with no formal business or professional catering experience, Mooncloud 44's team would benefit greatly from Tsebo's experience. Tsebo was expected to play a mentoring role in addition to providing training in business, professional cookery and catering, Human Resources (HR), Health & Safety, hygiene, supply-chain logistics and strategy.

SET UP LOCAL-TO-SITE BUSINESS DEVELOPMENT

By far the most challenging requirement of the contract required that the majority of the supply chain had to come from local sources. This meant that LSS had to develop an effective infrastructure and localised supply chain that was reliable and capable of sustaining the levels of input required for a massive, long-term catering project.

DELIVER ON SCALE AND VOLUME

In addition to sourcing sufficient ingredients, meat and produce to cater for the nutritional and taste requirements of a hungry workforce, LSS was initially given a kitchen designed with a capacity to cook a mere 6000 meals. Patience, planning, and enormous flexibility were required to prepare and serve 24 000 meals from this limited workspace.

LEAVE A LEGACY

In addition to leaving behind a productive and sustainable business in the form of LSS after exiting the project, Tsebo chose to be involved in other areas of corporate social responsibility (CSR) that would add lasting benefits for the community.

SOLUTION

An independent board of directors was appointed for LSS with members representing the broad-based community interests of Mooncloud 44 as well as that of the Tsebo Solutions Group. The board had a mandate to ensure that the transformation goals remained a priority in the business culture of LSS. A number of Mooncloud 44 board members carried challenging portfolios, including those of CEO, Director of Enterprise Development (local-to-site supply chain) and Director of Human Resources (recruitment and training).

By working closely with local community structures, the Marapong Residents' Committee, trade unions and traditional leaders, LSS built trust and garnered support in the area. The objective was to build a positive reputation and ensure progressive business practices and shareholder relationships that were in the best interest of realising the supplier development and localisation (SD&L) elements of the Eskom contract.

In addition, to meet the stringent mobilisation period of two months, Tsebo had to recruit over 300 employees, including chefs, service staff, management staff and a full-time BEE administrator. Of the employees, **97%** were recruited locally, which meant Tsebo had to move quickly and efficiently to upskill and train (including acquiring SETA accreditations) the local recruits who would be responsible for serving 24 000 meals per day.

The complexities and logistics surrounding the distribution of more than 120 000 packed meals per month to the Medupi construction site required additional commitment from a full team of LSS employees, working 24 hours per day.

With this in mind, LSS dedicated significant financial and human resources to create a functional and reliable local-to-site supply chain. LSS also ensured employment of local people, including persons with disabilities, as well as skills transfer across all elements of the business. Internal and external training structures were also established.



How hot meals are packed by LSS for the many thousands of lunches at Medupi.

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LSS has created numerous job opportunities in our local communities and as a result their contract with your company [Eskom] has been beneficial to and enjoyed by our communities. LSS enterprise initiatives have empowered our people and created wealth in our communities and the region.

Nkidikitlana Traditional Council

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It was imperative that any staff recruited by Tsebo for more senior positions were passionate about transformation, as well as the transference of skills and intellectual property, with the overriding intention of leaving a legacy behind.

To overcome the challenges and achieve the strategic objectives, LSS rolled out its initial production in two months, but set staggered targets to reach the local supplier, and to comply with corporate social investment (CSI) and training requirements.

BENEFITS

With nearly 50 years' experience and knowledge in catering solutions, Tsebo added strategic value to Eskom through a well-trained and customer focused LSS team, which resulted in the seamless preparation and service of 24 000 meals per day, without disruption to Eskom's core work programme.

LSS developed a 21-day menu cycle, including favourite local dishes and preferences for most diets. A consulting dietician was employed to ensure that all menus met the required recommended dietary allowance (RDAs) for an active workforce.

Served **24 000 meals per day**, without any disruption to Eskom's core work programme.

