

SENIOR MANAGEMENT SERVICES PERFORMANCE AGREEMENT

Mr. J.H. De Klerk



The Municipal Manager reporting to the Mayor
("The Municipal Manager")

AND

Mr. S.L. Khumalo

The Head of Department: Technical Services reporting to the Municipal Manager
("The Head of Department: Technical Services")

Financial year: 01 July 2012 - 30 June 2013


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PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

The Zululand District Municipality herein represented by the Municipal Manager (hereinafter referred to as the Employer or Supervisor)

And

Mr. S.L. Khumalo, Employee of the Municipality (hereinafter referred to as the Employee or Head of Department: Technical Services).

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

- 1.1 The Municipality has entered into a contract of employment with the Head of Department: Technical Services for a period of five (5) years, ending on 31 July 2016 in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act").
- 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 Head of Department: Technical Services reporting to the Municipal Manager to a set of outcomes that will secure local government policy goals.
- 1.4 The parties wish to ensure that the Municipal Manager will be responsible for facilitating the setting and evaluation of performance objectives and targets on behalf



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of the Municipality. The Municipal Manager shall report to the Mayor in regard to the above.

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 Systems Act as well as the employment contract entered into between the parties;
- 2.2 specify objectives and targets defined and agreed with 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 (SDBIP) and the Budget of the municipality.
- 2.3 specify accountability as set out in a performance plan, reflected as Annexure A to the performance agreement;
- 2.4 monitor and measure performance against set targeted outputs;
- 2.5 monitor and measure the core competencies against competency behavioural standards;
- 2.6 use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;
- 2.7 in the event of outstanding performance, to appropriately reward the employee;
- 2.8 proactively focus on the development of the Head of Department: Technical Services (Personal Development Plan – Annexure B);
- 2.9 give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.



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3. COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the 1st of July 2012 and will be applicable until the 31st of June 2013. This agreement will remain until a new Performance Agreement is concluded between the parties, if required during the performance cycle.
- 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 no later than the beginning of each successive financial year.
- 3.3 This Agreement should be read in conjunction with the Contract of Employment and this agreement will terminate on the termination of the Head of Department: Technical Services's Contract of Employment.
- 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 "A") sets out:
- 4.1.1 The performance objectives and targets that must be met by the Head of Department: Technical Services ; and



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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 Municipal Manager in consultation with the Head of Department: Technical Services, and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP), and shall include key objectives, key performance indicators, target dates and weights.

4.3 The key objectives describe the main tasks that need to be done.

4.4 The key performance indicators provide a means to measure the extent to which a key objective has been achieved.

5. PERFORMANCE MANAGEMENT SYSTEM

5.1 The Head of Department: Technical Services accepts that the purpose of the Performance Management System will be to provide a comprehensive system with specific performance standards to assist the Municipality, management and municipal staff to perform to the standards required.

5.2 The Municipal Manager will consult the Head of Department: Technical Services about the specific performance standards that will be included in the Performance Management System as applicable to the Head of Department: Technical Services.

5.3 The Municipal Manager 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.

5.4 The criteria upon which the performance of the Head of Department: Technical Services shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.



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- 5.5 The Head of Department: Technical Services must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPA's) and the Core Competency Requirements (CCRs) respectively.
- 5.6 Each area of assessment will be weighted and will contribute a specific part to the total score.
- 5.7 KPA's covering the main areas of work will account for 80% and CCRs will account for 20% of the final assessment.
- 5.8 The Head of Department: Technical Services's assessment will be based on his performance in terms of the 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 Municipal Manager and the Head of Department: Technical Services.

Key Performance Areas (KPA's)	Weighting
Basic service delivery	70%
Municipal financial viability and management	30%
Total	100%

- 5.9 The CCRs will make up the other 20% of the Head of Department: Technical Services's assessment score. Three of the CCRs are compulsory. CCR's that are deemed to be most critical for the Head of Department: Technical Services's specific job, as agreed to between the Municipal Manager and the Head of Department: Technical Services are as follow:

COMPETENCY REQUIREMENTS	Tick if applicable	WEIGHT
Strategic Capability	x	5%
Financial Management (Compulsory)	x	10%
Change Management		
Knowledge Management		
Problem solving and analyses	x	10%
Programme and project management	x	30%
Service Delivery Innovation		
People Management and Employment (Compulsory)	x	20%
Client orientation and customer focus (Compulsory)	x	5%
Communication	x	5%
Accountability and ethical conduct		
Policy conceptualisation and implementation	x	5%
Mediation skills		
Advanced negotiation skills		
Advanced influencing skills		
Partnership and Stakeholder Relations	x	5%
Supply Chain Management	x	5%
Total percentage		100%

6. EVALUATING PERFORMANCE

6.1 The Performance Plan (Annexure "A") to this Agreement sets out:

- 6.1.1 the standards and procedures for evaluating the Head of Department: Technical Services performance; and
- 6.1.2 the intervals for the evaluation of the Head of Department: Technical Services performance.
- 6.2 Despite the establishment of agreed intervals for evaluation, the Municipal Manager may, in addition, review the Head of Department: Technical Services'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 Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.
- 6.4 Any submission/achievement required in accordance with a KPI will be deemed to be submitted/achieved, only after the Municipal Manager was satisfied that the submission/achievement was of sufficient quality.
- 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 must then be used to add the scores and calculate a final KPA score.



