

SENIOR MANAGEMENT SERVICES PERFORMANCE AGREEMENT

Mr. S.B. Nkosi

The Municipal Manager reporting to the Mayor
("The Municipal Manager")

AND

Mr B.P. Mnguni

The Head of Department: Planning reporting to the Municipal Manager
("The Head of Department: Planning")

Financial year: 01 July 2017 - 30 June 2018



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PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

The Zululand District Municipality herein represented by the Municipal Manager (hereinafter referred to as the Employer or Supervisor)

And

Mr. BP Mnguni, Employee of the Municipality (hereinafter referred to as the Employee or Head of Department: Planning).

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

1.1 The Municipality has entered into a contract of employment with the Head of Department: Planning for a period of five (5) years, ending on 31 July 2022 in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act").

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 Head of Department: Planning reporting to the Municipal Manager to a set of outcomes that will secure local government policy goals.

1.4 The parties wish to ensure that the Municipal Manager will be responsible for facilitating the setting and evaluation of performance objectives and targets on behalf

of the Municipality. The Municipal Manager shall report to the Mayor in regard to the above.

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 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.

2.3 specify accountability as set out in a performance plan, reflected as Annexure A to the performance agreement;

2.4 monitor and measure performance against set targeted outputs;

2.5 monitor and measure the core competencies against competency behavioural standards;

2.6 use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;

2.7 in the event of outstanding performance, to appropriately reward the employee;

2.8 proactively focus on the development of the Head of Department: Planning(Personal Development Plan – Annexure B);

2.9 give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

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3. COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the 1st of July 2017 and will be applicable until the 30th of June 2018. This agreement will remain until a new Performance Agreement is concluded between the parties, if required during the performance cycle.

- 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 no later than the beginning of each successive financial year.

- 3.3 This Agreement should be read in conjunction with the Contract of Employment and this agreement will terminate on the termination of the Head of Department: Planning's Contract of Employment.

- 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 (Annexure "A") sets out:

- 4.1.1 The performance objectives and targets that must be met by the Head of Department: Planning; 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 Municipal Manager in consultation with the Head of Department: Planning, and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP), and shall include key objectives, key performance indicators, target dates and weights.

4.3 The key objectives describe the main tasks that need to be done.

4.4 The key performance indicators provide a means to measure the extent to which a key objective has been achieved.

5. PERFORMANCE MANAGEMENT SYSTEM

5.1 The Head of Department: Planning accepts that the purpose of the Performance Management System will be to provide a comprehensive system with specific performance standards to assist the Municipality, management and municipal staff to perform to the standards required.

5.2 The Municipal Manager will consult the Head of Department: Planning about the specific performance standards that will be included in the Performance Management System as applicable to the Head of Department: Planning.

5.3 The Municipal Manager 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.

5.4 The criteria upon which the performance of the Head of Department: Planning shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.

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5.5 The Head of Department: Planning must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPA's) and the Competencies (Critical Leading Competencies (CLC) and Core Competencies (CC) respectively.

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

5.7 KPAs covering the main areas of work will account for 80% and CLC's & CC's will account for 20% of the final assessment.

5.8 The Head of Department: Planning's assessment will be based on his performance in terms of the 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 Municipal Manager and The Head of Department: Planning.

Key Performance Areas (KPA's)	Weighting
Infrastructure & Services	55%
Economic Agriculture & Tourism	15%
Democracy & Governance	30%
Total	100%

5.9 The critical Leading Competencies (CLC) and Core Competencies (CC) as per Annexure A of the Local Government: Competency Framework for Senior Managers will make up the other 20% of the Employee's assessment score. There is no hierarchical connotation and all competencies are essential to the role of the Head of Department. All competencies must therefore be selected from the list below as agreed to between the Employer and the Employee :

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CRITICAL LEADING COMPETENCIES		WEIGHT
Strategic Direction and Leadership	• Impact and influence • Institutional Performance • Management • Strategic Planning and • Management • Organisational Awareness	25%
	• Human Capital Planning and • Development • Diversity Management • Employee Relations • Management • Negotiation and Dispute • Management	10%
	• Program and Project Planning • and Implementation • Service Delivery Management • Program and Project • Monitoring and Evaluation	10%
	• Budget Planning and Evaluation • Financial Strategy and Delivery • Financial Reporting and • Monitoring	5%
	• Change Vision and Strategy • Process Design and • Improvement • Change Impact Monitoring and • Evaluation	10%
Change Leadership		
Governance Leadership		
• Policy Formulation • Risk and Compliance • Management • Co-operative Governance		10%
CORE COMPETENCIES		
Moral Competence		5%
Planning and Organising		5%
Analysis and Innovation		5%
Knowledge and Information Management		5%
Communication		5%
Results and Quality Focus		5%
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 Head of Department:
Planning performance; and

6.1.2 the intervals for the evaluation of the Head of Department: Planning's
performance.

