

**PERFORMANCE AGREEMENT  
FOR  
YEAR 2018/19**

**MADE AND ENTERED INTO BY AND BETWEEN**

**THE COUNCIL OF THE MAPHUMULO LOCAL  
MUNICIPALITY**

Herein represented by **Mr. PN Mhlongo** in his duly authorised capacity as  
**Municipal Manager of Maphumulo Local Municipality**

AND

**Mr. TSP Mjadu**  
As the **Director: Technical Services**  
of the  
Maphumulo Local Municipality  
(Employee)

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## 1. INTRODUCTION

(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".

(2) Section 6 of the Municipal Systems Amendment Act, 2011, requires that the performance agreements be concluded within 60 days after a person has been appointed Municipal Manager or Manager accountable to the municipal manager...thereafter within one month after the beginning of each financial year of the municipality.

(3) The parties will 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 as defined in the municipal IDP.

(4) The parties will ensure that there is compliance with Sections 57(4A), 57(4B) and 57(5) of the Systems Act, amended MSA and other related prescripts.

## 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 Memorandum of Agreement of Employment entered into between the parties;
- 2.2 Communicate to the Employee the Employer's performance expectations and accountabilities by specifying objectives and targets as defined in the IDP;
- 2.3 Specify accountabilities as set out in the Performance Scorecard/Service Delivery Budget Implementation Plan (SDBIP) marked Annexure "A"
- 2.4 Monitor and measure performance against set targeted outputs; in terms of the said Performance Scorecard/SDBIP.
- 2.5 Use the Performance Agreement and Performance Scorecard /SDBIP to assess whether the Employee has met the performance expectations applicable to his/her job;
- 2.6 Appropriately reward the Employee in accordance with the Employer's performance management policy or institute sanctions for consistent under-performance.
- 2.7 Give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining equitable and improved service delivery.

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### 3. COMMENCEMENT AND DURATION

3.1 This Agreement will commence on the 01<sup>st</sup> March 2019 and will remain in force until 30<sup>rd</sup> June 2019 whereafter a new Performance Agreement, Personal Development Plan, and new Performance Scorecard/SDBIP shall be concluded between the parties for each of the following financial year or any portion thereof.

3.2 The parties will review the provisions of this Agreement during June each year and will conclude a new Performance Agreement (and Performance Scorecard/SDBIP) that replaces this Agreement at least once a year but not later than one month after the commencement of the new 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 (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.

3.5 Any significant amendments/ deviations of this performance agreement must take cognisance of the requirements of sections 34 and 42 of the Systems Act, and must be done in terms of regulation 4 (5) of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to the Municipal Manager, 2006 ("the Regulations").

### 4. PERFORMANCE OBJECTIVES

4.1 The Performance Scorecard /SDBIP 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 and the Budget of the Employer, and shall include key objectives; key performance indicators; target dates and weightings.

4.3 The key objectives describe the main tasks that need to be done. The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.

4.4 The Employee's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

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## 5 PERFORMANCE MANAGEMENT SYSTEM

5.1 The Employee agrees to participate in the performance management system that the Employer adopts or introduces for the Employer itself, 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 are contained in the Performance Agreement.

5.6 The Employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Competencies respectively.

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

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

5.9 The Employee's assessment will be based on his performance in terms of the outputs/ outcomes (performance indicators) identified as per attached SDBIP/Performance Scorecard (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	WEIGHTING
Basic service delivery and infrastructure development	100%
<b>TOTAL</b>	<b>100%</b>

5.10 The competencies will make up the other 20% of the Employee's assessment score. Competencies that are deemed to be most critical for the Employee's specific job should be allocated more weighting as agreed to between the Employer and Employee.

Annexure "B" provides the scoring template for the competency requirements identified in the Table hereunder.

Competency Assessments will be conducted during quarterly face-to-face Performance Assessments. The Mayor shall conduct Competency Assessments for the Municipal Manager. The Municipal Manager shall conduct Competency Assessments for Section 56 Managers directly accountable to him/her.

