Appendix A

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

THE MKHAMBATHINI MUNICIPALITY
AS REPRESENTED BY
MUNICIPAL MANAGER
(Duly authorised by Council)

MRS T. C NDLELA
720620 0304 083

And

MS Z.M MDLAZI
8301120773084

THE CORPORATE SERVICES MANAGER
OF THE MUNICIPALITY

1 July 2018 – 30 June 2019

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PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

The Mkhambathini Municipality herein represented by **Mrs T.C Ndlela** in her capacity as Municipal Manager (Hereinafter referred to as the **Mkhambathini Municipality** or **Supervisor**)

and

Manager: Corporate Services Ms M.Z Mdlazi of the Municipality (Hereinafter referred to as the **Corporate Services Manager**).

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

1.1 The Mkhambathini Municipality has entered into a contract of employment with the **Manager: Corporate Services** in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The **Mkhambathini Municipality** and the **Manager: Corporate Services** 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 **Manager: Corporate Services** 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),(4B) and (5) of the Act as well as the employment contract entered into between the parties;

2.2 specify objectives and targets defined and agreed with the **Manager** : **Corporate Services** and to communicate to **Manager : Corporate Services** the Mkhambathini Municipality's expectations of the **Manager : Corporate Services** performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality;

2.3 specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;

2.4 monitor and measure performance against set targeted outputs;

2.5 use the performance agreement as the basis for assessing whether the **Manager: Corporate Services** 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 **Manager : Corporate Services**; and

2.7 give effect to the Mkhambathini Municipality's commitment to a performance-orientated relationship with its **Manager: Corporate Services** in attaining equitable and improved service delivery.

3 COMMENCEMENT AND DURATION

3.1 This Agreement will commence on the 1 July 2018 and will remain in force until 30 June 2019 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 **Manager: Corporate Services** contract of employment for any reason.

3.4 The content of this Agreement may be revised at any time during the above-mentioned 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 this Agreement are no longer appropriate, the contents shall immediately be revised.

4 PERFORMANCE OBJECTIVES

4.1 The Performance Plan (Annexure B) sets out-

4.1.1 the performance objectives and targets that must be met by the **Manager : Corporate Services** ; 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 C are set by the **Mkhambathini Municipality** in consultation with the **Manager : Corporate Services** and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of **Mkhambathini Municipality**, 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 **Manager : Corporate Services** performance will, in addition, be measured in terms of contributions to the goals and strategies set out in **Mkhambathini Municipality**'s Integrated Development Plan.

5 PERFORMANCE MANAGEMENT SYSTEM

5.1 The **Manager : Corporate Services** agrees to participate in the performance management system that the **Mkhambathini Municipality** adopts or introduces for the **Mkhambathini Municipality**, management and municipal staff of the **Mkhambathini Municipality**.

5.2 The **Manager : Corporate Services** accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the **Mkhambathini Municipality**, management and municipal staff to perform to the standards required.

5.3 The **Mkhambathini Municipality** will consult the **Manager : Corporate Services** about the specific performance standards that will be included in the performance management system as applicable to the **Manager : Corporate Services**

5.4 The **Manager : Corporate Services** agrees to participate in the performance management and development system that the Employer adopts

5.5 The **Manager : Corporate Services** undertakes to actively focus towards the promotion and implementation of the KPAs (including special projects relevant to the **Manager : Corporate Services** responsibilities) within the local government framework.

5.6 The criteria upon which the performance of the **Manager : Corporate Services r** shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.

5.6.1 The **Manager : Corporate Services** 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.

5.6.2 Each area of assessment will be weighted and will contribute a specific part to the total score.

5.6.3 KPAs covering the main areas of work will account for 80% and CCRs will account for 20% of the final assessment.

5.7 The **Manager : Corporate Services** assessment will be based on his / her performance in terms of the outputs / outcomes (performance indicators) identified as per attached Performance Plan (**Annexure B**), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the **Mkhambathini Municipality** and **Manager : Corporate Services**

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Key Performance Areas (KPA's)	Weighting
Basic Service Delivery	5%
Municipal Institutional Development and Transformation	55%
Local Economic Development (LED)	5%
Municipal Financial Viability and Management	10%
Good Governance and Public Participation	20%
Cross Cutting	5%
Total	**100%**

