

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

LEKWA LOCAL MUNICIPALITY,

AS REPRESENTED BY

LINDA BERNARD TSHABALALA
(MUNICIPAL MANAGER)

AND

THEMBA DANIEL GOGWANE
(EXECUTIVE MANAGER, TECHNICAL SERVICES)

THE EMPLOYEE OF THE MUNICIPALITY

FOR THE

FINANCIAL YEAR: 1 JULY 2014 - 30 JUNE 2015

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1. BIOGRAPHICAL INFORMATION

Job Title	Executive Manager: Technical Services
First Name	Themba Daniel
Last Name	Gogwane
Identity Number	660330 5388 08 9

1. GENERAL INFORMATION

The performance plan defines the Council's expectations of the **Employee**. The performance plan, detailed in section 4.1 is in response to section 57 (5) of the Municipal Systems Act, as amended, is based on the Municipality's Integrated Development Plan (IDP). The **Employee** shall be directly responsible and accountable to the **Employer (Municipal Manager)** for the Municipality's performance operations, the realization of its performance objectives and specifically for the regulation and implementation of the Municipality's strategic plan.

2. RESPONSIBILITIES OF THE EXECUTIVE MANAGER: TECHNICAL SERVICES.

The **Employee** will be accountable to the **Employer** (Municipal Manager/Accounting Officer) and be responsible and accountable for but not limited to the following:

- Overall management of the Technical Services Department.
- Providing support and advise to the Municipal Manager and Council.
- Managing the provision of engineering services to the community in a sustainable and equitable manner
- Providing water, sanitation, roads and storm water sewerage.
- Developing a programme for infrastructural service delivery within the Lekwa area in line with the IDP and overseeing its implementation.
- Managing the operations, maintenance, planning and administration of electrical, water, sanitation, roads and storm water network of the Municipality.
- Assuming the responsibility as defined in the Occupational Health and Safety Act and the regulations thereof.
- Ensuring legislative, regulatory, policy, practices and operating standard compliance.

PERFORMANCE AGREEMENT ENTERED INTO BY AND BETWEEN:

The Lekwa Local Municipality herein represented by **LINDA BERNARD TSHABALALA** in his capacity as Municipal Manager (hereinafter referred to as the **Employer**)

and **THEMBA DANIEL GOGWANE** in his capacity as **EXECUTIVE MANAGER: TECHNICAL SERVICES** of Lekwa Local 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 **Executive Manager: Technical Services** 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".

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- 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 Executive Manager, Technical 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 Municipal Manager, and to communicate to the Executive Manager, Technical Services the employer's expectations of the Executive Manager, Technical 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 Executive Manager, Technical Services has met the performance expectations applicable to his job;
- 2.6 in the event of outstanding performance, to appropriately reward the Executive Manager, Technical Services; and
- 2.7 give effect to the **Employer's** commitment to a performance-orientated relationship with its Municipal Manager in attaining equitable and improved service delivery.

3 COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the **1st July 2014** and will remain in force until **30th JUNE 2015** 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 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.

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- 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 Executive Manager, Technical 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 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 (IDP).

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 Key Performance Areas (KPAs) (including special projects relevant to the Municipal Manager'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.

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- 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 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** as follows:

Key Performance Areas (KPA's)	Weighting
Municipal Institutional Development and Transformation	20
Basic Service Delivery	50
Municipal Financial Viability and Management	15
Good Governance and Public Participation	15
Total	100%

- 5.7 In the case of managers directly accountable to the municipal manager, key performance areas related to the functional area of the relevant manager must be subject to negotiation between the municipal manager and the relevant manager.
- 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 should be selected (✓) from the list below as agreed to between the **Employer** and **Employee**. Three of the CCRs are compulsory for Municipal Managers:

