

WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY



PERFORMANCE AGREEMENT: 2022/2023

Entered into by and between

WINNIE MADIKIZELA MANDELA LOCAL MUNICIPALITY

("the Employer ")

Represented by the Honourable Mayor: Cllr T. D. Mafumbatha

Duly authorized in terms of Section 57 (2) (c) of the Local
Government: Municipal Systems Act, No. 32 of 2000

AND

Mr. Luvuyo Mahlaka

["the Employee"]

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ACRONYMS

| | | |
|--------|---|--|
| SDBIP | - | Service Delivery and Budget Implementation Plan |
| BEE | - | Black Economic Empowerment |
| BIGM | - | Building Inclusive Green Municipalities |
| EXCO | - | Executive Committee |
| SM | - | Senior Manager |
| HoD | - | Head of Department |
| IDP | - | Integrated Development Plan |
| LED | - | Local Economic Development |
| MFMA | - | Municipal Finance Management Act, No. 56 of 2003 |
| KPA | - | Key Performance Area |
| KPI | - | Key Performance Indicators |
| CCR | - | Core Competency Requirements |
| RSA | - | Republic of South Africa |
| SCM | - | Supply Chain Management |
| NEDLAC | - | National Economic Development and Labour Council |
| PDP | - | Personal Development Plan |
| PA | - | Performance Agreement |
| PP | - | Performance Plan |
| OPMS | - | Organisational Performance Management System |

DEFINITIONS

- Ruling Language** - Refers to the language parties to the contract choose to use as a medium for formal communication between themselves.
- Financial Year** - Refers to the 12 months period which the organization determines as its budget year.

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GENERAL PROVISIONS

1. INTRODUCTION

- 1.1 The Council has entered into a contract of employment with the Municipal Manager for a period of five (5) years, ending on **31 August 2027**, 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 Municipal Systems Act, read with the contract of employment concluded between the parties, requires the parties to conclude an annual performance agreement. That the parties hereby agree to have this contract developed in terms of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to the Municipal Manager.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Municipal Manager reporting to the Council represented by the Mayor, to a set of actions that will secure local government policy goals.
- 1.4 This performance contract is between **Luvuyo Mahlaka**, the Municipal Manager, and **Winnie Madikizela Mandela Local Municipality**, represented by **Councillor T. D. Mafumbatha**, the Mayor. It is for the 2022/2023 financial year only. The expected performance reflected in this contract is based on the Council approved Integrated Development Plan 2022/2023 as revised and approved in 2022 and the 2022/2023 Service Delivery and Budget Implementation Plan. The two afore-mentioned documents have been adopted as the working documents of Winnie Madikizela Mandela Local Municipality and therefore, shall be the basis of performance assessment.

2. STRATEGIC OBJECTIVE

Over the period of his employment, the Municipal Manager shall bear the overall responsibility of driving Integrated Development Plan, making an assurance that its strategic objectives are achieved. As the accounting officer of the municipality, the municipal manager has a responsibility to ensure that the municipal Organisational Performance

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Management System is driving the municipality towards the creation of the community portrayed by the vision of the municipality.

3. **PERFORMANCE BONUS & ANNUAL SALARY ADJUSTMENT**

If the Municipal Manager achieves outstanding performance, he shall qualify for the annual performance bonus in accordance with the provisions of the contract of employment, as entered into between the Mayor (for the Employer) and the Municipal Manager on 01 August 2022, as well as the results of the performance evaluation results agreed to in this contract. The acceptability of the level of performance or otherwise shall be determined and declared by the performance evaluation team in accordance with the provision of this agreement, following the receipt of a report on the Municipal Manager's achievement or otherwise of the KPIs as reflected in clause 3 of this contract..

Annexure "A" as attached with listed Key Performance Areas (KPIs) and Core Competency Requirements (CCRs) that are collectively worth 100 points. Each KPIs and CCRs consists of Key Performance Indicators that have different weightings. The achievement score of above 160 percent shall be regarded as 100% performance bonus warranting, above 130 percent to 160 percent, as average and warranting a proportional percentage of performance bonus, above 80 percent to 130 percent shall warrant some form of in-kind recognition, and below 50 percent, shall require the employer to effect remedial measures that may include incapacity disciplinary enquiry.