6.5.2 Assessment of the CCRs

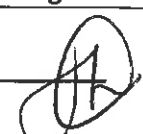
- (a) Each CCR should be assessed according to the extent to which the specified standards have been met.
- (b) An indicative rating on the five-point scale should be provided for each CCR
- (c) This rating should be multiplied by the weighting given to each CCR during the contracting process, to provide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


6.5.3 Overall rating

- (a) An overall rating is calculated by using the applicable assessment-rating calculator. Such overall ratings represent the outcome of the performance appraisal.

6.5.4 The assessment of the performance of the Head of Department: Technical Services will be based on the following rating scale for KPA's and CCRs:

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 other throughout the


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		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 standards required for the job in key areas. Performance meets some standards expected for the job. The review / assessment indicate 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	Unaccepted performance	Performance does not meet the standards expected for the job. The review / assessment indicate 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.



6.6 For purpose of evaluating the annual performance of the Head of Department: Technical Services an evaluation panel constituted of the following persons must be established –

- a) Municipal Manager;
- b) Chairperson of performance audit committee
- c) Member of the executive committee
- d) Municipal Manager from another municipality

6.7 The manager responsible for human resources of the municipality must provide secretariat services to the evaluation panel referred to in sub-regulations (d) and (e) of the Municipal Systems Act (Act no 32 of 2000).

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of the employee in relation to his performance agreement shall be reviewed on the dates provided by the Municipal Manager and one member of the


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Executive Committee and in case of managers reporting to the Municipal Manager, the Municipal Manager with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter	:	October
Second quarter	:	January
Third quarter	:	April
Fourth quarter	:	July

7.2 The Municipal Manager shall keep record of the mid-year review and annual assessment meetings.

7.3 Performance feedback shall be based on the Municipal Managers assessment of the Head of Department: Technical Services's performance.



7.4 The Municipal Manager will be entitled to review and make reasonable changes to the provision of Annexure A from time to time for operational reasons. The Head of Department: Technical Services will be fully consulted before any such change is made.

7.5 The Municipal Manager 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 Head of Department: Technical Services will be fully consulted before any such change is made.

8. DEVELOPMENTAL REQUIREMENTS

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

8.2 The Employer shall –


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- 8.1.1 create an enabling environment to facilitate effective performance by the employee;
- 8.1.2 provide access to skills development and capacity building opportunities;
- 8.1.3 work collaboratively with the Head of Department: Technical Services to solve problems and generate solutions to common problems that may impact on the performance of the Head of Department: Technical Services .
- 8.1.4 on request of the Head of Department: Technical Services delegate such powers reasonably required by the Head of Department: Technical Services to enable him to meet the performance objectives and targets established in terms of this Agreement; and
- 8.1.5 make available to the Head of Department: Technical Services such resources as the Head of Department: Technical Services may reasonably require from time to time to assist him to meet the performance objectives and targets established in terms of this Agreement.

9. CONSULTATION

- 9.1 The Municipal Manager agrees to consult the Head of Department: Technical Services timely where the exercising of the powers will have amongst others:
 - 9.1.1 a direct effect on the performance of any of the Head of Department: Technical Service's functions;



9.1.2 commit the Head of Department: Technical Services to implement or to give effect to a decision made by the Municipal Manager; and

9.1.3 a substantial financial effect on the Municipality.

9.2 The Municipal Manager agrees to inform the Head of Department: Technical 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 Head of Department: Technical Services to take any necessary action without delay.

10. MANAGEMENT OF EVALUATION OUTCOMES

10.1 The evaluation of the Head of Department: Technical Service's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

10.2 A performance bonus for the Head of Department: Technical Services in recognition of outstanding performance to be constituted as follows:

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

b) a score of 150% and above is awarded a performance bonus ranging from 10% to 14%.

10.3 In the case of unacceptable performance, the Municipal Manager shall –

a) provide systematic remedial or developmental support to assist the Head of Department: Technical Services to improve his or her performance; and



- b) after appropriate performance counselling and having provided the necessary guidance and / or support as well as reasonable time for improvement in performance, the Municipal Manager may consider alternative steps as advised through a formal disciplinary hearing.

