

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

**THE MUNICIPALITY OF INXUBA YETHEMBA
AS REPRESENTED
BY THE MUNICIPAL MANAGER**

MZIWANDILE SYDNEY TANTSI

(HEREIN REFERED TO AS THE EMPLOYER)

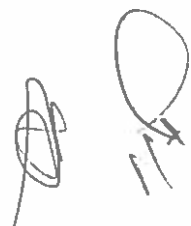
AND

N. T MAJIBA

(HEREIN REFERED TO AS THE EMPLOYEE)

FOR THE
FINANCIAL YEAR;

1 JULY 2015 TO 30 JUNE 2016

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WHEREBY IT IS AGREED AS FOLLOWS:**1. INTRODUCTION**

- 1.1 The **Employer** has entered into a contract of employment with the **Employee** in terms of section 57(1) (a) of the Local government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The **Employer** and the **Employee** are hereinafter referred to as "the Parties".
- 1.2 Section 57(1)(b) of the systems Act, read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual Performance Agreement
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the **Employee** to a set of outcomes that will secure local government policy goals.
- 1.4 The parties wish to ensure that there is compliance with Sections 57(4A), 57(4B) and 57(5) of the Systems Act

2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to:-

- 2.1 comply with the provisions of Section 57(1) (b), (4A), 4(b) and (5) of the Systems Act as well as the Contract of Employment entered into between the parties;
- 2.2 specify objectives and targets established for the **Employee** and to communicate to the **Employee** the **Employer's** expectations of the **Employee's** performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan and the Budget of the Municipality;
- 2.3 specify accountabilities as set out in the Performance Plan, which forms an annexure to the performance agreement (Annexure A);
- 2.4 monitor and measure performance against set targeted outputs;
- 2.5 use the Performance Agreement and Performance Plan as the basis to assess whether the **Employee** has met the performance expectations applicable to his/her job;
- 2.6 in the event of outstanding performance, to appropriately reward the **Employee**; and
- 2.7 give effect to the **Employer's** commitment to a performance-orientated relationship with the **Employee** in attaining equitable and improved service delivery

3. COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the **1st July 2015** and will remain in force until **30th June 2016** thereafter a new Performance Agreement, Performance Plan and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof.
- 3.2 The parties will review the provisions of this Agreement during June each year. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by not later than the beginning of each successive financial year.
- 3.3 This Agreement will terminate on the termination of the **Employee's** contract of employment for any reason.
- 3.4 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon.
- 3.5 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of the Agreement are no longer appropriate, the contents shall immediately be revised

4. PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan (Annexure A) sets out-
- 4.1.1 the performance objectives and targets that must be met by the **Employee**; and
- 4.1.2 the time frames within which those performance objectives and targets must be met.
- 4.2 The performance objectives and targets reflected in Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Employer, and shall include key objectives; key performance indicators; target dates and weightings
- 4.2.1 The key objectives describe the main tasks that need to be done.
- 4.2.2 The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved.
- 4.2.3 The target dates describe the timeframe in which the work must be achieved.
- 4.2.4 The weightings show the relative importance of the key objectives to each other.
- 4.3 The **Employee's** performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the **Employer's** Integrated Development Plan.

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5. PERFORMANCE MANAGEMENT SYSTEM

- 5.1 The **Employee** agrees to participate in the performance management system that the **Employer** adopts or introduces for the **Employer**, management and municipal staff of the **Employer**
- 5.2 The **Employee** accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the **Employer**, management and municipal staff to perform to the standards required
- 5.3 The **Employer** will consult the **Employee** about the specific performance standards that will be included in the performance management system as applicable to the **Employee**
- 5.4 The **Employee** undertakes to actively focus towards the promotion and implementation of the KPAs (including special projects relevant to the employee's responsibilities) within the local government framework
- 5.5 The criteria upon which the performance of the **Employee** shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement
- 5.5.1 the **Employee** must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Core Competency Requirements (CCRs) respectively.
- 5.5.2 Each area of assessment will be weighted and will contribute a specific part to the total score
- 5.5.3 KPA's covering the main areas of work will account for 80% and CMC's will account for 20% of the final assessment
- 5.6 The **Employee's** assessment will be based on his/her performance in terms of the outputs/outcomes (performance indicators) identified as per attached Performance Plan (Annexure A), which are linked to the KPA's and will constitute 80 % of the overall assessment result as per the weightings agreed to between the **Employer** and **Employee** :