A performance bonus for outstanding performance or an in-kind recognition of effective performance shall only be effected after,

- I. The annual report for the financial year under review has been tabled and adopted by the Municipal Council;
- II. An evaluation of performance in accordance with the provisions of regulation 23, and this contract; and
- III. Approval of such evaluation by the Municipal Council or delegated structure as a reward for outstanding performance or effective performance.

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The salary increases for 2022/23 shall be based on the provisions of the Local Government: Municipal Performance Regulations for Municipal Managers directly accountable to Municipal Managers, 2006 and any other relevant law. The employer shall grant an annual salary adjustment linked to a cost-of-living adjustment based on market indicators, which is not performance based.

4. EVALUATING PERFORMANCE

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

The annual performance appraisal will involve:

- I. Assessment of the achievement of results as outlined in the performance plan;
- II. Assessing the extent to which the specified standards or KPIs have been met with due regard to ad-hoc tasks that had to be performed under the KPAs and CCRs.

The criteria upon which the performance of the employee shall be assessed consist of two components, both of which shall be contained in the performance plan:-

- I. The employee must be assessed against both components, with a weighting of 80:20 allocated to the KPAs and the CCRs respectively;
- II. Each area of assessment will be weighted and will contribute a specific part to the total score.

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A five-point rating scale to be used for both KPAs and CCRs is as depicted hereunder:

| Level | Terminology | Description | Rating | | | | |
|-------|--|---|--------|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 |
| 5 | Outstanding Performance | Performance far exceeds the standard expected of an employee at this level. The key 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. | | | | | |

The performance bonus payment shall be categorised in two bands with some ranges per band.

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The first performance bonus (cash rewards) payment band ranges between 5% and 9% of the all-inclusive remuneration package, as follows:

- I. A score of 130% to 136%, to qualify for a 5% bonus;
- II. A score of above 136% to 142%, to qualify for a 7% bonus;
- III. A score of above 142% to 149%, to qualify for a 9% bonus.

The second performance bonus (cash rewards) payment band ranges between 10% and 14% of the all-inclusive remuneration package, as follows:

- I. A score of 150% to 155%, to qualify for a 10% bonus;
- II. A score of above 155% to 160%, to qualify for a 13% bonus;
- III. A score of above 160%, to qualify for a 14% bonus.

A performance bonus may not be paid on a pro rata basis when the performance contract was terminated before the end financial year. A cash bonus is paid annually after complying with the legal requirements captured in this contract and the applicable laws.

The performance achievement ranging from 80% to 129% shall be regarded as fully effective and therefore warranting the employer to acknowledge and or recognize the employee, whichever is necessary. This category of performance acknowledgement and recognition is a non-financial rewards system. It will apply as follows:

- i. A score of 80% to 100%, to receive a letter of acknowledgement and recognition issued by the Mayor;
- ii. A score of above 100% to 120%, to receive a recognition certificate from the Mayor;
- iii. A score of above 120% to 129%, to receive an academic/skills development programme grant to a maximum of R25 000.00 only; this to be paid directly to a learning institution of choice. The selected programme must be linked to the personal development plan (Annexure B).

A level of performance achievement of 50% and below shall warrant the employer to execute corrective measures that may include disciplinary measures due to incapacity.

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5. DEVELOPMENTAL REQUIREMENTS

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

6. CONSEQUENCE OF SUB-STANDARD PERFORMANCE

Where the Mayor, at any time during the Municipal Manager's employment, is not satisfied with the Municipal Manager's performance with respect to any matter dealt with in this Agreement, the employer will give notice to the Municipal Manager to attend a monitoring and review meeting.

The Municipal Manager will have the opportunity at the meeting to satisfy the Mayor or the monitoring and evaluation team of the measures being taken to ensure that his performance becomes satisfactory and any program, including any dates, for implementing these measures.

7. RULING LANGUAGE

The contract is made out in the English language, which shall be the ruling language. All correspondence between the parties to this contract and all reports and documents pertaining to this contract shall be in the English language.

8. TERM OF CONTRACT

This contract shall be deemed to have been entered into on the 1st of August 2022 and will expire on the 30th of June 2023. The parties will conclude a new performance agreement that replaces this Agreement by not later than 31 July 2023. This Agreement will terminate on the termination of the Municipal Manager's contract of employment for any reason.

