



**PERFORMANCE AGREEMENT**

**ENTERED BETWEEN:**

**KING SABATA DALINDYEBO LOCAL MUNICIPALITY**

**AS REPRESENTED BY ACTING MUNICIPAL MANAGER**

**ZOLISA HERMAN MDIKANE**

**AND**

*LUUYO PATRICK MOKA*

**THE EMPLOYEE OF THE MUNICIPALITY**

**FOR THE PERIOD**

**1 JULY 2015 - 30 JUNE 2016**

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## PERFORMANCE AGREEMENT

### MADE AND ENTERED INTO BY AND BETWEEN:

King Sabata Dalindyebo Local Municipality herein represented by Mr Z.H. Mdikane in his capacity as Acting Municipal Manager (hereinafter referred to as the **Employer**)

AND

LUVUYO PATRICK MALA of the Municipality (hereinafter referred to as the **Employee**).

### 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 System 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 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 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 Section 57(1) (a), 57(1) (b) and 57(5) of the Local Government Municipal System Act.

#### 2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to-

- 2.1 comply with the provision of Section 57(1) (b), (4) (a), (4) (b) and 5 of the Act as well as the employment contract entered into between parties;
- 2.2 specify objectives and targets defined and agreed with 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 and the Budget of the municipality.
- 2.3 specify accountabilities as set out in a performance plan (annexure A) attached;
- 2.4 monitor and measure performance against set targeted output;
- 2.5 use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;



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- 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 employee in attaining equitable and improved service delivery.

### **3. COMMENCEMENT AND DURATION**

- 3.1 This agreement will commence on 1 July 2015 and will remain in force until 30 June 2016 hereafter a new Performance Agreement and Performance Plan shall be concluded between the parties for the next financial year or portion thereof.
- 3.2 The parties will review the provision of 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 If at any time during the validity of this Agreement the work environment alters to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised by mutual agreement.

### **4. PERFORMANCE OBJECTIVES**

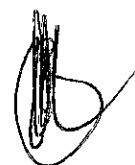
- 4.1 The Performance Plan (annexure A) set out-
- 4.1.1 The performance objectives and targets that must be met by the Employee; and
- 4.1.2 The time frames within which those performance objectives and targets must be met.
- 4.2 The performance objectives and targets reflected in annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, Service Delivery and Budget (SDBIP) and 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 objectives 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 adapts or introduces for employer, management and municipal staff of the Employer.
- 5.2 The Employee accepts that the purpose of the performance management system will be 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 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 Employee shall be assessed shall consist two components.
- 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 KPAs covering the main areas of work will account for 80% and CCRs 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.
- 5.7 Key performance areas related to the functional areas of Employee must be subject to negotiation between the Employer and Employee.



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KEY PERFORMANCE AREA	WEIGHTING 2015/16	INDIVIDUAL WEIGHTING
Basic Service Delivery And Infrastructure Development	40	
Local Economic Development	10	
Financial Viability And Management	15	
Good Governance And Public Participation	15	
Institutional Transformation And Organisational Development	15	
Spatial Planning and Social Development	5	

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

CORE COMPETENCY REQUIREMENTS (CCR) FOR EMPLOYEES		
CORE MANAGERIAL COMPETENCIES (CMC)	✓	WEIGHT
Strategic Capability and Leadership		3
Programme and Project Management		3
Financial Management	Compulsory	4
Change Management		1
Knowledge Management		1
Service Delivery Innovation		1
Problem solving Analysis		
People Management and Empowerment	Compulsory	3
Client Orientation and Customer Focus	Compulsory	2
Communication		1
Honesty and Integrity		1

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<b>CORE OCCUPATIONAL COMPETENCIES (COC)</b>		
Competency in Self-Management		
Interpretation of and implementation within the legislative a national policy frameworks		
Knowledge of Performance Management and Reporting		
Knowledge of global and South African specific political, social and economic contexts		
Competence in policy conceptualization, analysis and implementation		
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		

## 6. EVALUATING PERFORMANCE

6.1 The Performance Plan (Annexure A) to this Agreement set out-

6.1.1 The standard and procedures for evaluating the Employee's performance; and

6.1.2 The intervals for evaluation of the Employee's performance.

6.2 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

6.3 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 implementation must take place within set time frames.

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

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6.5 The annual performance appraisal will involve:

**6.5.1 Assessment of the achievement of results as outlined 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.

**6.5.2 Assessment of the CCRs**

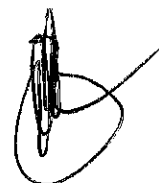
- a) Each CCR should be assessed according to the extent to which the specified standards have been met
- b) An indicative rating on the five-point scale should be provided for each CCR
- c) The rating should be multiplied by weighting given to each CCR during the contracting process, to provide a score.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

**6.5.3 Overall rating**

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

6.6 The assessment of the performance of the Employee will be based on the following rating scale for KPA's and CCR's:

Level	Terminology	Description
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 and Performance plan and maintained this in all areas of responsibility throughout the year.