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LEADING COMPETENCY REQUIREMENTS		WEIGHT
<b>Strategic Direction and Leadership</b>	<ul style="list-style-type: none"> <li>• Impact and Influence</li> <li>• Institutional Performance Management</li> <li>• Strategic Planning and Management</li> <li>• Organisational Awareness</li> </ul>	<b>20</b>
<b>People Management</b>	<ul style="list-style-type: none"> <li>• Human Capital Planning and Development</li> <li>• Diversity Management</li> <li>• Employee Relations Management</li> <li>• Negotiations and Dispute Management</li> </ul>	<b>10</b>
<b>Programme and Project Management</b>	<ul style="list-style-type: none"> <li>• Program and Project Planning Implementation</li> <li>• Service Delivery Management</li> <li>• Programme and Project Monitoring Evaluation</li> </ul>	<b>10</b>
<b>Financial Management</b>	<ul style="list-style-type: none"> <li>• Budget Planning and Execution</li> <li>• Financial Strategy and Delivery</li> <li>• Financial Reporting And Monitoring</li> </ul>	<b>10</b>
<b>Change Leadership</b>	<ul style="list-style-type: none"> <li>• Change Vision and Strategy</li> <li>• Process Design and Improvement</li> <li>• Change Impact Monitoring and Evaluation</li> </ul>	<b>10</b>
<b>Governance &amp; Leadership</b>	<ul style="list-style-type: none"> <li>• Policy formulation</li> <li>• Risk and Compliance Management</li> <li>• Cooperative Governance</li> </ul>	<b>10</b>
<b>CORE COMPETENCIES</b>		
Moral competence		<b>5</b>
Planning and organising		<b>5</b>
Analysis and Innovation		<b>5</b>
Knowledge and information management		<b>5</b>
Communication		<b>5</b>
Results and quality focus		<b>5</b>
<b>TOTAL</b>		<b>100%</b>

5.11. Any dispute by managers directly accountable to the municipal manager about the nature of the employee's performance agreement; whether it relates to key responsibilities, priorities, methods of assessment and/or salary increment in the agreement; shall be mediated by the mayor within 30 days of receipt of formal dispute from the employee; whose decision shall be final and binding on both parties

In the case of the municipal Manager, a dispute shall be mediated by the MEC for local government in the province within 30 days of receipt of a formal dispute from the employee; whose decision shall be final and binding on both parties.

Any dispute by the managers directly accountable to the municipal manager about the outcome of the employee's performance evaluation shall be mediated by 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) within 30 days of receipt of a formal dispute from the employee; whose decision shall be final and binding on both parties.

In the case of the municipal Manager, a dispute shall be mediated by the MEC for local government in the province within 30 days of receipt of a formal dispute from the employee; whose decision shall be final and binding on both parties.

The onus rests with the Employee to provide evidence of their claim to possession of the disputed Core Competency.

## 6. EVALUATING PERFORMANCE

6.1. 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 Development needs shall be documented up-front in this Performance Agreement and additional needs may be identified during any performance review discussion. Annexure "C" documents is a Personal Development Plan, the Employee's personal growth and development needs at the beginning of the financial year as well as the actions agreed to.

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

6.5 The annual performance appraisal will involve:

6.5.1 Assessment of the achievement of results as outlined in the SDBIP/Performance Scorecard:

(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 7.5.3 below) must then be used to add the scores and calculate a final aggregate score.

### 6.5.2 Assessment of Competency

(a) Each competency 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) The applicable assessment rating calculator (refer to paragraph 7.5.1 above) must then be used to add the scores and calculate a final aggregate score.

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### **6.5.3 Overall rating**

An overall rating is calculated by using the applicable assessment- rating calculator which represent the outcome of the performance appraisal provided that the performance assessment of the employee will be based on the rating for both key performance areas and core competencies.

### **7. Management of Performance Outcomes**

Detail regarding the recognition and commensurate rewards for performance exceeding stipulated targets in the SDBIP are documented in the municipality's PMS Policy according to the August 2006 PMS Regulations.