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Key Performance Areas (KPA's)	Weighting
Municipal Financial Viability and Management	100%
Total	100 %

5.7 The CMCs will make up the other 20 % of the Employee's assessment score. CMCs that are deemed to be most critical for the Employee's specific job should be selected from the list below as agreed to between the Employer and Employee:

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR)		
Core Managerial and Occupational Competencies	(Indicate choice) √	Weight
Core Managerial Competencies:		
Strategic Capability and Leadership		
Programme and Project Management		
Financial Management	√	20
Change Management		
Knowledge management		
Service Delivery Innovation		
Problem Solving and Analysis		
People Management and Empowerment	√	20
Client Orientation and Customer Focus	√	20
Communication		
Honesty and Integrity		
Core Occupational Competencies:		
Competence in Self-Management		
Interpretation of and implementation within the legislative and national policy framework	√	20
Knowledge of Developmental Local Government		
Knowledge of Performance Management and Reporting		
Knowledge of global and South African specific political social and economic context		
Competency in policy conceptualisation, analysis and implementation	√	20
Knowledge of more than one functional municipal field / discipline		
Skills in mediation		
Skills in governance		
Competence as required by other national line sector departments		
Exceptional and dynamic creativity to improve the functioning of the municipality		
Total percentage		100%

EVALUATING PERFORMANCE

6.2 The Performance Plan (Annexure A) to this Agreement sets out-

6.2.1 the standards and procedures for evaluating the **Employee's** performance;
and

6.2.2 the intervals for the evaluation of the **Employee's** performance

6.3 Despite the establishment of agreed intervals for evaluation, the **Employer** may in addition review the **Employee's** performance at any stage while the contract of employment remains in force

6.4 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.

6.5 The **Employee's** performance will be measured in terms of contributions to the goals and strategies set out in the **Employer's** IDP

6.6 The annual performance appraisal will involve

6.6.1 **Assessment of the achievement of results as outline in the performance plan:**

- (a) Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA
- (b) An indicative rating on the five-point scale should be provided for each KPA
- (c) The applicable assessment rating calculator (refer to paragraph 6.5.3 below) must then be used to add the scores and calculate a final KPA score

6.6.2 **Assessment of the CMCs**

- (a) Each CMCs should be assessed according to the extent to which the specified standards have been met
- (b) An indicative rating on the five-point scale should be provided for each CMC
- (c) This rating should be multiplied by the weighting given to each CCR to provide a score
- (d) The applicable assessment rating calculator (refer to paragraph 6.5.1) must then the used to add the scores and calculate a final CMC score

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6.6.3 Overall rating

An overall rating is calculated by using the applicable assessment- rating calculator. Such overall rating represents the outcome of the performance appraisal.

6.7 the assessment of the performance of the **Employee** will be based on the following rating scale for KPA's and CMCs

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA (Performance Agreement) an Performance plan and maintained this in all areas of responsibility throughout the year					
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all other throughout the year					
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan					
2	Not fully effective	Performance is below the standard required of the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement					
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review or assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management effort to encourage improvement.					

6.7 For purposes of evaluating the annual performance of the municipal manager, an evaluation panel constituted by the following persons will be established-

- 6.7.1 Executive Mayor
- 6.7.2 Chairperson of the Audit committee;
- 6.7.3 Ward committee member (on a rotational basis), where applicable;
- 6.7.4 Member of the Mayoral Committee; and
- 6.7.5 Mayor and/ or Municipal Manager from another Municipality

6.8 For purposes of evaluating the annual performance of the managers directly accountable to the municipal manager, an evaluation panel constituted by the following persons will be established-

- 6.8.1 Municipal Manager
- 6.8.2 Chairperson of the Audit committee;
- 6.8.3 Ward committee member (on a rotational basis), where applicable;
- 6.8.4 Member of the Mayoral Committee; and
- 6.8.5 Municipal Manager from another Municipality