5.8 The CMC's will make up the other 20% of the **Manager : Corporate Services** Assessment score. CMC's that are deemed to be most critical for **Manager : Corporate Services** specific job should be selected (√) from the list below as agreed to between **Mkhambathini Municipality** and **Manager : Corporate Services.**

LEADING COMPETENCIES		
CORE MANAGERIAL COMPETENCIES (CMC)	**COMPETENCY DESCRIPTION**	**WEIGHT %**
1. Strategic Direction and Leadership	Impact and influence institutional Performance Management Strategic Planning and Management Organisational Awareness	10%
2. People Management	Human Capital Planning and Development Diversity Management Employee Relations Management Negotiation and dispute Management	15%
3.Programme and Project Management	Program and project Planning and Implementation Service Delivery Management Program and Project Management and Evaluation	5%
4. Financial Management	Budget Planning and Execution Financial Strategy and Delivery Financial Reporting and Monitoring	5%
5. Change Management	Change Vision and Strategy Process Design and Improvement Change Impact Monitoring and Evaluation	5 %
6.Governance Leadership	Policy Formulation Risk and Compliance Management Cooperative Governance	10%
CORE COMPETENTCIES		
7. Moral Competencies	Able to identify triggers, apply reasoning that promotes honesty and integrity and consistency display behavior that reflects moral competence.	5 %
8.Planning and Organising	Able to plan, priorities and organize information and resources effectively to ensure the quality of service delivery and build efficient contingency Plans to manage risk	10 %
9. Analysis and Innovation	Able to critically analysis information challenges and trends to establish and implement fact based solutions that are innovative to improve institutional processes in order to achieve key strategic objectives.	10 %

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10.Knowledge and Information Management	Able to promote the generation and sharing of knowledge and information through various processes and media, in order to enhance the collective knowledge base of local government.	10%
11.Communication	Able to share information, knowledge and ideas in a clear, focused and concise manner, appropriate for the audience in order to effectively convey, persuade and influence stakeholders to achieve the desired outcome.	5%
12.Results and Quality Focus	Able to maintain high quality standards, focus on achieving results and objectives while consistently striving to exceed expectations and encourage others to meet quality standards. Further to actively monitor and measure results and quality against identified objectives.	10%
TOTAL		**100%**

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6. EVALUATING PERFORMANCE

6.1 The Performance Plan (Annexure B) to this Agreement sets out -

6.1.1 the standards and procedures for evaluating the **Manager : Corporate Services** performance; and

6.1.2 the intervals for the evaluation of the **Manager: Corporate Services** performance.

6.2 Despite the establishment of agreed intervals for evaluation, the **Mkhambathini Municipality** may in addition review the **Manager : Corporate Services** 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 and implementation must take place within set time frames.

6.4 The **Manager : Corporate Services** performance will be measured in terms of contributions to the goals and strategies set out in the **Mkhambathini Municipality**'s IDP.

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) This rating should be multiplied by the 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) 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.

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6.6 The assessment of the performance of the **Manager : Corporate Services** will be based on the following rating scale for KPA's and CCRs:

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	Outstanding performance	Performance far exceeds the standard expected of the Corporate Services Manager at this level. The appraisal indicates that the **Corporate Services Manager** 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 **Corporate Services Manager** 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 **Corporate Services Manager** 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 for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the **Corporate Services Manager** 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 **Corporate Services Manager** has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The **Corporate Services Manager** 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.					

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6.7 For purposes of evaluating the annual performance of the Mayor, an evaluation panel constituted of the following persons must be established -

6.7.1 Executive Mayor or Mayor;
6.7.2 Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
6.7.3 Member of the mayoral or executive committee or in respect of a plenary type municipality, another member of council;
6.7.4 Mayor and/or Mayor from another municipality; and
6.7.5 Member of a ward committee as nominated by the Executive Mayor or Mayor.

6.8 For purposes of evaluating the annual performance of managers directly accountable to the Mayor, an evaluation panel constituted of the following persons must be established -

6.8.1 Mayor;
6.8.2 Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
6.8.3 Member of the mayoral or executive committee or in respect of a plenary type municipality, another member of council; and
6.8.4 Mayor from another municipality.