6.2 Despite the establishment of agreed intervals for evaluation, the Municipal Manager may, in addition, review the Head of Department: Planning'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 Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.

6.4 Any submission/achievement required in accordance with a KPI will be deemed to be submitted/achieved, only after the Municipal Manager was satisfied that the submission/achievement was of sufficient quality.

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.

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(c) The applicable assessment rating calculator must then be used to add the scores and calculate a final KPA score.

6.5.2 Assessment of the CLC and CCs

(a) Each CLC and CC 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 CLC and CC

(c) This rating should be multiplied by the weighting given to each CLC and CC 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 CLC and CC score.

6.5.3 Overall rating

(a) An overall rating is calculated by using the applicable assessment-rating calculator. Such overall ratings represent the outcome of the performance appraisal.

6.5.4 The assessment of the performance of the Head of Department: Planning will be based on the following achievement levels for KPA's and CLC AND CCs:

Level	Terminology	Description
5	Superior	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops and applies comprehensive concepts and methods.
4	Advanced	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in-depth analyses

3	Competent	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses.
2	Basic	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention.
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6.6 For purpose of evaluating the annual performance of the Head of Department: Planning an evaluation panel constituted of the following persons must be established –

- a) Municipal Manager;
- b) Chairperson of performance audit committee
- c) Member of the executive committee
- d) Municipal Manager from another municipality

6.7 The manager responsible for human resources of the municipality must provide secretariat services to the evaluation panel referred to in sub-regulations (d) and (e) of the Municipal Systems Act (Act no 32 of 2000).

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of the employee in relation to his performance agreement shall be reviewed on the dates provided by the Municipal Manager and one member of the Executive Committee and in case of managers reporting to the Municipal Manager, the Municipal Manager with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter	:	16 October 2017
Second quarter	:	15 January 2018
Third quarter	:	16 April 2018
Fourth quarter	:	16 July 2018

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7.2 The Municipal Manager shall keep record of the mid-year review and annual assessment meetings.

7.3 Performance feedback shall be based on the Municipal Managers assessment of the Head of Department: Planning's performance.

7.4 The Municipal Manager will be entitled to review and make reasonable changes to the provision of Annexure A from time to time for operational reasons. The Head of Department: Planning will be fully consulted before any such change is made.

7.5 The Municipal Manager 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 Head of Department: Planning will be fully consulted before any such change is made.

8. DEVELOPMENTAL REQUIREMENTS

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

8.2 The Employer shall –

8.1.1 create an enabling environment to facilitate effective performance by the employee;

8.1.2 provide access to skills development and capacity building opportunities;

8.1.3 work collaboratively with the Head of Department: Planning to solve problems and generate solutions to common problems that may impact on the performance of the Head of Department: Planning.

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8.1.4 on request of the Head of Department: Planning delegate such powers reasonably required by the Head of Department: Planning to enable him to meet the performance objectives and targets established in terms of this Agreement; and

8.1.5 make available to the Head of Department: Planning such resources as the Head of Department: Planning may reasonably require from time to time to assist him to meet the performance objectives and targets established in terms of this Agreement.

9. CONSULTATION

9.1 The Municipal Manager agrees to consult the Head of Department: Planning timely where the exercising of the powers will have amongst others:

9.1.1 a direct effect on the performance of any of the Head of Department: Planning's functions;


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- 9.1.2 commit the Head of Department: Planning to implement or to give effect to a decision made by the Municipal Manager; and
- 9.1.3 a substantial financial effect on the Municipality.

9.2 The Municipal Manager agrees to inform the Head of Department: Planning 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 Head of Department: Planning to take any necessary action without delay.

10. MANAGEMENT OF EVALUATION OUTCOMES

10.1 The evaluation of the Head of Department: Planning's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

10.2 A performance bonus for the Head of Department: Planning in recognition of outstanding performance to be constituted as follows:

- a) a score of 130 to 149 is awarded a performance bonus ranging from 5% to 9%

SCORE	AWARDED %
130-133	5%
134-137	6%
138-141	7%
142-145	8%
146-149	9%

- b) a score of 150- 166 and above is awarded a performance bonus ranging from 10% to 14%.