7 SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of each **Employee** in relation to his/her performance agreement shall be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter	;	July – September	Before end October 2015
Second quarter	;	October – December	Before end January 2016
Third quarter	:	January – March	Before end April 2016
Fourth quarter	:	April – June	Before end July 2016

7.2 The **Employer** shall keep a record of the mid-year review and annual assessment meetings.

7.3 Performance feedback shall be based on the **Employer's** assessment of the **Employee's** performance

7.4 The **Employer** will be entitled to review and make reasonable changes to the provisions of Annexure A from time to time for operational reasons. The **Employee** will be fully consulted before any such change is made

7.5 The **Employer** may amend the provisions of Annexure A whenever the performance management system is adopted, implemented and/or amended as the case may be. In that case the **Employee** will be fully consulted before any such change is made

8 DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure B.

9 OBLIGATIONS OF THE EMPLOYER

9.1 The Employer shall-

- 9.1.1 create an enabling environment to facilitate effective performance by the employee;
- 9.1.2 provide access to skills development and capacity building opportunities;
- 9.1.3 work collaboratively with the **Employee** to solve problems and generate solutions to common problems that my impact on the performance of the **Employee**;
- 9.1.4 on the request of the **Employee** delegate such powers reasonably require by the **Employee** to enable him/her to meet the performance objectives and targets established in terms of this Agreement; and
- 9.1.5 make available to the **Employee** such resources as the **Employee** may reasonably require from time to time to assist him/her to meet the performance objectives and targets established in terms of this Agreement

10 CONSULTATION

- 10.1.1 The **Employer** agrees to consult the **Employee** timeously where the exercising of the powers will have amongst others-
- 10.1.2 a direct effect on the performance of any of the **Employee's** functions;
- 10.1.3 commit the **Employee** to implement or to give effect to a decision made by the **Employer**; and
- 10.1.4 a substantial financial effect on the **Employer**
- 10.1.5 The **Employer** agrees to inform the **Employee** of the outcome of any decisions taken pursuant to the pursuant to the exercise of powers contemplated in 11.1 as soon as is practicable to enable the **Employee** to take any necessary action without delay.

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11 MANAGEMENT OF EVALUATION OUTCOMES

- 11.1.1 The evaluation of the **Employee's** performance will form the basis for rewarding outstanding performance or correcting unacceptable performance
- 11.1.2 A performance bonus of 5 % to 14 % of the inclusive annual remuneration package may be paid to the **Employee** in recognition of outstanding performance
- 11.1.3 a score of 130% to 149% is awarded a performance bonus ranging from 5% to 9% and
- 11.1.4 a score of 150% and above is awarded a performance bonus ranging from 10% to 14%

SCORE	BONUS %
130-133	5
134-137	6
138-141	7
142-145	8
146-149	9
150-153	10
154-157	11
158-161	12
162-165	13
166-167	14

- 11.1.5 A pro-rata bonus will be payable to the **Employee** based on the amount of full months employed, in the event that the evaluation period is not a full financial year subject to the following:-
- 11.1.5.1 That the evaluation period be not less than 6 months
- 11.1.5.2 That the employee be employed on the last day of the financial year and undergo a review during the agreed review period
- 11.2 In the case of unacceptable performance, the **Employer** shall-
- 11.2.1 provide systematic remedial or developmental support to assist the **Employee** to improve his or her performance; and
- 11.2.2 After appropriate performance counseling and having provided the necessary guidance and/ or support as well as reasonable time for improvement in performance, the **Employer** may consider steps to terminate the contract of employment of the **Employee** on grounds of unfitness or incapacity to carry out his or her duties

12 DISPUTE RESOLUTION

12.1 Any disputes about the nature of the **Employee's** performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/ or any other matter provided for, shall be mediated by-

12.1.1 the MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the **Employee**: or

12.1.2 any other person appointed by the MEC

12.1.3 In the event that the mediation process contemplated above fails, clause 19.3 of the Contract of Employment shall apply.

13 GENERAL

13.1.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Employer

13.1.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his/ her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

Thus done and signed at CRADOCK on this the ³¹.....day of JULY 2015

EMPLOYEE

.....
N T MAJIBA

AS WITNESSES :

1.....

2.....

