



## **PERFORMANCE AGREEMENT**

**Made and entered into by and between**

**Mr Zolile Albert Williams  
the Municipal Manager of the  
JOE GQABI DISTRICT MUNICIPALITY  
("the Municipal Manager")**

**and**

**Mr. D. Lusawana  
the Manager Water Services Provision of the  
JOE GQABI DISTRICT MUNICIPALITY  
("the Manager")**

**for the financial year:  
1 July 2019 to 30 June 2020**

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**WHISEBY IT IS AGREED AS FOLLOWS:**

**1. INTRODUCTION**

1.1 The Municipality has, in terms of Section 57(1)(a) of the Local Government: Municipal Systems Act, No. 32 of 2000 ("the Systems Act") entered into contract of employment with the Manager for the Joe Gqabi District Municipality.

1.2 Section 57(1)(b) of the Systems Act, read with the contract of employment concluded between the Parties, require the Parties to conclude a 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 Manager 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), (4B) and (5) of the Systems Act.

1.5 In this Agreement the following words will have the meaning ascribed thereto:

"this Agreement" - means the performance agreement between the Municipality and the Manager and the annexures thereto.

"the Municipal " - means the of the Municipality constituted in terms of Section 18 of the Local Government: Municipal Structures Act .

"the Manager" – means the Manager Water Services Provision : directly accountable to the Municipal Manager in terms of Section 56(a) of the Municipal Systems Act.

the Municipal Manager" – means the Municipal Manager appointed in terms of Section 54(a) of the Local Government: Municipal Systems Amendment Act, of 2011.

"the Municipality" – means the JOE GQABI DISTRICT MUNICIPALITY.

"the Parties" - means the Municipal Manager and the Manager.

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## 2. PURPOSE OF THIS AGREEMENT

- 2.1 The Parties agree that the purposes of this Agreement are to:
- 2.1.1. comply with the provisions of Section 57(1)(b), (4A), (4B) and (5) of the Systems Act as well as the contract of employment entered into between the Parties;
  - 2.1.2. specify objectives and targets established for the Manager and to communicate to the Manager the Municipality's expectations of the Manager performance and accountability;
  - 2.1.3. specify accountabilities as set out in Annexure A;
  - 2.1.4. monitor and measure performance against targeted outputs and outcomes;
  - 2.1.5. use Annexures A and B as a basis for assessing the Manager to assess whether the Manager has met the performance expectations applicable to his job;
  - 2.1.6. appropriately reward the Manager in accordance with the Municipality's performance management policy in the event of outstanding performance;
  - 2.1.7. establish a transparent and accountable working relationship; and
  - 2.1.8. give effect to the Municipality's commitment to a performance-orientated relationship with its Manager in attaining equitable and improved service delivery.

## 3. COMMENCEMENT AND DURATION

- 3.1 Notwithstanding the date of signature this Agreement will commence on the 01 July 2019 and will remain in force until a new performance agreement including a Performance Plan and Personal Development Plan is concluded between the Parties as contemplated in Clause 3.2
- 3.2 The Parties will review the provisions of this Agreement during June each year. The Parties will conclude a new performance agreement including a Performance Plan and Personal Development Plan that replaces this Agreement at least once a year by not later than the 31<sup>st</sup> of July each year.
- 3.3 The payment of the performance bonus is determined by the performance score obtained during the annual performance assessment as informed by the annual performance assessments. Should the Manager be entitled to a bonus, this will be paid out after approval by and not later than sixty (60) days thereafter in the Manager's salary for a month that shall be applicable.
- 3.4 The payment of a performance bonus for the year in which the Manager's contract of employment expires will be done as set out in clause 3.3 and the bonus so determined will be paid to the Manager on the last day of his employment or not later than 30 days thereafter.
- 3.5 In the event of the Manager commencing or terminating his services with the Municipality during the validity period of this Agreement, the Manager's performance for the portion of the period referred to in clause 3.1 during which he was employed, will be evaluated and he will be entitled to a pro rata performance bonus based on his evaluated performance and the period of actual service.

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- 3.6 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 by the Parties.
- 3.7 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.
- 3.8 This Agreement will terminate on the termination of the Manager's contract of employment for any reason.