By ensuring that meals were served on time to a consistently high standard, LSS helped to keep the labour force well-nourished and healthy, as well as to minimise labour disputes over food-related issues.

Feeding a workforce of 24 000 day after day required enormous planning and efficiency and Tsebo was able to leverage its experience in logistics and employee relations to ensure that there has never once been a disruption to Eskom's schedule as a result of catering. The long-term employment history of the team was critical for effective operation of the catering at Medupi. Many LSS employees celebrated a 10-year long service in January 2020.

Through its extensive mentoring and training programme (overseen by the Tsebo Training Academy) LSS has contributed positively to the broader Leph-alale community. It empowered a number of middle management and supervisory level employees, who have subsequently moved on to other positions in catering, hospitality and related industries in the region.

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During the peak period at Medupi Project site, the Joint Venture's performance was exceptionally excellent in that LSS successfully provided 24 000 meals a day without incident or compromising on quality and standard. Undoubtedly, the success is primarily attributed to commitment, competence and professionalism of those at the helm of the company here in Leph-alale. Eskom acknowledges and appreciates the sustained contribution made by LSS especially considering that the project site hasn't experienced a food strike in more than three years. I therefore, do not hesitate to recommend Tsebo for any opportunity in future.

*Gerhard Joubert, Eskom Manager
Project Support: Medupi Facilities*

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The role of developing small business enterprises is highly appreciated. Again thanks so much for your help and STE management have no doubt that it would not have been easy for us to succeed without your presence.

*DM Molekoa, CEO STE Poultry t/a
Nkikitlana Poultry Abattoir*

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Achieved **Level 1 B-BEE** status.

In addition, LSS successfully achieved its goal of **70 %** local supply, and upheld its mandate to the SD&L model by promoting responsible collaboration between stakeholders in the community. By offering supplier development, training and support, LSS built relationships with over 22 local supply chains with many downstream beneficiaries.

Being in touch with the local community has also paid off. Tsebo added value for Eskom by assisting the JV to upgrade its catering facilities. The tuckshop, kitchen and bar area were also upgraded and re-branded to create a pleasant aesthetic while catering for the needs of the consumer.

There is no doubt that LSS has built solid and positive relationships among members and groups in the broader Leph-alale community.

Furthermore, LSS improved its B-BBEE status from Level 2 to Level 1 and was actively involved in local empowerment and social responsibility sponsorships and initiatives. These include the following examples:

- **The Phelang factory kitchen.** The donation of a complete factory kitchen and equipment to the 800 women of the Leph-alale Women's Organisation to supply LSS with processed fruit and vegetables for Medupi.

- **The Kopana Ke Maatle creche.** LSS adopted the local creche and built a new kitchen, ablution blocks, and classrooms.



- **The Abbotspoort (Mokuronyane) community hall.** LSS built a hall for the community
- **The Seleka community hall.** LSS refurbished the hall and donated 500 chairs.
- **The Shongoane community hall.** LSS refurbished the hall and donated 300 chairs
- LSS built a **four-room house** for an elderly man who was homeless.
- **The Ga Tauyatswala community hall.** LSS renovated and upgraded the hall and donated chairs.
- **The Ga Nkidikitlana community hall.** LSS renovated and upgraded the hall and donated chairs.
- **The Taueatsoala community hall.** LSS renovated and upgraded the hall and donated chairs.



- **The Nkidikitlana community hall.** LSS renovated and upgraded the hall and donated chairs.

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We as Lephhalale Women’s Organisation Co-operative t/a Phelang would like to extend our sincere appreciation for the assistance we’ve acquired from Lephhalale Site Services on the equipment and building (kitchen) situated at building 380 Heavy Industrial Area, Lephhalale.

This indicated that LSS has outdone themselves in helping companies achieve their objective and carry out visions and help empower women in need.

Dineo Setuma, General Manager, Lephhalale Women’s Organisation

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RESULTS

The LSS partnership demonstrates that well-managed cooperation between Corporate and the community can have a positive impact on the lives of many beneficiaries in the region through enterprise development, local recruitment and skills transfer.