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9. LIMITATIONS OF THE CONTRACT

This contract is an agreement between the employer and the Municipal Manager about the expected performance of the latter during the specified term. This contract is subject to the employment contract which the Municipal Manager entered into on accepting his position and to the relevant South African legislation. In the case of any ambiguity, the employment contract shall prevail over this performance contract. Nothing contained in this Agreement in any way limits the right of the employer to terminate the Municipal Manager's contract of employment with or without notice for any other breach by the Municipal Manager of his obligations to the Municipality or for any other valid reason in law.

10. MONITORING AND EVALUATION

The monitoring and performance reviews for each quarter as determined in the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006 shall be comprised of the Mayor, and his brief will be to assess the performance of the Municipal Manager in line with the performance requirements as outlined in Annexure A of this contract. Despite the in-year reviews, the employer shall establish an assessment team to conduct an annual performance review; the team shall be composed as follows:

- I. Mayor,
- II. Chairperson of the audit committee,
- III. A member of the Executive Committee,
- IV. Municipal Manager from another municipality, and
- V. Member of the ward committee as nominated by the Mayor.

The Senior Manager: Corporate Services must provide secretariat services to the evaluation panel referred to in this clause 10 above.

11. DISPUTE RESOLUTION

In case of disputes, which cannot be resolved through negotiations and mediation, the employee has a right to refer the case to the MEC for Local Government who must settle

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the case within thirty (30) days of receipt of a formal written dispute. The decision of the MEC shall be deemed final and binding on both parties.

12. JURISDICTION

Regardless of the place of execution, performance or domicile of the parties, this contract and all modifications and amendments hereof shall be governed by and construed under and in accordance with the laws of the Republic of South Africa.

13. WHOLE AGREEMENT

The parties to this contract agree that this contract constitutes the whole agreement and arrangement for the performance of the Municipal Manager with effect from 01 August 2022.

No agreement, varying, adding to, deleting from or canceling this contract, shall be effective unless reduced to writing and signed by both parties. The following annexures and appendices attached to this contract will have the same force and effect as if they were written in this section of the contract:

ANNEXURE A: PERFORMANCE PLAN

ANNEXURE B: PERSONAL DEVELOPMENT PLAN

APPENDIX 1: COMMITMENT OF MANAGEMENT TEAM

APPENDIX 2: OBLIGATIONS OF THE EMPLOYER

SIGNED at BIZANA this 23 day of August 2022

MUNICIPAL MANAGER


Signature: 


Name Printed: Luvuyo Mahlaka

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WITNESSES

1. Signature:  Name Printed: N. Livi

2. Signature:  Name Printed: N. H. NGEJANE


FOR AND ON BEHALF OF WINNIE MADIKIZELA MANDELA LOCAL MUNICIPALITY

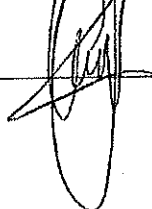
MAYOR

Signature: 

Name Printed: Cllr T. D Mafumbatha (Hon. Mayor)

WITNESSES

1. Signature:  Name Printed: SIVUYISINE SIRAMZA

2. Signature:  Name Printed: Mphumalelo Mkhungo

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ANNEXURE "A"

PERFORMANCE PLAN

14. KEY PERFORMANCE AREAS (KPA's) FOR 2022/2023

14.1 BASIC SERVICE DELIVERY

| OBJECTIVES | WEIGHTING | RATING CALCULATOR WEIGHTING % | KPIs | ANNUAL TARGETS | | | FINANCIAL IMPLICATIONS | MEANS OF VERIFICATION |
|--|-----------|-------------------------------|---|-----------------------|---|---|------------------------|--|
| | | | | TIME | QUALITY | QUANTITY | | |
| To reduce access roads backlog by constructing 32 KMs by end June 2027 | 6 | 7,5 | Completed construction of roads | 30 June 2022 | Approved design and completed roads | Completed 32 KMs of constructed roads. | R 38 090 110.00 | Practical completion certificates for each road. |
| To routinely rehabilitate 450km gravel access roads by June 2027 | 7 | 8,75 | Completed maintenance of gravel access roads. | 30 June 2022 | Completed road maintenance according to the maintenance plan and standards. | 75 KMs maintained | R 18 169 788.00 | Practical Completion Certificates signed by Senior Manager |
| To ensure subsidization of poor households in order to receive basic services by June 2027 | 7 | 8,75 | a. Number of beneficiaries receiving free grid subsidy & FBAE | Monthly and Quarterly | Compliance with Indigent policy | 5500 beneficiaries with grid electricity and 5150 with FBAE | R 8 800 000.00 | 12 monthly reports and invoices |

