

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

THE KAREEBERG, MUNICIPALITY
AS REPRESENTED BY THE MUNICIPAL MANAGER

WILLEM DE BRUIN

AND

ALBERTUS PETRUS FAKELYN VAN SCHALKWYK
THE EMPLOYEE OF THE MUNICIPALITY

FOR THE

FINANCIAL YEAR: 1 JULY 2014 - 30 JUNE 2014/5

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- 2.4 monitor and measure performance against set targeted outputs;
- 2.5 use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or 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 its employee in attaining equitable and improved service delivery.

3 COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the 1st of 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 Employee's contract of employment for any reason.
- 3.4 The content of this Agreement may be revised at any time during the above-mentioned period to determine the applicability of the matters agreed upon.
- 3.5 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

4 PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan (Appendix "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 Appendix 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 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 / her performance in terms of the outputs / outcomes (performance indicators) identified as per attached Performance Plan (Annexure A), which are linked to the KPAs, and will

constitute 80% of the overall assessment result as per the weightings agreed between the Employer and Employee:

Key Performance Areas (KPA's)	Weighting
Basic Service Delivery	80
Municipal Institutional Development and Transformation	10
Local Economic Development (LED)	
Municipal Financial Viability and Management	
Good Governance and Public Participation	10
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 EMPLOYEES		
CORE MANAGERIAL COMPETENCIES (CMC)		
✓		
10		Strategic Capability and Leadership
		Programme and Project Management
10	compulsory	Financial Management
		Change Management
		Knowledge Management
		Service Delivery Innovation
10		Problem Solving and Analysis
10	compulsory	People Management and Empowerment
10	compulsory	Client Orientation and Customer Focus
		Communication
		Honesty and Integrity
CORE OCCUPATIONAL COMPETENCIES (COC)		
		Competence in Self Management
10		Interpretation of and implementation within the legislative an national policy frameworks
		Knowledge of Performance Management and Reporting
		Knowledge of global and South African specific political, social and economic contexts
10		Competence in policy conceptualisation, analysis and implementation
10		Knowledge of more than one functional municipal field / discipline

CORE COMPETENCY REQUIREMENTS (CCR) FOR EMPLOYEES		
CORE MANAGERIAL COMPETENCIES (CMC)		
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		10
Total percentage	-	100%

6. EVALUATING PERFORMANCE

- 6.1 The Performance Plan (Appendix "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 (refer to paragraph 6.5.3 below) must then be used to add the scores and calculate a final KPA score.

6.5.2 Assessment of the CCRs

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

6.5.3 Overall rating

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

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

Level	Terminology	Description	Rating
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.	1 2 3 4 5
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 others 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.	

- 6.7 For purposes of evaluating the annual performance of the municipal manager, an evaluation panel constituted of the following persons must be established -
- 6.7.1 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 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;
- 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 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 sub-regulations (d) and (e).

Level	Terminology	Description	Rating
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 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 2 3 4 5
1	Unacceptable performance	Performance does not meet the standard 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.	

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of each Employee in relation to his 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:

First quarter	:	July – September	:	31/10/2014
Second quarter	:	October – December	:	31/01/2015
Third quarter	:	January – March	:	30/04/2015
Fourth quarter	:	April – June	:	31/07/2015

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 Appendix "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 Appendix 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 appendix A.

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 Employee 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

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

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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 a decision 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%.

11.3 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

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 employee;

whose decision shall be final and binding on both parties.

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

13. GENERAL

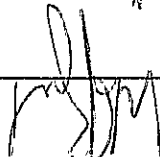

13.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Employer.

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


13.3 The performance assessment results of the municipal manager 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.

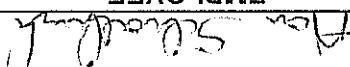
Thus done and signed at Capricorn, on this the 24 day of July, 2014.

