

# **PERFORMANCE AGREEMENT**

MADE AND ENTERED INTO BY AND BETWEEN:

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

**MZIWANDILE SYDNEY TANTSI**

(HEREIN REFERED TO AS THE EMPLOYER)

AND

**TECHNICAL SERVICE MANAGER (ACTING)  
M SIPUNZI**

(HEREIN REFERED TO AS THE EMPLOYEE)

FOR THE  
FINANCIAL YEAR;

**1 JULY 2015 TO 30 JUNE 2016**



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

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

**2. PURPOSE OF THIS AGREEMENT**

The purpose of this Agreement is to:-

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



### 3. COMMENCEMENT AND DURATION

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

### 4. PERFORMANCE OBJECTIVES

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



## 5. PERFORMANCE MANAGEMENT SYSTEM

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

Key Performance Areas (KPA's)	Weighting
Basic Service Delivery	100%
Total	100 %

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

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

6

## EVALUATING PERFORMANCE

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

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

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

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

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

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

6.6 The annual performance appraisal will involve

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

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

**6.6.2 Assessment of the CMCs**

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

**6.6.3 Overall rating**

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

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



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

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

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

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

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

## 7 SCHEDULE FOR PERFORMANCE REVIEWS

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

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

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

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

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

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

## 8 DEVELOPMENTAL REQUIREMENTS

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

## 9 OBLIGATIONS OF THE EMPLOYER

9.1 The **Employer** shall-



13 GENERAL

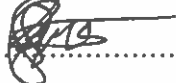
- 13.1.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Employer
- 13.1.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his/ her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

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

EMPLOYEE

  
 .....  
 M SIPUNZI


AS WITNESSES :

- 1.....
- 2.....

EMPLOYER

  
 .....  
 M.S TANTSI

AS WITNESSES :

- 1.....
- 2.....

## "ANNEXURE A"

## TECHNICAL SERVICES DEPARTMENT PERFORMANCE PLAN

A2. Housing: Strategic Objective:- Provide 5000 low cost housing units with basic level of service by 2018

Key Performance Area	IDP Ref. No	Project	Objective	Key Performance Indicator/s	Baseline Indicator	Evidence/ Measurement	Annual Target/ Timeframe	Weight	Qtr1 30 <sup>th</sup> Sept 2015		Qtr2 31 Dec 2015		Qtr3 31 Mar 2016		Qtr4 30 June 2016		Explanation of variance	
									Exp	Act	Exp	Act	Exp	Act	Exp	Act		
HOUSING	4A2.1	Lusaka Low Cost Housing	To provide housing units for the dilapidated structures in Lusaka	Number of units	0	Physical inspection	320 by 30 June 2016											
	4A2.9	Inxuba Yethemba Municipality Housing Chapter	To have a housing chapter which will inform current and future development	Adoption of Revised Housing Chapter	Document available	Document and Council resolution	31 August 2015	15										
	4A2.10	Rectification Programme	To rectify all previously built low cost houses as assessed by the department	Number of houses rectified in Phase 1	construction phase	Records	1350 completed by June 2016											

**A5. Electricity Supply: Strategic Objective:- Ensure that all communities receive adequate, up to standard and street/area lighting and economic development is promoted units with basic level of service by 2018**

Key Performance Area	IDP Ref.No	Project	Objective	Key Performance	Baseline Indicator	Evidence/ Measurement	Annual Target/ Timeframe	Weight	Qtr1 30 <sup>th</sup> Sept 2015	Qtr2 31 Dec 2015	Qtr3 31 Mar 2016	Qtr4 30 June 2016	Explanation of Variance	
									Exp	Act				
	4A5.1	Upgrading of main substation	To minimize power outages by replacing worn out in parts in the station	Number of parts replaced	None	Records	80% by June 2016	25						
	4A5.2	Lusaka Area line upgrade	To minimize electricity outages in 3 rooms area of Lusaka	The 4mm cable replaced by 6mm cable	None	Records	Whole cable replaced							
	4A5.3	Pre-paid meters	Data M Pre-paid meters replaced	% of identified pre-paid meters replaced	0%	Records	100% by 30 June 2016							