#### 4. PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan in **Annexure A** sets out:
- 4.1.1 the performance objectives and targets which must be met by the Manager; and
- 4.1.2 the time frames within which those performance objectives and targets must be met.
- 4.2 The Personal Development Plan in **Annexure B** sets out the Manager's personal developmental requirements in line with the objectives and targets of the Municipality.
- 4.3 The Core Management Competencies reflected sets out those management skills regarded as critical to the position held by the Manager.
- 4.4 The performance objectives and targets reflected in **Annexure A** are set by the Municipality in consultation with the Manager and based on the Integrated Development Plan, Service Delivery & Budget Implementation Plan and the budget of the Municipality, and include key objectives, key performance areas, target dates and weightings.
- 4.5 The key objectives describe the main tasks that need to be done. The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved. The target dates describe the time frame in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.
- 4.6 The Manager's performance will, in addition, be measured in terms of contributions to the development objectives and strategies set out in the Municipality's Integrated Development Plan.

#### 5. PERFORMANCE MANAGEMENT SYSTEM

- 5.1 The Manager agrees to participate in the performance management system that the Municipality adopts or introduces for the municipal management and municipal staff of the Municipality.
- 5.2 The Manager accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the municipal management and municipal staff to perform to the standards required.

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- 5.3 The Municipal Manager will consult the Manager about the specific performance standards that will be included in the performance management system as applicable to the Manager.
- 5.4 The Manager undertakes to actively focus towards the promotion and implementation of his Key Performance Areas as set out in **Annexure A** including special projects relevant to the Manager's responsibilities within the local government framework.

## 6. PERFORMANCE ASSESSMENT

- 6.1 The performance of the Manager will be assessed against the outputs and outcomes achieved in terms of his Key Performance Areas (KPAs) as fully described in **Annexure A** and his Core Management Competencies (CMCs) determined at the commencement of this Agreement with a weighting of 80:20 allocated to the KPAs and CMCs respectively. Therefore the KPAs that refer to the main tasks of the Manager account for 80% of his assessment while the CMCs make up the other 20% of the Manager's assessment score.
- 6.2 The weightings agreed to in respect of the Manager's KPAs attached as **Annexure A** are set out in the table below:

KEY PERFORMANCE AREAS (KPAS)	WEIGHT
• <b>Service Delivery &amp; Infrastructure Provision</b>	<b>60%</b>
• <b>Local Economic Development</b>	<b>10%</b>
• <b>Financial Viability and Management</b>	<b>10%</b>
• <b>Institutional Development and Transformation</b>	<b>5%</b>
• <b>Good Governance and Public Participation</b>	<b>15%</b>
<b>Total</b>	<b>100%</b>

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6.3 The weightings agreed to in respect of the CCRs considered most critical for the Manager's position and further defined in Annexure C are set out in the table below:

<b>CORE COMPETENCY REQUIREMENTS – CCRs</b>		
<b>CORE MANAGERIAL COMPETENCIES (CMC)</b>	<b>CHOICE (x)</b>	<b>WEIGHT</b>
Strategic Capability and Leadership		<b>10%</b>
Programme and Project Management	<b>X</b>	<b>10%</b>
Financial Management	compulsory	<b>15%</b>
Change Management		
Knowledge Management		
Service Delivery Innovation	<b>X</b>	<b>15%</b>
Problem Solving and Analysis		
People Management and Empowerment	compulsory	<b>15%</b>
Client Orientation and Customer Focus	compulsory	<b>15%</b>
Communication	<b>X</b>	<b>10%</b>
Honesty and Integrity		
<b>CORE OCCUPATIONAL COMPETENCIES (COCs)</b>		
Competence in Self Management		
Interpretation of and implementation within the legislative and national policy frameworks		
Knowledge of Developmental Local Government		
Knowledge of Performance Management and Reporting	<b>X</b>	<b>10%</b>
Knowledge of Global and SA specific political, social and economic contexts		
Competence in Policy Conceptualisation, Analysis and Implementation		
Knowledge of more than one functional municipal field or discipline		
Mediation Skills		
Governance Skills		
Competence as required by other national line sector departments		
Exceptional and dynamic creativity to improve the functioning of the Municipality		
<b>TOTAL PERCENTAGE</b>		<b>100%</b>

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6.4 The assessment of the performance of the Manager will be based on the following levels for KPAs and CMCs:

LEVEL	TERMINOLOGY	DESCRIPTION
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.
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.
2	Performance 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	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.