CORE COMPETENCY REQUIREMENTS (CCR) FOR MUNICIPAL MANAGERS		
CORE MANAGERIAL COMPETENCIES (CMC)	✓	WEIGHT
Strategic Capability and Leadership		5
Programme and Project Management		20
Financial Management	compulsory	5
Service Delivery Innovation		10
Problem Solving and Analysis		10
People Management and Empowerment	compulsory	5
Client Orientation and Customer Focus	compulsory	10
CORE OCCUPATIONAL COMPETENCIES (COC)		
Competence in Self Management		5
Interpretation of and implementation within the legislative and national policy frameworks		5
Knowledge of Performance Management and Reporting		15
Knowledge of global and South African specific political, social and economic contexts		5
Competence in policy conceptualisation, analysis and implementation		5
Total percentage	-	100%

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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 **Employee's** performance; and
 - 6.1.2 the intervals for the 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 and 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'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, based on the rating as indicated in paragraph 6.6 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 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 KPAs and CCRs:

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Rating	Terminology	Description
5	Outstanding performance	Performance far exceeds the standard expected of a Municipal Manager at this level. The appraisal indicates that the Municipal 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 Municipal 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 Municipal 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 Municipal 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 Municipal 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 Municipal 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.

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

- 6.7.1 Executive 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 Municipal Manager from another municipality; and
- 6.7.5 Member of a ward committee as nominated by the Executive Mayor.

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

- 6.8.1 Municipal Manager;
- 6.8.2 Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee;

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- 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 A Municipal Manager 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 6.7 and 6.8 above.

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of the **Employee** in relation to his / her performance agreement shall be reviewed as follows:

7.1.1 On a monthly basis;

7.1.2 On a quarterly basis on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First Quarter	: July – September 2014 by end October 2014
Second Quarter	: October – December 2014 by end January 2015
Third Quarter	: January – March 2015 by end April 2015
Fourth Quarter	: April – June 2015 by end July 2015

7.1.3 Formal final assessment by end August 2015

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 –

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 **Employer** delegate such powers reasonably required by the **Employee** to enable him / her to meet the performance objectives and targets established in terms of this Agreement; and

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- 9.1.5 make available to the **Employee** such resources as the **Employee** 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 **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 decisions 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.

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 between 5% to 14% of the all-inclusive annual 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%; and
 - 11.2.2 a score of 150% and above is awarded a performance bonus ranging from 10% to 14%.
 - 11.2.3 The said performance bonus may be paid to the **Employee** after the end of a financial year and only after an evaluation of performance and the approval of such evaluation by the Municipal Council, as a reward for outstanding performance.
- 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 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 **Employer** may consider steps to terminate the contract of employment of the **Employee** 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 **Employee's** 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 **Employee**; or

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12.1.2 any other person appointed by the MEC.

12.1.3 In the case of managers directly accountable to the municipal manager, 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 Municipal Manager;

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 **Employer**.

13.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the **Employee** in terms of his 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 **Employee** 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.

Thus done and signed at Standerfontein on this the 23 day of July 2014

AS WITNESSES:

1. Khombiso Dube

(Full Names)

[Signature]
EMPLOYEE

2. MADODA GAMA

(Full Names)

AS WITNESSES:

Thus done and signed at Standerfontein on this the 23rd day of July 2014

1. [Signature]

(Full Names) BELENDI TILIT-MKWANAZI

[Signature]
EMPLOYER

2. [Signature]