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| OBJECTIVES | WEIGHTING | RATING CALCULATOR WEIGHTING % | KPI's | ANNUAL TARGETS | | | FINANCIAL IMPLICATIONS | MEANS OF VERIFICATION |
|--|-----------|-------------------------------|--|---------------------------|--|---|------------------------|--|
| | | | | TIME | QUALITY | QUANTITY | | |
| | | | b) Reviewed and adopted credible indigent register c) Number of indigent awareness campaigns conducted. | 30 June 2023 Quarterly | | 1 reviewed and adopted credible indigent register | | 12 monthly reports, Adopted credible indigent register & Council resolution. |
| To ensure reliable provision of electricity to households by June 2027 | 5 | 6,25 | Number of households connected and energized | 30 June 2023 | Eskom Energized households as applicable standards | 1205 HHs with electricity | R 17 940 000.00 | Practical completion certificate/s. |

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14.2 MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

| OBJECTIVES | WEIGHTING | RATING CALCUL ATOR WEIGHTI NG % | KPI's | ANNUAL TARGETS | | | FINAN CIAL IMPLI CATIO N | MEANS OF VERIFICATION |
|---|-----------|---|--|----------------|--|---|--------------------------------------|---|
| | | | | TIME | QUALITY | QUANTITY | | |
| 3.1 To ensure sustainable provision of Wellness services to all employees by 30 June 2027 | 5 | 6,25 | Number of Employee Wellness Awareness Campaigns conducted | 30/06/2023 | Occupational Health and Safety Act, OHS Policy | One (1) Wellness Employee Awareness Campaign (organizational culture and work ethics) for 100 employees | R 176 617.00 | Signed concept document, and Attendance register |
| 3.2. To implement and sustain a functional and effective Performance Management System (PMS) by June 2027 | 5 | 6,25 | Number of IPMS workshops conducted for employees below TG10 Number of PMS agreements signed and work plans formulated for employees below senior managers Number of employees below senior management assessed | 30/06/2023 | Municipal Systems Act | Workshop for 20 employees below TG10 Signed PMS agreements and workplans for 50 employees below senior management Bi annual assessment of 50 employees by June 2023 | N/A | Signed concept document and attendance registers Signed IPMS agreements and plans Assessment report and attendance register |

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| OBJECTIVES | WEIGHTING | RATING CALCULATOR WEIGHTING % | KPI's | ANNUAL TARGETS | | | FINANCIAL IMPLICATION | MEANS OF VERIFICATION |
|---|-----------|-------------------------------------|---|----------------|--|---|--------------------------|--|
| | | | | TIME | QUALITY | QUANTITY | | |
| 3.3 Providing comprehensive education, training and human resource development by June 2027 | 4 | 5 | <p>Number of employees and Councilors provided with training</p> <p>Number of employees provided with study assistance.</p> <p>Number of learners provided with experiential learning</p> <p>Number of graduates provided with learnerships</p> | 30/06/2023 | Municipal Systems Act Skills Development Act | Facilitate training of 60 councilors and 8 municipal officials by June 2023 | R 1 095 000.00 | <p>Concept document, attendance register and certificates</p> <p>Approved list of beneficiaries</p> <p>Approved list of learners</p> <p>Approved list of graduates</p> |