6.5 To determine which rating on the five-point scale the Manager achieves for each KPA, the following criteria should be used:

Duration of task	- Was the target achieved within the projected time frame?
Level of complexity	- Required problem solving - Reconciling different perceptions - Innovative alternatives used
Cost	- within budget - saving - overspending
Constraints	- Did envisaged constraints materialise? - If so, were steps taken to manage/reduce the effect of the constraint? - If not, did it beneficially affect the completion of the target? - Any innovative/pro-active steps to manage the constraint

## 7. PANEL AND SCHEDULE FOR PERFORMANCE ASSESSMENTS

7.1 An assessment panel consisting of the following persons will be established:

- 7.1.1 The Executive Mayor
- 7.1.2 Member of the Mayoral Committee
- 7.1.3 The Municipal Manager
- 7.1.4 Chairperson of the Performance Audit Committee
- 7.1.5 The Municipal Manager from another Municipality

7.2 The performance of the Manager will be assessed in relation to his achievement of:

7.2.1 the targets indicated for each KPA in Annexure A;

7.2.2 the CCRs as defined in clause 6.3 of this agreement on a date to be determined for each of the following quarterly periods:

- 1<sup>st</sup> Quarter - July to September
- 2<sup>nd</sup> Quarter - October to December
- 3<sup>rd</sup> Quarter - January to March
- 4<sup>th</sup> Quarter - April to June

7.3 Assessments will be done twice at mid-year and end of the year.

7.4 The Municipality will keep a record of the mid-year and annual assessment

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7.5 The Municipality may appoint an external facilitator to assist with the annual assessment

## **8. EVALUATING PERFORMANCE AND THE MANAGEMENT OF EVALUATION OUTCOMES**

8.1 The Manager will submit quarterly performance reports and a comprehensive annual performance report prior to the annual performance assessment meetings to the Municipal Manager.

8.2 The Municipal Manager will give performance feedback to the Manager after annual performance assessment meetings.

8.3 The evaluation of the Manager's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

8.4 Following annual performance assessment, the evaluation will determine if the Manager is eligible for a performance bonus as envisaged in his contract of employment based on the bonus allocation set out in clause 8.11 of this agreement.

8.5 The results of the annual assessment and the scoring report of the Manager for the purposes of bonus allocation, if applicable, will be submitted for a recommendation to the Council.

8.6 Personal growth and development needs must be documented in the Manager's Personal Development Plan as well as the action steps and set time frames agreed to.

8.7 Despite the establishment of agreed intervals for assessment, the Municipal Manager may, in addition, review the Manager's performance at any stage while his contract of employment remains in force.


8.8 The Municipal Manager will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons. The Manager will be consulted before any such change is made.

8.9 The provisions of Annexure "A" may be amended by mutual agreement where the SDBIP has been changed.

8.10 A performance bonus ranging from 5% to 14% of the all-inclusive remuneration package may be paid to an employee in recognition of outstanding performance.

8.11 In determining the performance bonus the relevant percentage is based on the overall rating, calculated by using the applicable assessment-rating calculator:

- (a) a score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%; and
- (b) a score of 150% and above is awarded a performance bonus ranging between 10%-14%

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## 9. OBLIGATIONS OF THE MUNICIPALITY

- 9.1 The Municipality will create an enabling environment to facilitate effective performance by the Manager.
- 9.2 The Manager will be provided with access to skills development and capacity building opportunities.
- 9.3 The Municipality will work collaboratively with the Manager to solve problems and generate solutions to common problems that may impact on the performance of the Manager.
- 9.4 The Municipality will make available to the Manager such resources including employees as the Manager may reasonably require from time to time subject to available resources to assist his to meet the performance objectives and targets established in terms of this Agreement; provided that it will at all times remain the responsibility of the Manager to ensure that he complies with those performance obligations and targets.
- 9.5 The Manager will, at his request, be delegated such powers by the Municipality as may in the discretion of the Municipality be reasonably required from time to time to enable his to meet the performance objectives and targets established in terms of this Agreement.

## 10. CONSULTATION

- 10.1 The Municipal Manager agrees to consult the Manager within a reasonable time where the exercising of the Municipal Manager's powers will –
- 10.1.1 have a direct effect on the performance of any of the Manager's functions; functions
- 10.1.2 commit the Manager to implement or to give effect to a decision made by the Municipal Manager;
- 10.1.3 have a substantial financial effect on the Municipality.
- 10.2 The Municipal Manager agrees to inform the Manager 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 Manager to take any necessary action without delay.

