

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

THE KAREEBERG, MUNICIPALITY
AS REPRESENTED BY THE MUNICIPAL MANAGER

WILLEM DE BRUIN

AND

NICOLAAS JOHANNES VAN ZYL
THE EMPLOYEE OF THE MUNICIPALITY

FOR THE

FINANCIAL YEAR: 1 JULY 2014 - 30 JUNE 2015

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PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

The Kareeberg Municipality herein represented by:

Willelm de Bruin,

in his capacity as Municipal Manager

(hereinafter referred to as the Employer or Supervisor)

and

Nicolas Johannes van Zyl,

employee of the 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 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),(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 employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality;

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- 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 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 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.

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- 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.

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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:

Key Performance Areas (KPA's)	Weighting
Basic Service Delivery	
Municipal Institutional Development and Transformation	70
Local Economic Development (LED)	10
Municipal Financial Viability and Management	
Good Governance and Public Participation	20
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)		
WEIGHT	✓	
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		
CORE OCCUPATIONAL COMPETENCIES (COC)		
Competence in Self Management		
Interpretation of and implementation within the legislative an national policy frameworks		10
Knowledge of Performance Management and Reporting		10
Knowledge of global and South African specific political, social and economic contexts		
Competence in policy conceptualisation, analysis		10

CORE COMPETENCY REQUIREMENTS (CCR) FOR EMPLOYEES		
CORE MANAGERIAL COMPETENCIES (CMC)	✓	WEIGHT
and implementation		
Knowledge of more than one functional municipal field / discipline		10
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 (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.

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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

- (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.

6.5.3 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:

Level	Terminology	Description	Rating				
			1	2	3	4	5

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

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
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.	2
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.	3
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.	4
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.	5

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8. DEVELOPMENTAL REQUIREMENTS

- 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 Employer will be fully consulted before any such change is made.
- 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 Employer will be fully consulted before any such change is made.
- 7.3 Performance feedback shall be based on the Employer's assessment of the Employees' performance.
- 7.2 The Employer shall keep a record of the mid-year review and annual assessment meetings.

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

7.1 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:

7. SCHEDULE FOR PERFORMANCE REVIEWS

- 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).
- 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.
- 6.8 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 -
- 6.7.1 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.

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 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:

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- 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, clause 20.3 of the Contract of Employment shall apply.

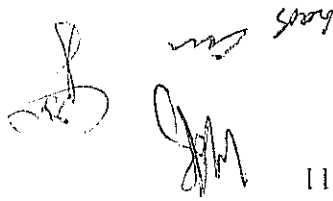
13. GENERAL

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/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


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Thus done and signed at San Lorenzo ~~San~~ on this the 14 day of July 2014.

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EMPLOYEE

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Appendix "A"

Priority	KPI	Department	Responsibility	Frequency
	Ensure that all correspondence marked out to the Administration Segment receives attention within seven (7) working days after receipt from the Registration office.	Admin	Head: Corporate Services	Continuous
RECORDS MANAGEMENT - Admin OFFICER : Records	Incoming correspondence [letters, facsimiles, e-mail, memorandums].	Admin	Head: Corporate Services	Continuous
	100% of all correspondence must be distributed to Officials.	Admin	Head: Corporate Services	Continuous
	Securities programme – Input and filing of all contracts/ agreements [100%].	Admin	Head: Corporate Services	Continuous
	Insertion of amendment pages in Statute Books [100%].	Admin	Head: Corporate Services	Continuous
	Promotion of Access to Information Act – Amend Manual / Handle requests [100%].	Admin	Head: Corporate Services/CFO	Continuous
	Up to date policies systems, procedures, bylaws, contracts and agreements and clear office instructions in place and reviewed annually. Delegation manual in place.	Admin	Head: Corporate Services	Continuous
	Effective advertising of bids.	Admin	Head: Corporate Services	Continuous
	Recordkeeping and availability of applicable legislation.	Admin	Head: Corporate Services	Continuous
	Maintenance of an effective record and registry system.	Admin	Head: Corporate Services	Continuous
	Administration of Human Resource recruitment and selection.	Admin	Head: Corporate Services	Continuous
HUMAN RESOURCES	Effective management of Labour relations issues.	Admin	Head: Corporate Services	Continuous
	Update of Skills Development Plan	Admin	Head: Corporate Services	30-Jun-15
	Oversee that training in terms of the Skills Development Plan is being implemented.	Admin	Head: Corporate Services	Continuous

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Appendix "A"