(Full Names) ALFRED NAWA

TECHNICAL SERVICES: PROPOSED SDBIP FOR 2014/15 FINANCIAL YEAR

Municipal Institutional Development and Transformation	Strategic Objective	KPI	Baseline Indicator	Annual Target	Annual Budget	Quarterly Targets			
						Q1	Q2	Q3	Q4
Basic Service Delivery	Effective and Efficient Implementation of approved Capital Projects	100% Implementation of municipality's capital projects completed within budget and time	Implementation at 79%	100% implementation of All capital projects within budget and time (5 Projects)	R34mill	20%	45%	70%	100%
						Implementation of Capital Projects	Implementation of Capital Projects	Implementation of Capital Projects	Implementation of Capital Projects
						15 households provided with access to sanitation.	15 households provided with access to sanitation.	15 households provided with access to sanitation.	15 households provided with access to sanitation.
						15 households provided with access to sanitation.	15 households provided with access to sanitation.	15 households provided with access to sanitation.	15 households provided with access to sanitation.
Access to Basic Services (Rural Water Provision)	No of new rural households to have access to clean and safe drinking water	No of new rural households with access to basic decent sanitation	90% (26.900) householdswth access to basic sanitation	60 new household's connection of clean and safe drinking water in Rural areas.	R1.5 mill				
						20 households provided with access to sanitation.	20 households provided with access to sanitation.	20 households provided with access to sanitation.	21 households provided with access to sanitation.
						20 households provided with access to sanitation.	20 households provided with access to sanitation.	20 households provided with access to sanitation.	21 households provided with access to sanitation.
Access to Basic Services (Rural Sanitation Provision)	No of new rural households with access to basic decent sanitation	90% (26.900) householdswth access to basic sanitation	81 new household's connection with access to basic sanitation in Rural areas.	R1.19mill					
					20 households provided with access to sanitation.	20 households provided with access to sanitation.	20 households provided with access to sanitation.	21 households provided with access to sanitation.	
Provision of Basic Services	No of Km of Bundle Conductor to be replaced in Sakhlle W1/W2	None	None	1,2Km of Bundle Conductor/Replaced in SakhlleW1/W2	R1.5mill	Procurement	Procurement	Installation of 1,2km	
						15km maintained	15km maintained	15km maintained	15km maintained
Provision of Basic Services	No of Km to be maintained	None	None	60 km of roads well maintained.	R1.1 mill				
						15km maintained	15km maintained	15km maintained	15km maintained
Municipal Institutional Development and Transformation	Implementation of Performance Management System Framework towards focused institution	No of Quarterly Performance Reports submitted to PMS	None	4 Quarterly Performance Reports	1 Quarterly Report	1 Quarterly Report	1 Quarter Report	1 Quarterly Report	1 Quarterly Report
						1 Quarterly Report	1 Quarter Report	1 Quarterly Report	1 Quarterly Report

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Local Economic Development	Creation of job opportunities	Number of job opportunities through implementation of capital projects.	156 job opportunities	100 job opportunities	R36.6mill	25 job opportunities	25 job opportunities	25job opportunities	25 job opportunities
Municipal Financial Viability and Management	To ensure efficient and effective cash flow management	% payments in implementation of municipal capital budget	Current expenditure rate is 70%	90% payments for implementation of municipal capital budget(excluding 10% Retention)	R36.6mill	20% expenditure	45% expenditure	70% expenditure	100% expenditure
	To improve the economic lifespan of municipal assets	% of municipal maintenance budget spent on municipal assets	R13,000,000 municipal Maintenance budget spent	100% Expenditure on municipal maintenance budget on municipal assets	R13.0 mill	25% expenditure	50% expenditure	75% expenditure	100% expenditure
	Contracts Management	No of reports on Contract monitoring on Capital Projects	4 Fully Implemented Contracts	4reports on Contract monitoring on Capital Projects	N/A	1 x report on Contract monitoring	1 x report on Contract monitoring	1 x report on Contract monitoring	1 x report on Contract monitoring
Good Governance and Public Participation	Energy Saving and Demand Side Management	No of Energy saving awareness campaign	None	One Energy saving awareness campaign	N/A	One Energy saving awareness campaign			
	To implement and monitor internal controls	No of Risk Assessmentreport on the three year risk based audit plan	Report on Risk assessment done in 2013/14	4 reports on Risk based internal audit plan developed	N/A	1 x Report on Risk assessment	1 x Report on Risk assessment	1 x Report on Risk assessment	1 x Report on Risk assessment



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