## 11. CONSEQUENCE OF UNACCEPTABLE OR POOR PERFORMANCE

- 11.1 Where the Municipality is, at any time during the Manager's employment, not satisfied with the Manager's performance with respect to any matter dealt with in this Agreement, the Municipal Manager will give notice to the Manager to attend a meeting with the Municipal Manager.
- 11.2 The Manager will have the opportunity at the meeting to satisfy the Municipal Manager of the measures being taken to ensure that the Manager's performance becomes satisfactory in accordance with a documented programme, including any dates, for implementing these measures.

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- 11.3 The Municipality will provide systematic remedial or developmental support to assist the Manager to improve his performance.
- 11.4 If, 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 holds the view that the performance of the Manager is not satisfactory, the Municipality will, subject to compliance with applicable labour legislation, be entitled by notice in writing to the Manager, to terminate the Manager's employment in accordance with the notice period set out in the Manager's contract of employment.
- 11.5 Where there is a dispute or difference as to the performance of the Manager under this Agreement, the Parties will confer with a view to resolving the dispute or difference.
- 11.6 Nothing contained in this Agreement in any way limits the right of the Municipality to terminate the Manager's contract of employment with or without notice for any other breach by the Manager of his obligations to the Municipality or for any other valid reason in law.

## 12. DISPUTES

- 12.1 In the event that the Manager is dissatisfied with any decision or action of the Municipal Manager in terms of this Agreement, or where a dispute or difference arises as to the extent to which the Manager has achieved the performance objectives and targets established in terms of this Agreement, the Manager may meet with the Municipal Manager with a view to resolving the issue. At the Manager's request the Municipal Manager will record the outcome of the meeting in writing.
- 12.2 In the event that the Manager remains dissatisfied with the outcome of that meeting, he may raise the issue in writing with the Executive Mayor. The Executive Mayor will determine a process within 4 (four) weeks for resolving the issue, which will involve at least providing the Manager with an opportunity to state his case orally or in writing before the Executive Mayor. At the Manager's request the Executive Mayor will record the outcome of the meeting in writing. The final decision of the Executive Mayor on the issue will be made within 6 (six) weeks of the issue being raised with the latter and will, subject to common law and applicable labour law, be final.
- 12.3 In the event that the mediation process contemplated above fails, the relevant arbitration clause of the contract of employment will apply.

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**13.GENERAL**

13.1 The contents of this Agreement and the outcome of any review conducted in terms of Annexure "A" will not be confidential, and may be made available to the public by the Municipality, where appropriate.

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

Signed at BARKLY EAST on this 14 day of JUNE 2019.

**As Witnesses:**



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- 2.  .....

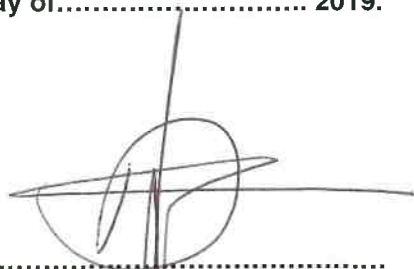


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Municipal Manager of the  
JOE GQABI DISTRICT  
MUNICIPALITY


Signed at BARKLY EAST on this 14 day of JUNE 2019.

**As Witnesses:**

- 1.  .....
- 2.  .....



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Manager Water Services Provision  
the JOE GQABI DISTRICT  
MUNICIPALITY