Key Performance Area	IDP Ref. No	Project	Objective	Key Performance Indicator/s	Baseline Indicator	Evidence/ Measurement	Annual Target/ Timeframe	Weight	Qtr1 30 <sup>th</sup> Sept 2015		Qtr 2 31 Dec 2015		Qtr3 31 Mar 2016		Qtr4 30 June 2016		Explanation of variance	
									Exp	Act	Exp	Act	Exp	Act	Exp	Act		
	4A.4	Bulk meters for networks	Ensure precise metering of bulk supply to audit consumption	Number of bulk meters installed and /or replaced	Old meters	Records	All old meters replaced by 30 June 2016											
	4A.5	Spray lights	To install spray lights so as to reduce dark spots where criminal activity take place	Number of spray lights installed in identified areas/ward	none		9 complete by 30 June 2016											



**A6. Roads and Stormwater: Strategic Objective:- Ensure that 25% of major arterial urban roads are graded, tarred and provide with effective stormwater management system by 2018**

Key Performance Area	IDP Ref.No	Project	Objective	Key Performance Indicator	Baseline Indicator	Evidence/ Measurement	Annual Target/ Timeframe	Weight	Qtr1 30 <sup>th</sup> Sept 2015	Qtr2 31 Dec 2015	Qtr3 31 Mar 2016	Qtr4 30 June 2016	Explanation of Variance	
ROADS AND STORMWATER	4A6.1	Gala Street	Ensure upgrading and surface	Kms upgraded and surfaced	0	Completion of Certificate	0.6km by 30 June 2016	35	Exp Act 100% Complete					
	4A6.2	Lingelihle Access Road	To ensure that public transport can access the area	Kms upgraded and surfaced	None	Completion Certificate	0.960km by 30 March 2016		100% Complete					
	4A6.3	Fort Caiata Paving	To ensure that public transport can access the area	Kms upgraded and surfaced	0	Completion Certificate	0.960km by 30 July 2016		100% Complete					
	4A6.4	Lusaka Paving	To ensure that the public transport can access the area	Kms upgraded and surfaced	0	Completion Certificate	0.7km by 3 Dec 2015		100% Complete					
	4A6.5	?												

B2 (B3). Facilities: Strategic Objective:- to ensure that communities are provided with necessary facilities

Key Performance Area	IDP Ref.No 4A	Project	Objective	Key Performance	Baseline Indicator	Evidence/ Measurement	Annual Target/ Timeframe	Weight	Qtr1 30 Septc2015 Exp Act	Qtr2 31 Dec2015	Qtr3 31 Mar 2016	Qtr4 30 June 2016	Explainark of Variance
FACILITIES	481.1	Phiti Stadium	To ensure a stadium with basic facilities for sport	% scope of project completed	0	Completion Certificate	70% Completed by June 2016	15	100% Complete				
	483(B) 1	Hill Side Community Hall	To provide facility to enhance public participation and recreation	Completed Phase1	Phase1 completion proof	None	Phase1 completion 20% 30 June 2016						
	483(B)	Town Hall Repairs	To ensure the facility is in a usable state	Phase 1 Complete	Leaking roof	Completion Certificate	100% Phase 1 completion 30 June 2016						

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

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



CORE COMPETENCY REQUIREMENTS (CCR)										
CCR 1 CORE MANAGERIAL COMPETENCIES										
Competency requirement	Weighting	Indicator	Evidence/ Measurement	Annual Target/ Time-frame	Revised Target	Qtr 1 30 Sept 2015	Qtr 2 31 Dec 2015	Qtr 3 30 March 2016	Qtr 4 30 June 2016	Explanation of variance
Financial Management	20	Timeous submission of budget information	Documentation							
		All expenditure is within the department's budget	Departments quarterly expenditure report	Quarterly reports		1	2	3	4	
People Management and Empowerment	20	Delegates and Empowers to increase contribution and level of responsibility	System to achieve this in place							
		Number of departmental meetings held to facilitate teamwork and spirit	Minutes	At least monthly (12)		3	6	9	12	
Client orientation and customer focus	20	Complaints are dealt within a reasonable time	Complaints register							



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