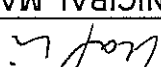
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AS WITNESSES:

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EMPLOYEE


MUNICIPAL MANAGER

Appendix "A"

Kareeberg Municipality: Performance Plan for the Chief Operations Manager for the 2014/2015 Financial Year

Employee Name:	APF van Schalkwyk			Employee Number:	
Job Title:	Chief Operations Manager			Department:	Technical Department
Manager:	Municipal Manager			Date:	2014/2015
Position Purpose:	The performance plan defines the Council's expectations of the Municipal Manager's performance agreement to which this document is attached and Section 57 (5) of the Municipal Systems Act, which provides that performance objectives and targets must be based on the key performance indicators as set in the Municipality's Integrated Development Plan (IDP) and as reviewed annually				
Key Responsibilities:	<p>The following objects of local government will inform the Municipal Manager's performance against set performance indicators:</p> <ol style="list-style-type: none"> 1. Provide democratic and accountable government for local communities. 2. Ensure the provision of services to communities in a sustainable manner. 3. Promote social and economic development. 4. Promote a safe and healthy environment. 5. Encourage the involvement of communities and community organisations in the matters of local government. 				

Priority	KPI	Department	Responsibility	Frequency
KPA 1: Basic Service Delivery and Infrastructure Development				
BUILDING MAINTENANCE	To provide maintenance to municipal buildings	Planning and Development	Chief Operational Manager	Continuous
	* 80% to be reacted within 2 hours			
	* 100% to be safeguarded on same day			
	* 50% to be completed within two weeks			
ENVIRONMENTAL SERVICES	To implement projects for which funding has been secured.	IDP-LED	Chief Operational Manager	Continuous
	To ensure that all procedures are followed with the pouncing of animals and that the register is kept up to date.	Health	Chief Operational Manager	Continuous
	To buy a casket through contractor for pauper burials immediately after notification of the case.	Cemeteries & Crematoria	Chief Operational Manager	Continuous
	Annual inspection of the cemeteries to determine the availability of space in	Cemeteries & Crematoria	Chief Operational Manager	Continuous

Appendix "A"

Priority	KPI	Department	Responsibility	Frequency
	cemeteries.			
	Managing maintenance of cemeteries.	Cemeteries & Crematoria	Chief Operational Manager	Continuous
Fire Brigade Services and Disaster Management	Administer of a Disaster Management Plan	Public Safety	Chief Operational Manager	Continuous
SWIMMING POOL	Administering of Fire equipment.	Public Safety	Chief Operational Manager	Continuous
	Keep Municipal Swimming Pool clean at all times	Sports & Recreation	Chief Operational Manager	Continuous
SOLID WASTE	The removal of domestic waste at all residences in all residential areas once per week.	Waste Management	Chief Operational Manager	Continuous
	The dumping of all waste at the waste sites and administering the maintenance of the dumping site.	Waste Management	Chief Operational Manager	Continuous
	Monitor - Abattoir-waste	Waste Management	Chief Operational Manager	Continuous
SEWERAGE PURIFICATION	Administering the operations of the oxidation ponds in such a way that permit conditions are satisfied.	Waste Water Management	Chief Operational Manager	Daily
SEWERAGE SERVICE	Administer the sewerage tank removal, so that a standard service can be provided to all clients.	Waste Water Management	Chief Operational Manager	Continuous
	Manage the operations of the network including the removing of blockages within 36 hours.	Waste Water Management	Chief Operational Manager	Continuous
	Attend to major washaways of roads within 24h of notification.	Road Transport	Chief Operational Manager	Continuous
	The efficient and effective management of maintenance of Storm-water infrastructure and assets 7 days reaction to complaint * 14 days reaction to letters and correspondence	Road Transport	Chief Operational Manager	Continuous

Appendix "A"

Priority	KPI	Department	Responsibility	Frequency
INSPECTION OF VEHICLES	Overseen that a maximum of 45 min [handling time] per vehicle are spend, but within the framework of SABS Practice Code 0216 when opened.	Traffic Services	Chief Operational Manager	Continuous
	To manage the SABS Inspectorate's requirements 100%	Traffic Services	Chief Operational Manager	Continuous
	Water control and management – breaks and losses – daily, weekly and monthly.	Water Service	Chief Operational Manager	Continuous
	Water breaks must be repaired within twelve (12) hours after break has been reported.	Water Service	Chief Operational Manager	Continuous
	Managing total water supply system to ensure sufficient water provision.	Water Service	Chief Operational Manager	Continuous
	Inspection of town to identify faults for entry onto waterworks programmes – on-going	Water Service	Chief Operational Manager	Continuous
	Review and submit a Water Services Development Plan	Water Service	Chief Operational Manager	30-Apr-15
	Keep statistics – on-going.	Electricity Service	Chief Operational Manager	Continuous
Electricity	Application of relevant legislation – on-going	Electricity Service	Chief Operational Manager	Continuous
	Provide quotations for new electricity connections within ten (10) days where existing network is being used, and within thirty (30) days where extensions must be done.	Electricity Service	Chief Operational Manager	Continuous
	Provide supply within thirty (30) days where existing network can be used and sixty (60) days for low tension and ninety (90) days for medium tension where extensions must be made to the network. (Depending on availability)	Electricity Service	Chief Operational Manager	Continuous
	Repair power failures within the following times: (a) 50% within 1,5 hours	Electricity Service	Chief Operational Manager	Continuous