EMPLOYER

.....
M.S TANTSI

AS WITNESSES :

1.....
S. Mungula.....

2.....

“ANNEXURE A”

COMMUNITY SERVICES DEPARTMENT PERFORMANCE PLAN

B1/B2. Sports facilities and Cemeteries: **Strategic Objective:-** Provide adequate accessible and properly maintained sports facilities and ensure that cemeteries meet the demand and are conducted in accordance with applicable legislation

Key Performance Area	IDP Ref. No	Project	Objective	Key Performance Indicator/s	Baseline Indicator	Evidence/Measurement	Annual Target/Timeframe	Weight	Qtr1 30 th Sept 2015		Qtr 2 31 Dec 2015		Qtr3 31 Mar 2016		Qtr4 30 June 2016		Explanatory of variance		
									Exp	Act	Exp	Act	Exp	Act	Exp	Act			
COMMUNITY FACILITIES	4B1.2	Maintenance of Sport facilities	Ensure that all facilities are properly maintained	% customer satisfaction	No survey conducted	Survey results	70% customer satisfaction overall by 30 June 2016	15											
	4B2.1	Maintenance of all cemeteries	To ensure that facilities are clean and sites accessible	% customer satisfaction	No survey conducted	Survey results	60% customer satisfaction overall by 30 June 2016												
	4B2.2	Kwanonzame cemetery toilet facility	Ensure that there are toilet facilities in Kwanonzame cemetery	Availability of facilities	None	Structure in place	Completed structure by June 2016												

B3. HIV/AIDS Programme: Strategic Objective:- Reduction of HIV % new infections and its impact on individuals, families and communities

Key Performance Area	IDP Ref. No	Project	Objective	Key Performance Indicator/s	Baseline Indicator	Evidence/ Measurement	Annual Target/ Timeframe	Weight	Qtr1 30 th Sept 2015		Qtr 2 31 Dec 2015		Qtr3 31 Mar 2016		Qtr4 30 June 2016		Explanation of variance	
									Exp	Act	Exp	Act	Exp	Act	Exp	Act		
	4B3.1	HIV/AIDS workplace Strategy	Development of Workplace strategy to curb any form of discrimination and to educate workforce	Documented strategy	document	Council resolution	30 July 2015	15	Approved									
	4B3.2	Awareness Programme	To increase level of awareness in youth	Number of awareness sessions held	none	Reports on sessions held	At least 4 by June 2016		1	2	3	4						

B4. Disaster Management: Strategic Objective:- To build the capacity to deal with all prevalent forms of disaster in the municipal area

Key Performance Area	IDP Ref. No	Project	Objective	Key Performance Indicator/s	Baseline Indicator	Evidence/ Measurement	Annual Target/ Timeframe	Weight	Qtr1 30 th Sept 2015		Qtr 2 31 Dec 2015		Qtr3 31 Mar 2016		Qtr4 30 June 2016		Explanation of variance	
									Exp	Act	Exp	Act	Exp	Act	Exp	Act		
	4B4.1	Disaster Management Plan	Revise Disaster Management Plan	Revised Disaster Management Plan adopted by council	none	Document & Council resolution	30 August 2015		Approved									
	4B4.2	Equip the Disaster Management Centre	To have an equipped and capable centre	Availability of Basic disaster Equipment	none	records	by June 2016	15										
	4B4.3	Disaster Management Forum	To have a functional Disaster Management Forum in place	An established forum	none	Minutes/ attendance registers	August 2015		1		2		3		4			

B5. Waste Management: Strategic Objective:- To ensure an environment with clean well-kept natural open spaces, parks and maintained built environment

Key Performance Area	IDP Ref. No	Project	Objective	Key Performance Indicator/s	Baseline Indicator	Evidence/ Measurement	Annual Target/ Timeframe	Weight	Qtr1 30 th Sept 2015		Qtr 2 31 Dec 2015		Qtr3 31 Mar 2016		Qtr4 30 June 2016		Explanation of variance	
									Exp	Act	Exp	Act	Exp	Act	Exp	Act		
	4B5.1	Integrated Waste Management Plan	Develop an Integrated Waste Management Plan for the municipality	An approved Integrated Waste Management Plan	none	Document & Council resolution	30 September 2015											
	4B5.3	Urban Greening	To promote a clean environmental ly Friendly communities	Number of parks developed and maintained	Existing ones in very poor state	Reports & physical inspection	1 in each ward by 30 June 2016	25										
	4B5.4	Solid Waste Disposal sites	An established compliant Disposal site	Disposal sites that are licensed	tendering	certificates	30 August 2015											
	4B5.6	EPWP environmental project	Creating jobs through EPWP and ensuring that the environment is clean	Number of jobs created	0	Records	200 by June 2016											