SCORE	AWARDED %
150-153	10%
154-157	11%
158-161	12%
162-165	13%
166-ABOVE	14%

10.3 In the case of unacceptable (basic) performance, the Municipal Manager shall

a) provide systematic remedial or developmental support to assist the Head of Department; Planning to improve his or her performance; and

b) after appropriate performance counselling and having provided the necessary guidance and / or support as well as reasonable time for improvement in performance, the Municipal Manager may consider alternative steps as advised through a formal disciplinary hearing.

11. DISPUTES/RESOLUTION

11.1 In the event that the employee is dissatisfied with any decision or action of the Council in terms of this Agreement, or where a dispute or difference arises as to the extent to which the employee has achieved the performance objectives and targets established in terms of this Agreement, the employee may meet with the employer with a view to resolving the issue.

11.2 During the meeting the employer will record the outcome of the meeting in writing.

11.3 If the parties could not resolve the issues as mentioned in 11.1 the matter should be referred to the Municipal Council (or any other person appointed by the 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 Head of Department: Planning.

11.4 If the parties do not agree, the dispute may be referred to a mediator, mutually agreed upon by both parties whose decision shall be final and binding on matters covered in this agreement.

11.5 In the event that the mediation process contemplated above fails, clause 20.3 of

the Contract of Employment shall apply.

12. GENERAL

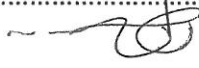
12.1 The contents of the Agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Municipality, where appropriate.

12.2 Nothing in this Agreement diminishes the obligations, duties or accountabilities of the Head of Department: Planning in terms of his contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

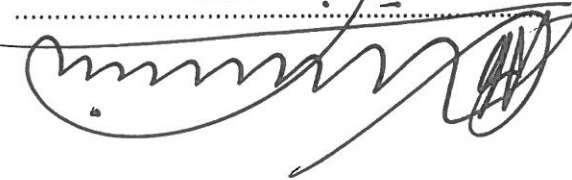
12.3 The performance assessment results of the Head of Department: Planning must be submitted to the MEC for Local Government in the provincial government and the National Minister responsible for local government, within fourteen (14) days after the conclusion of the assessment.

Thus done and signed at Ullundi on this 14th day of July 2017

AS WITNESSES:

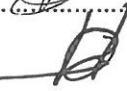
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THE MUNICIPAL MANAGER
ZULULAND DISTRICT MUNICIPALITY



Signed at Ullundi on thisday of July 2017

AS WITNESSES:

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HEAD OF DEPARTMENT: PLANNING



ANNEXURE A: PERFORMANCE PLAN FOR THE HEAD OF DEPARTMENT: PLANNING 2017/2018

NO	Objective	Indicator	ZDM SDBIP KPI NO.	Quarterly targets				Annual target (2017/2018)
				Q1	Q2	Q3	Q4	
Infrastructure and Services				Total Weight				55%
1	Maintaining an updated Water Services Development Plan	Final 2018/2019 WSDP submitted to Council for approval by 30 Jun 2018	1	Identify key areas to review & table to portfolio committee	Conduct Situational Analysis and Strategies	Draft 2018/2019 WSDP submitted to Council for approval by 30 Mar 2018	Final 2018/2019 WSDP submitted to Council for approval by 30 Jun 2018	Final 2018/2019 WSDP submitted to Council for approval by 30 Jun 2018
2	Maintaining an updated water loss strategy	Final 2018/2019 water loss strategy submitted to Council for approval by 30 Jun 2018	2	Identify key areas to review & table to portfolio committee	Conduct Situational Analysis and Strategies	Draft 2018/2019 Water Loss strategy submitted to Council for approval by 30 Mar 2018	Final 2018/2019 Water Loss strategy submitted to Council for approval by 30 Jun 2018	Final 2018/2019 Water Loss strategy submitted to Council for approval by 30 Jun 2018
3	Implement regional schemes	Number of business plans submitted to funders by 30 Jun 2018	7	Draft concept plan & table with portfolio committee	Cost concept & include table to CFO along with budget inputs	Draft Business Plans submitted to MM by 30 Mar 2018	Final Business Plans submitted to MM by 30 Jun 2018	Final Business Plans submitted to MM by 30 Jun 2018
4	Implement rural sanitation new infrastructure & phase 3 replacement programme	Number of business plans submitted to funders by 30 Jun 2018	8	Draft concept plan & table with portfolio committee	Cost concept & include table to CFO along with budget inputs	Draft Business Plans submitted to MM by 30 Mar 2018	Final Business Plans submitted to MM by 30 Jun 2018	Final Business Plans submitted to MM by 30 Jun 2018
5	Effectively regulating and monitoring WSP's and Water Services Intermediaries	Number of WSP Meetings scheduled per quarter	9	2 WSP meetings scheduled by 30 Sept 2018	2 WSP meetings scheduled by 30 Dec 2018	2 WSP meetings scheduled by 30 Mar 2018	2 WSP meetings scheduled by 30 Jun 2018	8 WSP meetings scheduled by 30 Jun 2018