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4.3 DEVELOPMENT PLANNING

| OBJECTIVES | WEIGHTING | RATING CALCULATOR WEIGHTING % | KPI's | ANNUAL TARGETS | | | FINANCIAL IMPLICATIONS | MEANS OF VERIFICATION |
|---|-----------|-------------------------------------|---|----------------|---|--|---------------------------|---|
| | | | | TIME | QUALITY | QUANTITY | | |
| 14.2.2 To facilitate acquisition of well located land and disposal of council land by June 2027 | 6 | 7,5% | Facilitation of transfers by means of Deed of Sale/ Lease agreement | 30 June 2023 | Facilitated transfers and or lease agreements | 4 facilitated transfers by means of Deed of sale/ Lease agreements | R 400 000.00 | Deed of Sale/ Signed Lease agreement |
| 14.2.3 To grow and strengthen the agricultural sector by supporting local farmers by | 4 | 5 % | Number of local farmers supported Reviewed Agricultural development plan | 30 June 2023 | Local farmers supported | 5 local farmers supported. 1 reviewed agricultural development plan | R 1 400 000.00 | Delivery notes, Council extracts. Signed terms of reference and reports |

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| June 2027 | | | | | Facilitation of Agri-parks program and Implementation of Farmers support | Facilitation of Agri-Parks program & Implementation of Farmers support program | | |
| 14.2.4. To promote enterprise development to contribute 10% by June 2027 | 5 | 6.25 | Number of SMME supported & capacitate. | 30 June 2023 | Supported and capacitated SMME's | To support and Capacitate 20 SMME's | R 391 000.00 | Delivery note and Distribution register |
| | | | Number of supported & capacitated incubators | | Supported and capacitated incubators | 20 Supported and capacitated incubators | | Attendance registers and reports |

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14.4 BUDGET AND TREASURY

| IDP Objective | Weighting | Rating Calculator or weighting % | KPI | ANNUAL TARGETS | | | | MEANS OF VERIFICATION |
|---|-----------|----------------------------------|--|----------------------------------|---|---|------------------------|---|
| | | | | TIME | QUALITY | QUANTITY | Financial Implications | |
| 14.4.1 To achieve 100% billing for all services that are to be billed by June 2027 | 4 | 5% | Reduced customer queries 100% of consumers billed as per consumer master database | 30 June 2023 | Maintain an accurate and complete consumer master database for refuse, electricity and property rates | 100% billing of consumers accounts for property and refuse and electricity by June 2023 | | 12 monthly billing Reports |
| 14.4.2 To compile Annual Financial statements that comply with all requirements as at June 2027 | 8 | 10 % | Credible annual financial statements as at June 2023 | Annually | Credible and fully compliant annual financial statements | 1 set of compliant AFS | R 200 000.00 | AFS, proof of payment, interim financial statements. |
| 14.4.3 To timely produce budgets in line with the National Treasury Guidelines and regulations | 6 | 7.5% | Council resolution adopting the budgets | 28 February 2023 and 31 May 2023 | Compilation of council approved budgets | 3 approved budgets by June 2023 | N/A | Adjustment Budget 22/23, Draft Budget 23/24 and approved final budget of 23/24 fy and Council resolutions |

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14.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

| OBJECTIVES | WEIGHTING | RATING CALCULATOR WEIGHTING % | KPI's | ANNUAL TARGETS | | | | MEANS OF VERIFICATION |
|---|-----------|-------------------------------|---|----------------|---|------------------|------------------------|--|
| | | | | TIME | QUALITY | QUANTITY | Financial Implications | |
| 14.5.1 To ensure development of a credible (accredited by MEC) IDP – reviewed and aligned with PMS & Budget by May 2027 through IDP processes | 4 | 5% | Council resolutions on adoption of annual IDP reviews | 31 May 2023 | A credible IDP that meets the requirements of COGTA and achieves high marks at assessment | One IDP Document | R902 300.00 | Council resolution on adoption of IDP process plan for 2023/24. Attendance registers for mayoral imbizo Council resolution on adoption of draft IDP review for 2023/2024 and adoption of final IDP for 2023/2024 |
| 14.5.2 To ensure compliance with laws and regulations and ensure a culture of accountability, performance excellence and monitoring by June 2027. | 4 | 5% | Number of quarterly performance reports done tabled council and the structures for consideration. | 30 June 2023 | Quarterly performance reports tabled to council and its structures for consideration for 2022/2023 fy | 100% | R570 000.00 | Minutes of Council adopting reports |
| KPAs' Total | 80 | 100% | | | | | | |

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CORE COMPETENCIES REQUIREMENTS (CCRs)