By fulfilling Eskom’s mandate to feed and nourish its workforce on schedule and within a set budget, LSS succeeded in making a positive contribution to Eskom’s labour relations and project rollout.

In addition, Tsebo was successful in creating a sustainable business model that added value for all stakeholders, ensured business sustainability in the community, developed skills, provided employment, and, most importantly, left a lasting legacy in the community.

CUSTOMER SATISFACTION AND CLIENT SATISFACTION SCORES

Since the inception of the Medupi contract in 2010, Tsebo has achieved:

An average client **satisfaction score of 86 %** and customer **satisfaction score of 95 %** for the quality of meals served.



SUPPLIER DEVELOPMENT & LOCALISATION (SD&L)

As required in the returnables, LSS successfully achieved all aspects of the SD&L as set out by Eskom. One of its biggest achievements is that, **70%** of supplies used and services offered at the Marapong kitchen come from the local and surrounding business communities.

70 % of supplies and services sourced from local and surrounding business communities.

HEALTH AND SAFETY

LSS complies with legislation applicable to creating a healthy and safe working environment for its customers, clients and employees. A good manufacturing practices (GMP) system was introduced and includes a 'green footprint' initiative. LSS achieved ISO 9001:2015 compliance for Eskom's Marapong contractors' village kitchen.

CATERING

- More than 30 million meals have been served since the inception of the contract in February 2010.
- More than 10 million meals have been served since the inception of the contract in February 2010 to residents of the Marapong contractor's village.
- More than 20 million delivered meals have been served at the Medupi construction site.

More than **30 million meals** have been served in total since the inception of the contract.

EMPLOYMENT AND TRAINING

- More than 4500 THETA registered training certificates have been issued for various skills training courses conducted by the LSS full time trainers. Training courses are moderated by the Tsebo Training Academy.
- More than 150 external training courses have been attended by the management team of LSS.

More than **4500 THETA registered training certificates** have been issued.

ENTERPRISE DEVELOPMENT

Enterprise development and wealth creation were a vital part of Tsebo's strategic commitment to transformation. Over the past 10 years Mooncloud 44 has grown from a small, medium and micro enterprise (SMME) into a successful large black-owned business.



Branding of the dining facilities at the Marapong contractor's village at Medupi.

ESKOM'S KUSILE POWER STATION

The level of professionalism displayed in the catering of in excess of 30 million meals to workers at the Medupi Power Plant, as well as the success of the joint venture with Mooncloud 44 and affiliated legacy projects, led to Tsebo Catering ATS being solely contracted to provide catering services at Eskom's Kusile Power Station. Kusile is a second flagship coal-fired power plant currently under construction near Emalahleni, Mpumalanga. The contract started in April 2019 and to date showed excellent results.

- Involves **183** employees, top management included.
- Prepares **7300** meals per day.
- Served more than **two million** meals since inception.
- Tsebo has achieved an average client (Eskom) satisfaction score of **95 %**.
- Achieved an average customer satisfaction score of **89 %** for quality meals served since inception.

In addition, Tsebo recently launched a composting project at the Kusile site, to recycle the food waste (including cooked and uncooked food and bone) generated from large-scale catering. So far more than 300 kg food waste was converted into 1360 kg compost. The Earth Cyclor, a South African manufactured, fully automated composter is used for this purpose.



Sponsored feeding of all children at the local nursery school in Marapong, and schoolbags handed out.

The strong ethical and moral culture of LSS can be seen and measured in terms of its corporate governance and prominent position in the Lephalale community. Once Tsebo exits LSS in 2021, the empowerment cycle will be complete and LSS will continue to touch the lives of many down-stream beneficiaries in the region.

The local political structures have been engaged with LSS throughout the contract and hold it up as a model of a progressive corporate-community partnership.

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