11. DISPUTES RESOLUTION

- 11.1 In the event that the employee is dissatisfied with any decision or action of the Council in terms of this Agreement, or where a dispute or difference arises as to the extent to which the employee has achieved the performance objectives and targets established in terms of this Agreement, the employee may meet with the employer with a view to resolving the issue.
- 11.2 During the meeting the employer will record the outcome of the meeting in writing.
- 11.3 If the parties could not resolve the issues as mentioned in 11.1 the matter should be referred to the Municipal Council (or any other person appointed by the 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 Head of Department: Technical Services.
- 11.4 If the parties do not agree, the dispute may be referred to a mediator mutually agreed upon by both parties whose decision shall be final and binding on matters covered in this agreement.
- 11.5 In the event that the mediation process contemplated above fails, clause 20.3 of the Contract of Employment shall apply.



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12. GENERAL

12.1 The contents of the Agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Municipality, where appropriate.

12.2 Nothing in this Agreement diminishes the obligations, duties or accountabilities of the Head of Department: Technical Services in terms of his contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

12.3 The performance assessment results of the Head of Department: Technical Services must be submitted to the MEC for Local Government in the provincial government and the National Minister responsible for local government, within fourteen (14) days after the conclusion of the assessment.

Thus done and signed at Ulundi on this 2nd day of July 2012

AS WITNESSES:

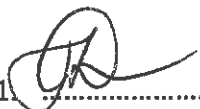
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**THE MUNICIPAL MANAGER
ZULULAND DISTRICT MUNICIPALITY**

Signed at Ulundi on this 2nd day of July 2012

AS WITNESSES:

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HEAD OF DEPARTMENT: TECHNICAL SERVICES

ANNEXURE A: PERFORMANCE PLAN FOR THE HEAD OF DEPARTMENT: TECHNICAL SERVICES 2012/2013

N O	Objective	Indicator	ZDM SDBIP KPI no	Quarterly targets				Annual target (2012/2013)
				Q1	Q2	Q3	Q4	
Basic Service Delivery				Total Weight				70%
1	To provide free basic water	Percentage of households with access to basic level of water	2	.14%	.21%	.27%	.27%	0.9%
2		Number of households with access to basic level of water(ZDM HH=143541)	2	200	300	386	400	1286
3	To improve access to free water	Percentage of households earning less than R1100 pm with access to free water (Note: Rudimentary LOS included)	3	.52%	.49%	.55%	.41%	1.97%
4		Number of households earning less than R1100 pm with access to free water (Note: Rudimentary LOS included)	3	750	700	786	586	2822
5	To improve water quality	Number of water quality tests	4	459	459	459	459	1836
6	To implement effective Customer Care	Average time of notification to community prior to planned interruptions	9	48Hrs	48Hrs	48Hrs	48Hrs	48Hrs
7	To provide free basic sanitation services	Percentage of households with access to basic level of sanitation	5	.70%	1.6%	1.6%	.70%	4.6%

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NO	Objective	Indicator	ZDM SDBIP KPI no	Quarterly targets				Annual target (2012/2013)
				Q1	Q2	Q3	Q4	
		Percentage of households with access to basic level of sanitation	5	1000	2300	2300	1000	6600
8	To improve access to free sanitation	Percentage of households earning less than R1100 pm with access to free sanitation	6	.70%	1.6%	1.6%	.7%	4.6%
		Percentage of households earning less than R1100 pm with access to free sanitation	6	1000	2300	2300	1000	6600
Municipal financial viability and management								
				Total weight				30%
9	To effectively utilise MIG allocation	100% MIG grant funds were spent on approved projects	10	6	26	66	100	100%
10	Maximise the implementation of IDP identified projects	100% capital budget actually spent on projects identified in IDP	11	100	100	100	100	100%

Head of Department: Technical signature: _____

Services Municipal Manager's signature: _____





ANNEXURE B: PERSONAL DEVELOPMENT PLAN

Competency to be addressed	Proposed actions	Responsibility	Time-frame	Expected outcome
Advanced project management	Course at reliable service provider	Municipal Manager		Capable to strategise and to utilise techniques and processes necessary to manage successful projects.
Contract Law	Capacity to deal with contract disputes	Municipal Manager		Assist the Municipality to avoid litigations
Water Loss Management	Manage Non-Revenue Water and Water Demand	Municipal Manager		Establish magnitude of water loss and reduce Non-Revenue water


Signed and accepted by Head of Department: Technical Services

Date: 02/07/2012



Signed by the Municipal Manager on behalf of the Municipality

Date: 02/07/2012





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Thus done and signed at **Ulundi** on this 2nd day of **July 2012**

AS WITNESSES:

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**THE MUNICIPAL MANAGER
ZULULAND DISTRICT MUNICIPALITY**

Signed at **Ulundi** on this 2nd day of **July 2012**

AS WITNESSES:

1. 

2.


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HEAD OF DEPARTMENT: TECHNICAL SERVICES