SELECTED CORE COMPETENCIES REQUIREMENTS

- 1) Financial Management (Objective 15.1)
- 2) People Management and Empowerment (Objective 15.2)
- 3) Client Orientation and Customer Focus (Objective 15.3)
- 4) Supply Chain Management (Objective 15.4)
- 5) Accountability and Ethical Conduct (Objective 15.5)

| OBJECTIVES | WEIGHTING | WEIGHTING % | KPI's | ANNUAL TARGETS | | | MEANS OF VERIFICATION |
|--|-----------|-------------|--|----------------|--------------------------------|----------|---|
| | | | | TIME | QUALITY | QUANTITY | |
| 15.1 To ensure spending is in line with the approved budget. | 8 | 40% | Implemented cost-cutting initiatives to control expenditure. No unauthorized expenditure other than an unforeseen expenditure that has been reported to Council. | Quarterly | Spending as per MFMA standards | 100% | Quarterly financial performance reports submitted to the Executive Committee. Audit report with no findings of unauthorized expenditure and Fruitless & Wasteful expenditures. |
| 15.2 To ensure suitably qualified staff complement by June 2023. | 4 | 20% | A training schedule of Top Management staff to meet the minimum competencies prescribed by National Treasury. | 30/06/2023 | MFMA regulations | 100% | List of prescribed management members already completed the Minimum competency course as offered by Wits Business School, University of Pretoria or any other accredited institution. |

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ANNEXURE "B"

PERSONAL DEVELOPMENT PLAN

NAME: LUVUYO MAHLAKA
 JOB TITLE: MUNICIPAL MANAGER
 EMPLOYER: MBIZANA LOCAL MUNICIPALITY
 FINANCIAL YEAR: 2021/2022

| Competency area to be enhanced | Proposed actions | Responsibility | Time-frame | Expected outcome |
|---|---|---|---------------|---|
| 1. Strategic leadership and management. | Receive the appropriate knowledge and training on Corporate Governance on the King IV report and ICT Governance through an accredited Sector Education Training Authority (LGSETA) in terms of the SAQA guidelines and NQF registered unit standards and criteria. Get the fundamental knowledge on the Corporate Governance. | Skills Development Facilitator and SM: Corporate Services | By 30/06/2023 | Achieving the minimum knowledge and understanding of Corporate Governance principles as promoted by the MFMA, No. 56 of 2003. Understand the King IV report implications on the LG sector through the relevant supplement. |

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| OBJECTIVES | WEIGHTING | WEIGHTING % | KPI's | ANNUAL TARGETS | | | MEANS OF VERIFICATION |
|--|-----------|-------------|--|----------------|---|----------|--|
| | | | | TIME | QUALITY | QUANTITY | |
| 15.3 To minimize customer care related complaints by June 2023 | 4 | 20% | Institutionalizing Customer Care management system. | 30/06/2023 | N/A | 100% | Quarterly customer care reports and referrals to relevant government entities. |
| 15.4 To have an effective Demand Management by June 2023. | 2 | 10% | Implementation of the Procurement Plan and the reduction of irregular, fruitless and wasteful expenditure. | 30/06/2023 | N/A | 100% | Implementation reports and minutes of the Standing Committee on Finance or Exco meetings confirming existence of the procurement plan and the reduced irregular, fruitless and wasteful expenditure. |
| 15.5 To ensure adherence to Municipal Code of conduct in the institution by June 2023. | 2 | 10% | Improved adherence to the Code of Conduct and Disciplinary Code and Procedures collective agreement. | 30/06/2023 | Improving adherence to Code of Conduct for municipal staff. | 100% | Report with a reduced number of misconducted cases reported. Report on disciplinary cases concluded and ongoing. |
| | 20 | 100% | | | | | |

NB: All performance requirements have a deadline of 30 June 2023, unless stated otherwise in the requirements.

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APPENDIX 1

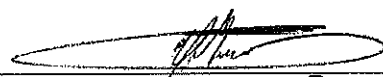
Commitment of Management Team reporting directly to the Municipal Manager

We, the Senior Managers and the Managers in the Office of the Municipal Manager hereby make this commitment to support the Municipal Manager, Luvuyo Mahlaka, to achieve targets as set in this performance contract between him and the employer. As support managers, we understand that his targets are impossible to achieve without our full support and co-operation. We, therefore, accept both our individual and collective responsibilities towards the attainment of the set targets.