B6. Traffic Control: Strategic Objective:- Rendering a traffic service that is conducted diligently and which is visible and adding value to crime prevention at all times

Key Performance Area	IDP Ref. No	Project	Objective	Key Performance Indicator/s	Baseline Indicator	Evidence/Measurement	Annual Target/ Timeframe	Weight	Qtr1 30 th Sept 2015		Qtr 2 31 Dec 2015		Qtr3 31 Mar 2016		Qtr4 30 June 2016		Explanatio of varianc	
									Exp	Act	Exp	Act	Exp	Act	Exp	Act		
	4B6.1	Speed Bumps	Put in place traffic calming measures in high risk areas	Number of speed bumps in identified areas	0	Physical inspection	At least 8 by June 2016		2		4		6		8			
	4B6.2	Road Signage	To have visible signs to Control traffic flow	Number of signs replaced	To be identified	Physical inspection	75% identified signs by June 2016	20										
	4B6.3	Traffic Law Enforcement	To increase capacity for traffic law enforcement	Number of new traffic officers employed	3	Employment contracts	2 by Sept 2015											
	4B6.4	Pounding facilities	To reduce dangers /accidents caused by stray animals	Number of Operational pounding facilities	1 in MBG	Reports	2 by Sept 2015											

F1. Governance and public participation: Strategic Objective:- Ensure good governance and participation by community in the affairs of the municipality

Key performance area	IDP Ref. No	Project	Objective	Key Performance Indicator/s	Baseline Indicator	Evidence/ Measurement	Annual Target/ Timeframe	Weight	Qtr1 30 th Sept 2015		Qtr 2 31 Dec 2015		Qtr3 31 Mar 2016		Qtr4 30 June 2016		Explanation of variance	
									Exp	Act	Exp	Act	Exp	Act	Exp	Act		
LEAN AUDIT		Audit readiness and execution	Ensuring that all RFI's and CoAFs related to department are responded to	% of RFI's and CoAFs related to department responded to	RFI and CoAF registers	RFI and CoAF registers	RFI and CoAF 100% by 30 November 2015	10										

CORE COMPETENCY REQUIREMENTS (CCR)										
CCR 1 CORE MANAGERIAL COMPETENCIES										
Competency requirement	Weighting	Indicator	Evidence/ Measurement	Annual Target/ Time-frame	Revised Target	Qtr 1 30 Sept 2015	Qtr 2 31 Dec 2015	Qtr 3 30 March 2016	Qtr 4 30 June 2016	Explanation of variance
Financial Management	20	Timeous submission of budget information	Documentation							
		All expenditure is within the department's budget	Departments quarterly expenditure report	Quarterly reports		1	1	1	1	
People Management and Empowerment	20	Delegates and Empowers to increase contribution and level of responsibility	System to achieve this in place							
		Number of departmental meetings held to facilitate teamwork and spirit	Minutes	At least monthly (12)		3	3	3	3	
Client orientation and customer focus	20	Number of consultations held with relevant stakeholders	Evidence of Meetings held							



CCR 2 CORE OCCUPATIONAL COMPETENCIES

Competency requirement	Weighting	Indicator	Evidence/ Measurement	Annual Target/ Time-frame	Re-vised Target	Qtr 1 30 Sept 2015	Qtr 2 31 Dec 2015	Qtr 3 30 March 2016	Qtr 4 30 June 2016	Explanation of variance
Interpretation of, and implementation within the legislative and national policy	20	100% compliance	no report or complaints to the contrary	100%						
Policy conceptualization, analysis and implementation	20	Development, review and implementation of policies relevant to the department	Policies in place and implemented							
TOTAL	100									