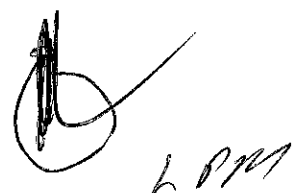


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4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others 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	Performance not fully effective	Performance is below the standard required for 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 more than half the key performance criteria and indicators as specified in the PA and Performance Plan.
1	Unacceptable Performance	Performance does not meet the standard 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.

6.7 For purposes of evaluating the performance of the **Employee**, an evaluation panel constituted by the following persons will be established:

- 6.7.1 Municipal Manager
- 6.7.2 Chairperson of the performance audit committee or audit committee in the absence of a performance audit committee;
- 6.7.3 Another member of council; and
- 6.7.4 Municipal manager from another municipality



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6.8 The manager responsible for human resources of the municipality must provide secretariat services to the evaluation panel

## 7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of the Employee in relation to this 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	:	30 September 2015
Second quarter	:	15 December 2015
Third quarter	:	31 March 2016
Fourth quarter	:	31 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 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 Annexure "A" of the performance plan 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 development gaps forms part of Annexure A

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## **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 may impact on the performance of the **Employee**;
- 9.1.4 On the request of the **Employee** delegate such powers reasonably required by the Employee to enable him/ her to meet the performance objectives and targets established in terms of the Agreement; and
- 9.1.5 Make available to the **Employee** such resources as the **Employee** may reasonably require from time to time assisting him meet the performance objectives and targets established in terms of this agreement.

## **10. CONSULTATION**

10.1 The **Employer** agrees to consult the Employee timeously where the exercising of the powers will have amongst others-

- 10.1.1 A direct effect on the performance of any of the Employee's functions;
- 10.1.2 commit the Employee to implement or to give effect to a decision made by the Employer; and
- 10.1.3 a substantial financial effect on the Employer.

10.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 10.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

## **11 MANAGEMENT OF EVALUATION OUTCOMES**

11.1 The evaluation of the **Employee's** performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.



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11.2 A performance bonus of 5% to 14% of the all-inclusive remuneration package may be paid to the Employee in recognition of outstanding performance to be constituted as follows:

11.2.1 A score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%;

11.2.2 A score of 150% and above is awarded a performance bonus ranging from 10% to 14%;

11.3 In the case of unacceptable performance, the Employer shall-

11.3.1 Provide systematic remedial or developmental support to assist the Employee to improve his/ her performance; and

11.3.2 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 Employment Agreement of the employee on grounds of unfitness or incapacity to carry out his/ her duties.

## 12 DESPUTE RESOLUTION

12.1 Any dispute about the nature of this performance agreement, whether it relates to key responsibilities, priorities, method of assessment and/or any other matter provided for, shall be mediated by a member of the municipal council, provided that such member was not part of evaluation panel provided for in sub-regulation 27(4) (e) of the Municipal performance Regulations, 2006, within thirty (30) days of receipt of a formal dispute from the employee. The decision of the mediator shall be final and binding on both parties.

## 13. General

13.1 The content of this agreement must be made available to the public by the Employer, Accordance with the Local Government Municipal Finance Management Act, 2003 and Section 46 of the Local Government Municipal Systems Act 32, 2000.

13.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the **Employer** in terms of his/her contract of employment, or the effects of existing or new Or new circulars, policies, directives or other instruments.



2/1/11

Thus done and signed at..... M T H A T H A ..... on the 9<sup>th</sup> day  
of July 2015

**AS WITNESSES:**

1. [Signature]  
2. [Signature]

[Signature]

**EMPLOYEE**

**AS WITNESS:**

1. [Signature]  
2. [Signature]

[Signature]

**EMPLOYER**

**COMMUNITY SERVICES REVISED SDBIP 2015/2016**

KEY PERFORMANCE AREA		Basic Service Delivery and Infrastructure Development				Budget	ACTUAL PERFORMANCE A-NCE	COMMENT / REASON FOR DEVIATION	MEASUREMENT SOURCE / POE
IDP OBJECTIVE: To improve waste and environmental management within KSDM to comply with statutory requirements		TARGET							
KPI	BASELINE	Q1	Q2	Q3	Q4				
Rehabilitation of Mthatha Landfill Site towards final closure	Permit issued for closure	Finalisation of the concrete slab in preparation for the installation of the weigh pad Final preparation for operation of the nursery	Final Slopes of the two new cells, storm water channel to new cells and road grading	Site audit and water monitoring	Repairs to fencing of the landfill site				
Rehabilitation of Mqanduli Landfill Site to meet permit requirements	Permit not complying to minimum requirements	Final compaction and cover of Cell 1	Road grading for preparation of Cell 2 construction	Above level ground operation Cell 1 Storm water construction Cell 1	Preparation of Cell 2 for waste intake				