Poor performance shall be deemed consistent once two consecutive quarterly performance face-to face appraisals reveal declining achievements against set targets.

### **8. Payment of Performance bonuses**

As per the legislation, senior managers are entitled to performance based annual bonus. The municipality may pay annual performance bonus to Senior Managers in line with relevant and applicable legislations.

### **9. Performance Reporting Deadlines.**

Departmental performance reports are due monthly, for the previous month-14 days after the end of the previous month.

Quarterly, Half –Year and Annual Departmental Performance Reports are subjected to this deadline and must include by the same deadline- Portfolios of Evidence in support of performance information submitted.


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SIGNED AT MAPHUMULO ON THE 4<sup>TH</sup> DAY OF APRIL 2019

**AS WITNESSES:**

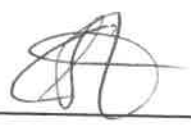
1.  \_\_\_\_\_

  
\_\_\_\_\_  
**THE MUNICIPALITY  
(Municipal Manager)**

2. \_\_\_\_\_

SIGNED AT MAPHUMULO ON THE 4<sup>TH</sup> DAY OF APRIL 2019

**AS WITNESSES:**

1.  \_\_\_\_\_

  
\_\_\_\_\_  
**THE EMPLOYEE**

2. \_\_\_\_\_



**ANNEXURE A:**

SDBIP/PERFORMANCE PLAN (compulsory)

2018/19 ADJUSTMENT SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN - TECHNICAL SERVICES												
NATIONAL KPA	IDP OBJECTIVE	MUNICIPAL STRATEGY	KEY PERFORMANCE INDICATOR	BUDGET AMOUNT	SOURCE OF FUNDS	INDICATOR OR NO	ANNUAL TARGET	QUARTER 1 ACTUAL TARGET	QUARTER 2 ACTUAL TARGET	QUARTER 3 ACTUAL TARGET	QUARTER 4 ACTUAL TARGET	
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	TO DEVELOP QUALITY, RELIABLE, SUSTAINABLE AND RESILIENT INFRASTRUCTURE TO SUPPORT ECONOMIC DEVELOPMENT AND HUMAN WELLBEING WITH A FOCUS ON EQUITABLE ACCESS FOR ALL	Roads infrastructure	Number of kilometres of access roads graded	N/A	N/A	1	160KMs	Grading of 40KMs of access roads	Grading of 40KMs of access roads	Grading of 40KMs of access roads	Grading of 40KMs of access roads	
			Deadline date for hiring of plant for maintenance of access roads	R1, 000 000. 00	OPEX	2	30-May-19	N/A	N/A	N/A	Advertise	Hire plan equipment
			Percentage of work completed for the construction of Pitsini road- Ward 11	R7, 211, 146.00	CAPEX	3	100% completion	5% completion	15% completion (accumulative)	60% completion (accumulative)	100% completion (accumulative)	
			Percentage of work completed for the construction of Eshlahlani Road- Ward 09	R3, 838, 504.14	CAPEX	4	50% completion	20% completion	30% completion (accumulative)	40% completion (accumulative)	50% completion (accumulative)	
			Percentage of work completed for the construction of Side walks in town (Town beautification)	R 6 304 102.36	CAPEX	5	100% completion	60% completion	80% completion	90% completion	100% completion	
			Percentage of work completed for the construction of Colli causeway- Ward 10	R 3 579 409.00	CAPEX	6	100%	80% completion	100% completion	N/A	N/A	
			Deadline date for the completion of construction of Mambulu causeway- Ward 02	R280, 000. 00	OPEX	7	31-Dec-18	Appoint contractor	Complete construction of Mambulu causeway	N/A	N/A	
			Deadline date for the completion of construction of Thukeyana low level bridge- Ward 09	R100, 00. 00.	OPEX	8	30-Sep-18	Complete construction of Thukeyana low level bridge	N/A	N/A	N/A	
			Deadline date for the completion of fixing of potholes in Maphumulo town	R420, 000. 00	OPEX	9	30-Jun-19	N/A	N/A	N/A	Advertise for service provider	Complete potholes fixing
			Deadline date for procurement of tools for the stores	R182, 078. 23	OPEX	10	31-Dec-18	Appoint service provider	Procure stores small tools	N/A	N/A	
			Deadline date for maintenance of sportfields (installation of goal posts and nets) in ward 10 Combined School, Ward 3 Nyokeni, and Ward 11	R 70 000	OPEX	11	31-Dec-18	N/A	Maintain sportfields	N/A	N/A	
			Percentage of work completed for the electrification of 325 households at Mansomini- Ward 07	R2,939 , 053.00	OPEX	12	100% completion	90% completion	100% completion	N/A	N/A	
			Percentage of work completed for the electrification of 154 households at Mzulwini- ward 04	R790, 710. 00	OPEX	13	100% completion	80% completion	90% completion	100% completion	N/A	
			Percentage of work completed for electrification of 84 households at Mvozane- ward 09	R1, 433, 793. 00	OPEX	14	100% completion	80% completion	90% completion	100% completion	N/A	



