

PERFORMANCE AGREEMENT

ENTERED BETWEEN:

**KING SABATA DALINDYEBO LOCAL MUNICIPALITY
AS REPRESENTED BY ACTING MUNIPAL MANAGER**

MR ZOLISA HERMAN MDIKANE

AND

**MR ZANEMVULA HEAVENS NGOVELA: DIRECTOR-TECHNICAL SERVICES
THE EMPLOYEE OF THE MUNICIPALITY**

FOR THE PERIOD

1 JULY 2015 - 30 JUNE 2016

Z.S.

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

King Sabata Dalindyebo Local Municipality herein represented by M Zolisa Herman Mdikane in his capacity as Acting Municipal Manager (hereinafter referred to as the **Employer**)

AND

Mr Zanemvula Heavens Ngovela employee of the Municipality (hereinafter referred to as the **Employee**).

WHEREBY IT IS AGREED AS FOLLOWS:

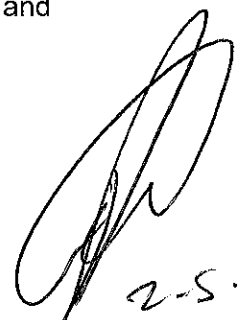
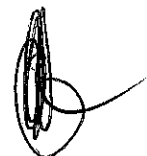
1. INTRODUCTION

- 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;
- 2.6 In the event of outstanding performance, to appropriately reward the employee; and



2-5



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

5. PERFORMANCE MANAGEMENT SYSTEM

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- 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	WEIGHT 2014/15
Basic Service Delivery And Infrastructure Development	55
Local Economic Development	10
Financial Viability And Management	20
Good Governance And Public Participation	15
Institutional Transformation And Organisational Development	Nil
Spatial Planning and Social Development	Nil

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		5
Programme and Project Management		5
Financial Management	compulsory	15
Change Management		5
Knowledge Management		
Service Delivery Innovation		5
Problem solving Analysis		5
People Management and Empowerment	compulsory	15
Client Orientation and Customer Focus	compulsory	15
Communication		5
Honesty and Integrity		5

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CORE OCCUPATIONAL COMPETENCIES (COC)		
Competency in Self-Management		
Interpretation of and implementation within the legislative a national policy frameworks		5
Knowledge of Performance Management and Reporting		5
Knowledge of global and South African specific political, social and economic contexts		
Competence in policy conceptualization, analysis and implementation		5
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		5

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.



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.

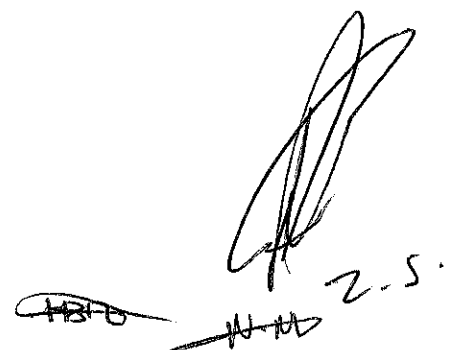
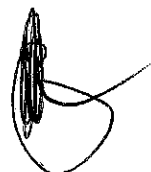
7.3 Performance feedback shall be based on the **Employer's** assessment of the Employee's performance.

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.



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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.
- 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.



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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.

Thus done and signed at.....MTHATHA..... On the 9th day
of JULY 2015

AS WITNESSES:

1. [Signature]
2. _____

[Signature]
EMPLOYEE

AS WITNESS:

1. _____
2. _____

[Signature]
EMPLOYER

Annexure A for Ngazela

TECHNICAL SERVICES DELIVERY AND BUDGET IMPLEMENTATION PLAN: JULY 2015 – JUNE 2016

KEY PERFORMANCE AREA		Basic Service Delivery and Infrastructure Development				Budget	Annual target	MEASUREMENT SOURCE / POE	COMMENT / REASON FOR DEVIATION	
IDP OBJECTIVE : To provide reliable and efficient Transport and mobility Infrastructure for communities by 2017	KPI	BASELIN E	TARGET							
			Q1	Q2	Q3	Q4				
1. Maintenance of urban roads (Square m of pothole done)		12005,73m ²	3500	5000	5000	6500	R12.1m	20000m ²	Monthly reports/ pictures / completion reports	
Management of Storm water in the Urban Areas (No of meters of drains cleaned)		25124.5m	5000	7500	7500	6000	0	26000m	Monthly reports/ pictures	
Acquisition of Plant and Equipment		6x tipper trucks, 2x motor graders, 2x excavators, 2x water carts, 2x TLBs, 9x LDV, 1x Lowbed horse,	Procurement Process	Delivery of Machines			R8.4m	4 tow behind graders, 2 tipper trucks, grid roller and tow tractor, low bed trailer and minibus	Appointment Letters/ Pictures of the delivered machines	
Maintenance of rural roads.		343,83km	200km	200km	200km	200km	R5m	800km	Completion certificates/ Monthly	

No of km maintained									reports		
No. of new Roads for 15/16FY to be constructed.	440km roads have been constructed since 2007/08	4 projects completed Procurement of 5 projects for 15/16FY	2 project completed. Procurement of 5 projects 14/15FY and 15/16FY projects.	2 Projects Completed Construction of 2 multi-year projects	2 projects Completed. Construction of 2 multi-year projects	R71.1m	10 Roads Projects completed	Progress Reports and completion Certificates			
No of High Masts Lights to be constructed	54 High Mast lights exists	5 High masts lights completed	Registration of 10 new High masts Lights project on MIG for 16/17.	Procurement of 10 new High masts Lights project on MIG for 16/17.	Commencement of Construction of the 10 High masts Lights for 16/17FY started.	R2.3m	5 high mast lights	Progress Reports and completion certificates			
No of Community Halls to be Completed	3 Community Halls exist.	1 Community Hall from 14/15 FY Completed	Procurement of 2 Community Halls for 15/16FY.	Construction of 2 Community Halls for 16/17FY started.	2 Community Halls for 15/16FY Completed.	R6.0m	3 community halls completed	Completion Certificates and Progress Reports			
Number of households to be electrified Ngangelizwe	3000 households electrified	Approval of designs	Commencement of the project	50 Household electrified	150 household electrified	R0m to be sourced from H/S	200 households electrified	Completion Certificates and Progress Reports			
IDP OBJECTIVE :To provide 100% access to sustainable basic Energy and Electricity by 2017											
KPI	BASELIN E	TARGET				Budget	Annual target	MEASUREMENT SOURCE / POE	COMMENT / REASON FOR DEVIATION		
		Q1	Q2	Q3	Q4						
Number of households to be electrified Ngangelizwe	3000 households electrified	Approval of designs	Commencement of the project	50 Household electrified	150 household electrified	R0m to be sourced from H/S	200 households electrified	Completion Certificates and Progress Reports			




Number of households to be electrified in Mganduli Phase 3 & 6	0 Household electrified	600	100	100	1000		1800	Completion Certificates and Progress Reports	
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IDP OBJECTIVE : To improve Electricity Infrastructure Network in the Municipality by 2017

KPI	BASELIN E	TARGET				Budget	Annual target	MEASUREMENT SOURCE / POE	COMMENT / REASON FOR DEVIATION
		Q1	Q2	Q3	Q4				
Number of km of 11 kv to be refurbished on the Eastern side	Old existing 11kv overhead	Finalise and approved designs and initiate procurement of contracts	Commence construction phase	5km	3km	7m	8KM	Completion Certificates and Progress Reports	
Number of km of 11kv to be refurbished Mthatha CBD Northcrest	Old existing 11kv overhead	Finalise and approved designs and initiate procurement of contracts	Construction phase	5km	6km	R3.4m	11KM	Completion Certificates and Progress Reports	
Number of km of 11kv to be refurbished internal substation	Existing 4000 kiosks	Procurement of materials	10	10	30	R18m	Install 50 LV kiosks	Coordinates of Kiosks positions	
Number of km of 11kv to be refurbished on the Southern	Old existing 11kv overhead	Approval of designs	Procurement of the contractor and	3km	8km	R3.4m	11km	Completion Certificates and Progress Reports	