Appendix "A"

Priority	KPI	Department	Responsibility	Frequency
	(b) 60% within 3.5 hours	Electricity Service	Chief Operational Manager	Continuous
	(c) 90% within 7.5 hours	Electricity Service	Chief Operational Manager	Continuous
	(d) 98% within 24 hours	Electricity Service	Chief Operational Manager	Continuous
	Maintain a 24 hour electricity emergency service.(exl. Eskom)	Electricity Service	Chief Operational Manager	Continuous
	Test electricity meters - All meter accuracy queries (exl. Eskom)	Electricity Service	Chief Operational Manager	Continuous
	Planned electricity interruptions on overhead networks.(exl. Eskom)	Electricity Service	Chief Operational Manager	Continuous
	Planned electricity interruptions on underground networks.(exl. Eskom)	Electricity Service	Chief Operational Manager	Continuous
	Notice of planned electricity interruptions to consumers (exl. Eskom)	Electricity Service	Chief Operational Manager	24 hours' notice
	Customer complaints handled (exl. Eskom)	Electricity Service	Chief Operational Manager	3 working days or 10 working days for street lights
	Manage maintenance all electrical distribution machinery and mechanical equipment. (exl. Eskom)	Electricity Service	Chief Operational Manager	Continuous
	Manage maintenance of assets.	Electricity Service	Chief Operational Manager	Continuous
	Administer appropriate safety equipment to personnel and ensure that best safety practices are applied.	Electricity Service	Chief Operational Manager	Continuous
Technical Services	Availability figure for key equipment - 50%-60%	Other	Chief Operational Manager	Continuous
	Complete projects within specifications and budget. Monthly progress vs expenditure.	Other	Chief Operational Manager	Monthly
	Managing of personnel - Training in capacity building and legislation.	Other	Chief Operational Manager	Continuous
	Manage the maintenance of the municipal vehicles fleet and equipment.	Other	Chief Operational Manager	Continuous

Appendix "A"

Priority	KPI	Department	Responsibility	Frequency
KPA 2: Municipal Transformation and Organisational Development				
KPA 3: Local Economic Development				
Infrastructure development and empowerment of the community by labour intensive project	To develop the infrastructure of the community by identifying 3 labour intensive projects in the municipal area		Chief Operations Manager	31-Mar-15
	Develop 1 project business plan and apply for funding		Chief Operations Manager	30-Apr-15
KPA 4: Municipal Financial Viability and Management				
KPA 5: Good Governance and Public Participation				
	To implement projects for which funding has been secured.	IDP-LED	Chief Operational Manager	Continuous

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR)			
CORE MANAGERIAL COMPETENCY	(Indicate choice)	Weight	
<i>Core Managerial Competencies:</i>			
Strategic Capability and Leadership		10	
Programme and Project Management			
Financial Management	compulsory	10	
Change Management			
Knowledge Management			
Service Delivery Innovation			
Problem Solving and Analysis		10	
People Management and Empowerment	compulsory	10	
Client Orientation and Customer Focus	compulsory	10	
Communication			
Honesty and Integrity			
<i>Core Occupational Competencies:</i>			

Appendix "A"

Competence in Self Management		
Interpretation of and implementation within the legislative and national policy frameworks		10
Knowledge of developmental local government		10
Knowledge of Performance Management and Reporting		
Knowledge of global and South African specific political, social and economic contexts		10
Competence in policy conceptualisation, analysis and implementation		10
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		10
Total percentage		100%

PERSONAL DEVELOPMENT PLAN

Skills/ Performance Gap	Outcomes Expected	Suggested Training and or Development activity	Suggested Mode of delivery	Suggested Time Frames	Work opportunity created to practice skill/development area	Support person
1						
2						
3						
4						
5						
6						

Municipal Manager's Signature	<i>hphi</i>	Manager's Signature	<i>Ben Seabrook</i>
Date	24-7-2014	Date	24-7-14