Application for permit to construct New Landfill Site	Site for provision of new landfill site secured in Ward 33 (Qweqwe).	Procure services of Social Facilitator	Implementation of permit conditions	Implementation of permit conditions	Implementation of permit conditions	Implementation of permit conditions	Implementation of permit conditions	Implementation of permit conditions	Implementation of permit conditions
No. of new households with access to refuse collection	1 400 households have access to refuse collection	2 200 households	1 000 households	1 000 households	1 000 households	1 000 households	1 000 households		
Reviewal of Integrated Waste Management Plan (IWMP) for submission to Council for approval	The IWMP that was approved by Council require to be reviewed	Approval by the Council and endorsement by the Provincial COPTA	Implementation of the IWMP						
Development of IEMP for submission to Council	KSD has no Integrated Environmental Management Plan.	Approval by the Council and submission to DEDEAT	Implementation						

**KEY PERFORMANCE AREA**

**Basic Service Delivery**

**IDP OBJECTIVE :** To promote clean and healthy environment within KSDM to comply with statutory requirements

KPI	BASELINE	TARGET				Budget	ACTUAL PERFORMANCE	COMMENT / REASON FOR DEVIATION	MEASUREMENT SOURCE / POE
		Q1	Q2	Q3	Q4				
Monitoring of pound	Service run by SPCA	Report on the No. of abused animals reported through SPCA.  Report on the No. of animals reported through SPCA.	Progress Report and monitoring checklist	Monitoring meetings	Progress meetings	R380 533			
No. of ablation facilities renovated.	6 ablation facilities operational								
Maintenance and minor renovations									
No. of food handling premises inspected and No. of certificates issued for compliance	136 premises	30 food handling premises compliant	30 food handling premises	30 food handling premises	18 food handling premises	R0 needed			

No. of accommodation establishment inspected for compliance	65 accommodation establishments	20 accommodation establishments	20 accommodation establishments	25 accommodation establishments	R0 needed			
No. of water samples taken for compliance	50 water samples to be taken	15 water samples taken	15 water samples taken	10 water samples taken	R0 needed			
No. of food samples taken for compliance	40 food samples to be taken	10 food samples taken	10 food samples taken	10 food samples taken	R0 needed			
No. of funeral parlours inspected and Certificates of Compliance issued for compliance	16 funeral parlours	4 funeral parlours inspected	4 funeral parlours inspected	4 funeral parlours inspected	R0 needed			
No. of nuisances identified and reported	All reported and identified nuisances	100% reported and identified nuisances	100% reported and identified nuisances	100% reported and identified nuisances	R0 needed			
No. of pauper burials applications processed	All approved application were processed	100% approved applications	100% approved applications	100% approved applications	R100 000			
No. of awareness campaigns conducted	4 campaigns conducted	1 campaign conducted	1 campaign conducted	1 campaign conducted	R50 000			



No. of offices and hall fumigated	New Project	282 offices fumigated	65 offices fumigated	3 halls fumigated	2 halls fumigated	R100 000 (Budget cut to R66 000.00)		
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**KEY PERFORMANCE AREA** Local and Economic Development  
**IDP OBJECTIVE** Poverty alleviation

KPI	BASELINE	TARGET				Budget	ACTUAL PERFORMANCE	COMMENT / REASON FOR DEVIATION	MEASUREMENT SOURCE / POE
		Q1	Q2	Q3	Q4				
No. of beneficiaries engaged	205 beneficiaries engaged	71 beneficiaries engaged Implement Refuse Collection Cost Recovery Plan				R1 614 500			

**KEY PERFORMANCE AREA** Financial Viability  
**IDP OBJECTIVE** Revenue Enhancement

KPI	BASELINE	TARGET				Budget	ACTUAL PERFORMANCE	COMMENT / REASON FOR DEVIATION	MEASUREMENT SOURCE / POE
		Q1	Q2	Q3	Q4				
Increase revenue	New Project	Implement Refuse	Implement Refuse	Implement Refuse	Implement Refuse Collection				

<p>through implementation of Cost Recovery plan</p> <p>No. of new commercial businesses contracts signed for refuse collection</p> <p>% of revenue collection from refuse collection</p>		Collection Cost Recovery Plan	Collection Cost Recovery Plan	Collection Cost Recovery Plan	Cost Recovery Plan						
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**Mr L.P. Maka**

**Director**

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**Clr. L. Madyibi**

**MMC: Community Services**