6.9 The manager responsible for human resources of the municipality must provide secretariat services to the evaluation panels referred to in sub-regulations (d) and (e).

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of **Manager: Corporate Services** 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:

QUARTER	MONTHS	REVIEW DATE
First quarter	July 2018– September 2018	Before the end of October 2018
Second quarter	October 2018– December 2018	Before the end of January 2019
Third quarter	January 2019– March 2019	Before the end of April 2019
Fourth quarter	April 2019– June 2019	Before the end of July 2019

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

7.3 Performance feedback shall be based on the **Mkhambathini Municipality**'s assessment of **Manager: Corporate Services** performance.

7.4 The **Mkhambathini Municipality** will be entitled to review and make reasonable changes to the provisions of Annexure ""B from time to time for operational reasons. The **Manager: Corporate Services** will be fully consulted before any such change is made.

7.5 The **Mkhambathini Municipality** may amend the provisions of Annexure B whenever the performance management system is adopted, implemented and / or amended as the case may be. In that case the **Manager: Corporate Services** will be fully consulted before any such change is made.

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8. DEVELOPMENTAL REQUIREMENTS

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

9. OBLIGATIONS OF THE MKHAMBATHINI MUNICIPALITY

9.1 The Mkhambathini Municipality shall –

9.1.1 create an enabling environment to facilitate effective performance by the **Manager: Corporate Services**

9.1.2 provide access to skills development and capacity building opportunities;

9.1.3 work collaboratively with the **Manager: Corporate Services** to solve problems and generate solutions to common problems that may impact on the performance of the **Manager: Corporate Services**;

9.1.4 on the request of the **Manager: Corporate Services** delegate such powers reasonably required the **Manager: Corporate Services** 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 **Manager: Corporate Services** such resources as the **Manager: Corporate Services** 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 The **Mkhambathini Municipality** agrees to consult the **Manager: Corporate Services** timorously where the exercising of the powers will have amongst others –

10.1.1 a direct effect on the performance of any of the **Manager: Corporate Services** functions;

10.1.2 Commit the **Manager: Corporate Services** to implement or to give effect to a decision made by the **Mkhambathini Municipality**; and

10.1.3 a substantial financial effect on the **Mkhambathini Municipality**.

10.2 The **Mkhambathini Municipality** agrees to inform the **Manager: Corporate Services** 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 **Manager: Corporate Services** to take any necessary action without delay.

11. MANAGEMENT OF EVALUATION OUTCOMES

11.1 The evaluation of the **Manager: Corporate Services** Performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

11.2 A performance bonus of between 5% to 14% of inclusive annual remuneration package may be paid to the **Manager: Corporate Services** in recognition of outstanding performance to be constituted as follows:

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

11.1.3 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 **Mkhambathini Municipality** shall –

11.3.1 provide systematic remedial or developmental support to assist the **Manager: Corporate Services** to improve his or her performance; and

11.3.2 after appropriate performance counselling and having provided the necessary guidance and/ or support as well as reasonable time for improvement in performance, the **Mkhambathini Municipality** may consider steps to terminate the contract of employment of the **Manager: Corporate Services** 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 **Manager: Corporate Services** 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 **Manager: Corporate Services**; or

12.1.2 any other person appointed by the MEC.

12.1.3 In the case of managers directly accountable to the **Manager: Corporate Services**, a member of the municipal council, provided that such member was not part of the 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 **Manager: Corporate Services**; whose decision shall be final and binding on both parties.

12.2 In the event that the mediation process contemplated above fails, clause 20.3 of the Contract of Employment shall apply.

13. GENERAL

13.1 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 **Mkhambathini Municipality**.

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

13.3 The performance assessment results of the **Manager: Corporate Services** must be submitted to the MEC responsible for local government in the relevant province as well as the national minister responsible for local government, within fourteen (14) days after the conclusion of the assessment.

SIGNED AT **CAMPERDOWN** ON THIS THE 29 DAY OF JUNE 2018.

AS WITNESSES:

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2. _____

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MANAGER: CORPORATE SERVICES

AS WITNESSES:

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2. _____

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MUNICIPAL MANAGER