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2019/20 FINANCIAL YEAR - PERFORMANCE PLAN OF THE MANAGER: WSP

KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE PROVISION										KPA WEIGHT: 60%			
STRATEGIC OBJECTIVE	PROGRAMME	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2019)	ANNUAL TARGET	QUARTERLY TARGETS				Audit Evidence	Responsible Person		
						QRT 1 Plan	QRT 2 Plan	QRT 3 Plan	QRT 4 Plan				
Provide access to basic services	SD01: Develop and maintain water and sanitation infrastructure	SD01-01	% compliance with SANS 241 for drinking water quality	94.50%	95%	N/A	N/A	N/A	95%	IRIS Report	WSP Manager		
				% reduction on network water losses (unaccounted for water)	3%	3%	N/A	N/A	N/A	3%	Meter reading calculation	WSP Manager	
					New Indicator	1	N/A	N/A	N/A	1	1. Water compliance audit report submitted to Mayo	WSP Manager	
KPA 2: LOCAL ECONOMIC DEVELOPMENT										KPA WEIGHT: 10%			
Facilitate and implement job creation and poverty alleviation initiatives	LED01: Implement and expand implementation of EPWP and other job creation initiatives	LED01-01-01	Number of jobs created through municipality's local economic development initiatives including capital projects	50	50	N/A	N/A	N/A	50	1 Report to Mayo 2 Employment report to the funder	WSP Manager		
				KPA 3: FINANCIAL VIABILITY AND MANAGEMENT									
Ensure sound and effective financial management and reporting	FM01: Comply with all statutory financial management and reporting requirements	FM01-07-01	% of departmental budget actually spent	100%	100%	10%	25%	30%	35%	Income and expenditure report	WSP Manager		
				Annual departmental procurement plans submitted to Finance	2019/20 FY Annual departmental procurement plans submitted to Finance	2021 FY FY Annual departmental procurement plans submitted to Finance	N/A	N/A	N/A	20/21 FY FY Annual departmental procurement plans submitted to Finance	1. Proof of submission of Procurement Plan to Finance	WSP Manager	
					% expenditure of Water Services Infrastructure Grant (WSIG)	100%	100%	10%	25%	30%	35%	Income and expenditure report	WSP Manager

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KPA 4: INSTITUTIONAL DEVELOPMENT										KPA WEIGHT: 5%			
STRATEGIC OBJECTIVE	PROGRAMME	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2019)	ANNUAL TARGET	QUARTERLY TARGETS				Audit Evidence	Responsible Person		
Improve human resource capacity and potential	ID01: Effectively empower and develop skills base within the District	ID01-03-01	Ratio of request to fill vacant posts submitted to Human Resources Management within one month of occurrence of vacancy	1:01	1:01	1:01				1. Accepted resignation letter 2. Request submitted to HR	WSP Manager		
						QRT 1 Plan	QRT 2 Plan	QRT 3 Plan	QRT 4 Plan				

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KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										KPA WEIGHT: 15%			
STRATEGIC OBJECTIVE	PROGRAMME	KPI NUMBER	KEY PERFORMANCE INDICATOR	BASELINE (JUNE 2019)	ANNUAL TARGET	QUARTERLY TARGETS				Audit Evidence	Responsible Person		
						QRT 1 Plan	QRT 2 Plan	QRT 3 Plan	QRT 4 Plan				
Facilitate intergovernmental cooperation and coordination	GG02: Establish and maintain stakeholder engagement initiatives	GG02-01-01	Ratio of updated tracked Council Resolution resolutions register	01:01	1:01	1:01	1:01	1:01	1:01	1. Updated Council resolutions register	WSP Manager		
		GG05-04-01	Number of Annual performance agreements (S56) signed	1	1	1	N/A	N/A	1 signed annual performance agreement	WSP Manager			
		GG05-04-02	Number of Strategic risk register updated and submitted	4	4	4	1	1	1 Updated Strategic Risk Register 2. Proof of submission to COO	WSP Manager			
		GG05-05	Clean audit outcomes achieved	2017/18 FY Clean audit outcomes achieved	2018/19 FY Clean audit outcomes achieved	N/A	N/A	Clean audit achieved	1. Audit report	WSP Manager			
		GG05-05-01	% of departmental previous year's audit queries addressed	100%	100%	100%	N/A	100%	Audit Action Plan	WSP Manager			
		GG05-05-02	Number of departmental Quarterly performance reports submitted with POE	4	4	1	1	1	1 Quarterly Reports 2 POE files	WSP Manager			
		GG05-05-04	Provide inputs into budget	New Indicator	Budget inputs provided	N/A	N/A	Budget inputs provided	1. Proof of submission to Finance	WSP Manager			
		GG05-05-05	Provide inputs into adjustment budget	Budget adjustment inputs provided	Budget adjustment inputs provided	N/A	N/A	Budget adjustment inputs provided	1. Proof of submission to Finance	WSP Manager			
		Establish and support municipal oversight systems, mechanisms and processes											
		GG07: Ensure and maintain corporate governance											

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