side of Mthatha CBD													
Number of km of 11Kv underground to be refurbished at Fortgale	Old existing 11kv overhead	Approval of designs	Procurement of the contractor and commencement of construction	2km	3km	R12m	5km						
Number of street to be repaired	698 repaired	125	115	100	125	1.5m	500						Completion Certificates and Progress Reports
Number of tools and equipment Procured	3 Bakkes were procured	Initiate procurement processes	Appointment of service provider	Delivery of first batch	Delivery of first batch	R4.5m							Delivery Notes
Coordination and synchronisation feeders	Non coordinate control plant(20 feeders) exists	Procurement of consultants	Survey and planning and Procurement of contractor	5 feeders coordinated	15 feeders coordinated	R10m	20 feeders to be coordinated						Test Results
Establishment of control centre and Scada system	I server and IRTU for Scada at the Hillcrest substation is not functional	Procurement and appointment of service provider	Installation of software and hardware	Training and development	Programme phase out	R3m	Fully operation centre with Scada network						Mimic diagram on the screen
Establish a fully functional call centre and Computerise		Procurement of service provider	Commencement of project	50% of execution	100% complete	R10m	Fully operational of the call centre and computerised maintenance						Functional system

system																				
Refurbishment of Sidwadwa substation	Existing old substation and overhead line infrastructure	Site establishment 10%	Construction 20% completed	Construction 45% completed	20% Construction completed	R29m	Completed Substation	Completion Certificates and Progress Reports												

KEY PERFORMANCE AREA Financial Viability & Management

IDP OBJECTIVE : To increase revenue generation to respond to service delivery needs for the KSD community by June 2017

KPI	BASELIN E	TARGET				Budget	Annual target	MEASUREMENT SOURCE / POE	COMMENT / REASON FOR DEVIATION
		Q1	Q2	Q3	Q4				
Participate in the income generation	Draft short term revenue strategy exist	Report on the implementation of revenue strategy	Report on the implementation of revenue strategy	Report on the implementation of revenue strategy	Report on the implementation of revenue strategy	Nil	12 Monthly Reports are generated	Monthly Reports	

IDP OBJECTIVE: To improve municipal planning processes with the aim of sustaining credibility of the IDP and budget by adhering to legislative prescripts and policies for duration of IDP and budget by June 2017

KPI	BASELIN E	TARGET				Budget	Annual target	MEASUREMENT SOURCE / POE	COMMENT / REASON FOR DEVIATION
		Q1	Q2	Q3	Q4				
12 reports generated for Presidential intervention projects	Functional Transport and Mobility work stream	4 reports generated for workstream	4 reports generated for workstream	4 reports generated for workstream	4 reports generated for workstream	Nil	12 Monthly Reports are generated	Monthly Reports	
12 reports generated for	Functional Energy work	4 reports generated	4 reports generated for	4 reports generated	4 reports generated for	Nil	12 Monthly Reports are generated	Monthly Reports	




Presidential intervention projects	stream	for workstream	workstream	for workstream	workstream			
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KEY PERFORMANCE AREA **Good Governance And Public Participation**

IDP OBJECTIVE : Improve internal controls for clean administration for the communities of KSD by 2017 for continuous implementation of policies, systems and legislation

KPI	BASELIN E	TARGET				Budget	Annual target	MEASUREMENT SOURCE / POE	COMMENT / REASON FOR DEVIATION
		Q1	Q2	Q3	Q4				
Updated Risk Register for KSD	Draft Register in place	Conduct Risk assessment and compile a new Risk Register	Implement the risk register and report	Implement the risk register and report	Implement the risk register and report	Nil	Updated Risk Register	Quarterly Risk Register Reports	

KEY PERFORMANCE AREA **Local and Economic Development**

IDP OBJECTIVE : Poverty alleviation

KPI	BASELIN E	TARGET				Budget	Annual target	MEASUREMENT SOURCE / POE	COMMENT / REASON FOR DEVIATION
		Q1	Q2	Q3	Q4				
All PMU Projects incorporate EPWP Principles	Draft EPWP Policy Exists	Ensure that the EPWP Policy is adopted by the Council. Prepare reports on the	Prepare reports on the implementation of EPWP	Prepare reports on the implementation of EPWP	Prepare reports on the implementation of EPWP	Nil	12 Monthly Reports produced	Monthly Reports	

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EPWP

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