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NO	Objective	Indicator	ZDM SDBIP KPI NO.	Quarterly targets				Annual target (2017/2018)
				Q1	Q2	Q3	Q4	
6	Implement strategies to reduce water loss	% water leaks recorded by 30 Jun 2018	10	To be determined	To be determined	To be determined	To be determined	
7	Constantly develop management capacity to operationalise the airport	Investigate feasibility of transporting fresh produce outside of the DM by 30 Jun 2018	14	Draft scope of works & procure services of a suitable service provider	Field data collection & analysis	Draft fresh produce feasibility report outside of the DM by 30 Mar 2018	Final fresh produce feasibility report outside of the DM by 30 Jun 2019	Final fresh produce feasibility report outside of the DM by 30 Jun 2019
8	Develop Integrated Waste Management Strategy	Package Business Plan for funding of Integrated Waste Management Strategy by 30 June 2018	20	Draft concept plan & table with portfolio committee	Cost concept & include table to CFO along with budget inputs	Draft Business Plans submitted to MM by 30 Mar 2018	Final Business Plans submitted to MM by 30 Jun 2018	Final Business Plans submitted to MM by 30 Jun 2018
9	Investigate feasibility of regional solid waste sites	Package Business Plan for funding of Regional Fresh Produce Markets by 30 June 2018	21	Draft concept plan & table with portfolio committee	Cost concept & include table to CFO along with budget inputs	Draft Business Plans submitted to MM by 30 Mar 2018	Final Business Plans submitted to MM by 30 Jun 2018	Final Business Plans submitted to MM by 30 Jun 2018
10	Investigate the feasibility of a Regional Cemetery	Package Business Plan for funding of Feasibility of Regional Cemetery by 30 June 2018	23	Draft concept plan & table with portfolio committee	Cost concept & include table to CFO along with budget inputs	Draft Business Plans submitted to MM by 30 Mar 2018	Final Business Plans submitted to MM by 30 Jun 2018	Final Business Plans submitted to MM by 30 Jun 2018
Economic, Agriculture & Tourism				Total Weight				15%
11	Transform the Spatial Economy	Package Business Plan for funding of Nodal Development Programme by 30 June 2018	24	Draft concept plan & table with portfolio committee	Cost concept & include table to CFO along with budget inputs	Draft Business Plans submitted to MM by 30 Mar 2018	Final Business Plans submitted to MM by 30 Jun 2018	Final Business Plans submitted to MM by 30 Jun 2018

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NO	Objective	Indicator	ZDM SDBIP KPI NO.	Quarterly targets				Annual target (2017/2018)
				Q1	Q2	Q3	Q4	
Democracy & Governance				Total weight				30%
12	Maintain an updated performance management system to monitor service delivery performance	Performance Management Framework tabled to Council for adoption by 30 Jun 2018	53	Identify key areas to review & table to portfolio committee	Conduct Situational Analysis and Strategies	Draft Performance Management Framework tabled to Council for adoption by 30 Mar 2018	Final Performance Management Framework tabled to Council for adoption by 30 Mar 2019	Final Performance Management Framework tabled to Council for adoption by 30 Mar 2019
13	To promote integrated development planning (including the spatial reflection thereof) in an environmentally responsible manner	Integrated Development Plan tabled to Council for adoption by 30 Jun 2018	55	Identify key areas to review & table to portfolio committee	Conduct Situational Analysis and Strategies	Draft IDP submitted to Council by 30 Mar 2018	Final IDP submitted to Council by 30 Jun 2018	Final IDP submitted to Council by 30 Jun 2018

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Municipal Manager's signature:



Head of Department: Planning signature:




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ANNEXURE B: PERSONAL DEVELOPMENT PLAN

Competency to be addressed	Proposed actions	Responsibility	Time-frame	Expected outcome
Advanced project management	Course at reliable service provider	Municipal Manager		Capable to strategise and to utilise techniques and processes necessary to manage successful projects.
Performance management	Capacity building on Local Government general performance management principles	Municipal Manager		Capable to implement Local Government performance management effectively

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Signed and accepted by Head of Department: Planning



Date:.....

Signed by the Municipal Manager on behalf of the Municipality



Date: 14 July 2017

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