Priority	KPI	Department	Responsibility	Frequency
Motivate and develop staff members to be a well-resourced and positive component to serve the community	Reclaim all monies due i.t.o. Skills Development Plan.	Admin	Head: Corporate Services	Continuous
	Report on Employee Equity Plan and submission of report in terms of Legislation to Department of Labour.	Admin	Head: Corporate Services	01-Oct-14
	Development, implementation and Monitoring of an effective communication system - Section 6 of Act 32/2000 refers	Admin	Head: Corporate Services	Continuous
	Administration of Staff establishment and organograms reviewed for efficiency and effectiveness at least quarterly.	Admin	Head: Corporate Services	Continuous
	Effective functioning of Labour- and Training forums. Regular meetings.	Admin	Head: Corporate Services	Continuous
	To deal with disciplinary Hearings.	Labour Officer	Head: Corporate Services Municipal Manager	31-Dec-14
KPA 3: Local Economic Development	To investigate, report and implement a more conducive office environment which is more client orientated and customer friendly		Corporate Services	30-Jun-15
	To comply with all labour legislation			
	To ensure that the development of the 5 year Integrated Development Plan of the Municipality is being conducted in terms of the guidelines stipulated in Chapter 5 of the Municipal Systems Act of 2000.	IDP-LED	Head: Corporate Services	30-Jun-15
Managing, implementation and monitoring the review process of the Integrated Development Plan:	To facilitate active and structured public participation during the drafting of the IDP Process.	IDP-LED	Head: Corporate Services	Continuous

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Appendix "A"

Priority	KPI	Department	Responsibility	Frequency
Managing the drafting and review process of the LED Strategy for the Municipality	To record the priority needs of all sectors of the community in the amended IDP document.	IDP-LED	Head: Corporate Services	Continuous
Review and Implementation of the LED Strategy of the municipality to create more opportunities	To review the LED Strategy		Corporate Services	31-Mar-15
KPA 4: Municipal Financial Viability and Management				
KPA 5: Good Governance and Public Participation				
	Bi-Monthly Council Meetings with a 100% attendance.	Executive & Council	Council	Bi - Monthly
	Approval revised IDP Plans	Executive & Council	Council	31-May-15
	Approval of Budget 2013/14	Executive & Council	Council	31-May-15
	Approval of the Annual Report 2010/11	Executive & Council	Council	31-Jan-15
Performance Management	Implement a Performance Management System.	Executive & Council	Municipal Manager	31-Aug-14
Council Meetings	Resolutions of Council executed within 60 days.	Executive & Council	Municipal Manager	Continuous
Alignment of the IDP	To ensure the alignment of the IDP objectives be reflected in the municipal budget.	IDP-LED	Head: Finance	31-May-15
	Draft IDP for approval by Council	IDP-LED	Head: Corporate Services	31-May-15
	Facilitate community meetings for Mayor per town.	IDP-LED	Head: Corporate Services	Quarterly
	Compilation of Annual Report and submit to Council	IDP-LED	Head: Corporate Services	31-Jan-15

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Appendix "A"

Priority	KPI	Department	Responsibility	Frequency
The communication and implementation of the municipality's vision, mission and values to internal and external stakeholders and ensure the municipality's commitment in executing the vision	To communicate the vision, mission and values to the staff of the municipality and obtain their commitment in executing the vision, mission and values in all their activities	Corporate Services	Corporate Services	30-Nov-14
	To inform the community on the vision of the municipality	Corporate Services	Corporate Services	31-Dec-14
	To monitor the upholding of the values of the municipality in all its programmes and activities	Corporate Services	Corporate Services	30-Jun-15
	To develop and implement a Communication policy		Corporate Services	31-Mar-15
	Explore and create procedures and structures to communicate with community structures		Corporate Services	30-Nov-14
	Establishment of ward committees		Corporate Services	30-Jun-15
	To sustain and services the institutional needs of the ward committees		Corporate Services	30-Jun-15

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR)			
CORE MANAGERIAL COMPETENCY		(Indicate choice)	Weight
Core Managerial Competencies:			
Strategic Capability and Leadership			10
Programme and Project Management			
Financial Management		compulsory	10

Appendix "A"

Change Management		
Knowledge Management		
Service Delivery Innovation		
Problem Solving and Analysis		10
People Management and Empowerment		10
Client Orientation and Customer Focus	compulsory	10
Communication		
Honesty and Integrity		
Core Occupational Competencies:		
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
2						
3						
4						
5						

best in class

Appendix "A"

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Municipal Manager's Signature	<i>LAJ</i>	Manager's Signature	<i>W. J. [unclear]</i>
Date	24.7.2014	Date	24.7.2014

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