1. Signed by

(Name)

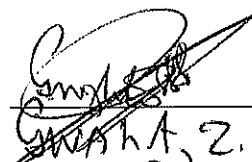
CHIEF FINANCIAL OFFICER


ZAMUKHE ALEX ZIMUKU

2. Signed by

(Name)

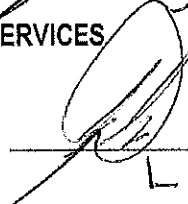
SENIOR MANAGER: CORPORATE SERVICES


GWAKA, Z.

3. Signed by

(Name)

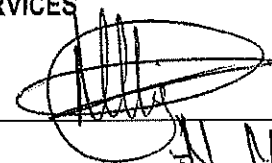
SENIOR MANAGER: ENGINEERING SERVICES


L. GWALA

4. Signed by

(Name)

SENIOR MANAGER: DEVELOPMENT PLANNING


M. Mafumbetha

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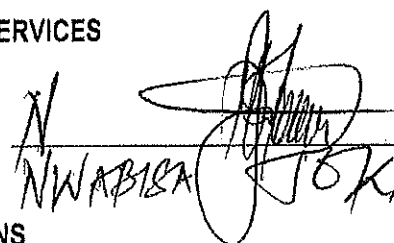
(Name)

SENIOR MANAGER: COMMUNITY SERVICES

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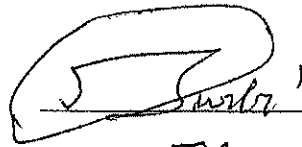
MANAGER: MUNICIPAL OPERATIONS


NWABISA JOCKEN

7. Signed by

(Name)

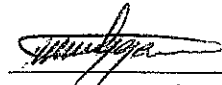
MANAGER: COMMUNICATIONS AND IGR


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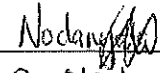
MANAGER: COUNCIL SUPPORT & PUBLIC PARTICIPATION


N. H. NGEJANE

9. Signed by

(Name)

MANAGER: LEGAL SERVICES


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APPENDIX 2

1. OBLIGATIONS OF THE EMPLOYER (KEY ASSUMPTIONS)

1.1 Office Accommodation

During the full period of the performance agreement the employer shall provide adequate office accommodation for the Municipal Manager. The occupational cost including the attendant ground rent obligations will be borne by the Employer.

1.2 Personnel

The employer shall be required to hire managers reporting directly to the Municipal Manager.

1.3 Facilities and Equipment

1.3.1 During the full period of the performance contract, the employer shall avail to the Municipal Manager all existing facilities and equipment which he will need in executing his duties.

1.4 Other provisions

1.4.1 Approvals

The Employer shall make a decision/comment on items submitted for approval/comment within two (2) weeks of receipt of the items.

1.4.2 Tasks to the Employer

The employer undertakes to execute all crucial activities that fall under his responsibility as required by this contract in order not to derail the continuity of department operations. If there is failure on the employer's part and the Municipal Manager feels that the attainment of targets of this contract is at stake, the two parties will meet and agree on the way forward.

1.4.3 Substitution of the Municipal Manager

The employer reserves the right to take appropriate action to replace the Municipal Manager as per employment contract of the Municipal Manager.

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2 OBLIGATIONS OF THE MUNICIPAL MANAGER

2.1 Conditions of service

2.1.1 The Municipal Manager shall be the Head of the Administration, subject to the conditions of service as stipulated by the employer. The conditions of service of the Municipal Manager shall include but not restricted to:

2.1.1.1 Setting of specific of targets for managers reporting to him.

2.1.1.2 Advise Mayor on all matters including progress made in the implementation of the SDBIP.

2.1.1.3 Setting and monitoring of performance indicators for the municipality and execute corrective measures as and when necessary.

2.1.1.4 Ensuring that organisational assets are in a good working condition.

2.1.1.5 Provision of highquality service within all the departments in a cost effective manner within agreed time frames.

2.1.1.6 Completing and submitting performance reports for the municipality, to the Mayor or Executive Committee on a quarterly basis for information purposes.

