

### **Babcock Delivers 13 Volvo Units To AfriSam's Dudfield Factory**

Babcock has completed the delivery of 13 units of Volvo heavy earthmoving equipment to AfriSam's Dudfield cement factory in Lichtenburg, representing one of its biggest orders to date. The order was awarded through an open tender process towards the end of 2014 and comprises six A40F articulated dump trucks (ADTs), one A40F 35 000 litre water tanker, three L220 wheel loaders two L350 wheel loaders and one G940 grader.

Most of the new machines have been deployed in Dudfield's limestone quarry in a load and haul capacity, with three loaders used in the cement production process, handling raw materials and semi-finished products.

Among the key drivers at the Dudfield quarry are reduction of dust emissions and rehabilitation of the quarry area. The facility's roads are well maintained by the auxiliary equipment and this in turn contributes towards low maintenance and higher availability of equipment.

In terms of safety, Babcock has helped alleviate unauthorised operating of equipment by introducing improved key control and has assisted with tyre change procedures, effectively managing the risks involved. Its crew fully endorses, participates and adheres to AfriSam safety systems and voluntarily participates in all its training programmes.

Such has been the two companies' tandem successes in the health and safety arena at Dudfield that the greater Babcock International Group recently recognised the partnership with a Customer Engagement Award. For its part, AfriSam has awarded Babcock several safety accolades over the past three years and has chosen to reflect this successful partnership on the health and safety pages of its corporate website.

This is the latest batch of machines to be supplied by Babcock through its longstanding and successful relationship with AfriSam that has seen Babcock provide a large number of Volvo heavy earthmoving units to other company AfriSam quarries over several years.

Babcock's Peet Smit says the Volvo machines are being supplied via a lease agreement and are being maintained 24/7 by an on-site crew that conducts daily, scheduled and unscheduled maintenance to ensure maximum uptime.

"We've also set up a dedicated administrative team at Babcock Equipment Head Office to manage the servicing of the machines at Dudfield," he explains. "This involves utilising the Volvo CareTrack Telematics system to plan services. Planning is effected 80 hours before each service, allowing sufficient time for the necessary resources to be deployed.

"We also conduct life cycle actual costing exercises every six months, ensuring that the exact cost per hour on each machine is calculated and presented to AfriSam. In addition, availability calculations are performed every month based on figures from the site and presented to AfriSam. At the end of each month, opening SMR (Service Meter Readings) and closing SMR (Service Meter Readings) are collected from CareTrack and sent to AfriSam Dudfield for confirmation. Once confirmation is received, a monthly invoice is generated and submitted for payment."

AfriSam Commodity Specialist, Prindha Naicker comments that the tender was adjudicated against criteria such as BEE status and growth towards transformation, as well as Total Cost of Ownership.

"When we decided to replace the old fleet at Dudfield, we wanted to work with a supplier that would be the best fit in terms of a longer term replacement strategy and maintenance of the fleet," she says. "The high asset base of the cement plant and the flexibility in the markets prompted us to move away from owning the machines, to obtaining them on an operating rental basis.

"Babcock's was one of the more attractive offers, with competitive interest rate and trade-backs at the end of the period, as well as flexibility in fleet size if required. Their management of the on-site workshop and associated services is making a big contribution towards the required levels of availability of the fleet."

Naicker adds that the procurement of goods and services is seen as a crucial component of AfriSam's overall business strategy. In terms of the company's core values, it is committed to building sound long term business relationships with suppliers and, to this end, service level agreements with all key suppliers form the basis of its procurement philosophy and relationships.

"We prefer to plan and execute developments like this together with our suppliers as business partners and we always strive for win-win negotiations," she continues. "Babcock proved its capabilities in the previous replacement cycle as a business and solutions partner, beyond being purely a supplier of yellow equipment. Our focus was always longer term than the replacement at hand, but at the time, financial alternatives were not available, so Babcock adapted its business process and outlook to cater for AfriSam's needs in terms of partnering with financial institutions and providing trade-back opportunities.

"Relationships are synonymous with respect, as they are earned over a long period, and Babcock has definitely achieved this over the past several years. The Babcock sales and support teams are to be commended for their commitment to making this relationship such a success."

AfriSam conducts supplier evaluations on a bi-annual basis and only those suppliers with a minimum score of 80% are nominated as part of its "Supplier of the Year" award. Babcock came third in this competition in 2014.

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