**ANNEXURE B:**  
**CORE COMPETENCY SCORING TEMPLATE**

<b>Achievement levels</b>	<b>Description</b>
1-2 Basic	Applies basic concepts, methods and understanding of local government operations but requires supervision and development intervention
3. Competent	Develop and applies more progressive concepts, methods, and understanding. Plans and guides the work of others and executes progressive analyses
4. Advanced	Develop and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in- depth analyses.
5. Superior	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops and applies comprehensive concepts and methods.

**ANNEXURE C:  
PERSONAL DEVELOPMENT PLAN (PDP)**

<b>Competency to be Addressed</b>	<b>Proposed Actions</b>	<b>Time-frame</b>	<b>Expected Outcome</b>
MFMP senior management training	Enrolment for MFMP	2018/2019 Financial Year	To enhance skills and capabilities on local government sector
Leadership Management course	Enrolment for short course in leadership management	2018/2019 Financial Year	Improved my leadership management skills

## **ANNEXURE D**

### **PROCESS TO MANAGE PERFORMANCE**

In the event that employee consistently fails to meet his/her performance targets, over a minimum of two consecutive face- to- face quarterly performance appraisals, Schedule 8, Section 9- of the Labour Relations Act: Code of Good Practice: Dismissal- shall be followed, together with the following guidelines.

#### **1. Prerequisites to Starting the Poor Performance and Incapacity Process**

- i) The onus lies with the Municipal Manager in the case of Section 56 Managers to ensure that the subordinate knows what is required
- ii) Objectives/ targets, Key Performance Indicators and deadlines should be agreed with the employer
- iii) The employee should be given appropriate training, coaching and instructions in order to be able to meet the required objectives
- iv) The employee must have the means/ equipment to perform the required objectives and
- v) The employee must be given regular feedback on his/ her performance

#### **2. Formal counselling session**

- i) The employee's direct Manager/ Senior is responsible for conducting any formal counselling sessions on poor performance. The counselling session is an opportunity to formally plan and agree on corrective action, to:
- ii) Identify why the employee is failing to meet the required performance standards/ objectives
- iii) Agree on a plan to assist the employee in achieving the required standards/ objectives and give the employee a fair opportunity to improve his/her performance
- iv) Make the employees aware of the potential consequences of not complying with performance requirements and
- v) Ensure that these meetings are documented (and co-signed off by both parties) so that the procedural fairness can be proved in the event of any future disputes and/ or additional disciplinary action being taken.

#### **3. Formal Disciplinary Process/ Corrective Action**

- i) Should the employee, after a reasonable period of improvement, which shall not be less than three months nor more than six months, continue to perform unsatisfactory, notwithstanding appropriate evaluation, instruction, guidance and/ or counselling- formal disciplinary steps shall be implemented.
- ii) A formal disciplinary committee hearing shall be held in accordance with the provisions in the Labour Relations Act, Number 42 of 1996 (As amended)- the outcome of which may include a final written warning and finally dismissal as a last resort.