2.1.1.7 Assessing performance reports for departmental staff where necessary.

2.1.1.8 Preparation of the annual budget and once approved, adhering to it.

2.1.1.9 Implementing strategies to improve the morale of staff.

2.1.1.10 Attending meetings and other occasions on behalf of organisation.

2.1.2 The Municipal Manager shall ensure that his staff has access and is well informed about the disciplinary procedure of the municipality.

2.1.3 Determining the optimum staff level necessary for the accomplishment of targets and advising the employer on reduction or increase of staff in the department. Staff restructuring or reduction will utilize the existing municipal 'staff pool' as will be mutually agreed between the employer and

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the Municipal Manager in fulfillment of the current staff reduction policy. If such staff is to be laid off due to the staff reduction policy, the cost of severance and other terminal benefits shall be borne by the employer as required by the Labour Laws of RSA.

2.2 Standard of Service

2.2.1 The Municipal Manager shall exercise all his skills, reasonable care, responsibility and diligence in discharge of his duties under this contract. The Municipal Manager shall do so with sound professional conduct in accordance with generally accepted standards.

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

2.3 Supervision of Personnel in the Municipality

The Municipal Manager undertakes to ensure the supervision of personnel in the organisation. If he is dissatisfied with performance of any staff, provisions of the relevant internal policy and legislative framework of RSA shall apply.

2.4 Targets and Milestones

2.4.1 The Municipal Manager shall do all in his power to achieve the targets and milestones indicated in the municipal IDP and Performance Management System.

2.4.2 The Municipal Manager undertakes to achieve the organisational targets, which shall be directly related to the expected improvement in the level of services and therefore improvement in the quality of life within the municipality. The organisational targets are those defined as performance requirements in the Performance Plan of this contract.

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2.5 Reporting

2.5.1 The Municipal Manager shall submit detailed quarterly reports on the operation of the municipality to the employer. The reports shall include details of achievement of targets and milestones for that quarter for information purposes. The quarterly report should reach the employer within one month after the quarter in question has lapsed.

2.5.2 The Municipal Manager also undertakes to submit any other report/s as required by the employer.

2.6 Expenditure

The Municipal Manager shall be responsible for the implementation of the approved operational and capital budget of the municipality.

2.7 Maintenance of Assets (fixed and movable) in the Municipality

The Municipal Manager shall assist the municipality in the maintenance of assets in the departments having authority to enter into service contracts with service providers to carry out such maintenance.

2.8 Purchases

2.8.1 The Municipal Manager undertakes to utilize the most recently approved Municipal Supply Chain Management Policy (SCM) to handle all procurement within the municipality, according to the provisions of this contract. No procurement shall be allowed to proceed outside of the approved SCM policy.

2.9 Books and Records

The Municipal Manager shall keep accurate books and records of all finance operations and shall permit the employer to inspect them and make copies where necessary.

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2.10 Financial Procedures

2.10.1 Financial year commenced on the 1st July 2020 and end on the 30th June 2021, such period defined as the financial year shall be used for purposes of budgets, expenditures, cash flows and other operational requirements.

2.10.2 The employer reserves the right to ensure that finances are operated in accordance with the government's financial regulations and can utilize the services of an auditor in this regard.

2.10.3 The Municipal Manager must ensure strict adherence of all approved municipal financial policies, including issues of cost effectiveness, cost efficiency and over expenditure.

2.11 Budget

2.11.1 During the budget process the Municipal Manager shall make the necessary submissions to financial services reflecting the projected financial needs of the municipality for the following financial year.

2.11.2 The approval of the municipal budget shall constitute the authority to the Municipal Manager to incur expenditure accordingly and in line with the performance targets indicated in this performance contract.

2.12 Liability

The Municipal Manager shall be responsible towards the municipality for the performance of services in accordance with the provisions of this contract, subject to the following limitation.

2.12.1 The Municipal Manager shall not be liable for any damage or injury caused by or arising out of the act, neglect, default or omission, of any personnel in the organisation in the course of duty or anybody subcontracted by the municipality.

3. OTHER PROVISIONS

3.1 Unforeseen conditions

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There may be some unforeseen conditions necessary for the success of this performance contract. If either party discovers such circumstances, during the course of operation of this performance contract, the matter shall be brought to the attention of the other, in writing. A meeting, whose timing shall be mutually agreed, shall then be convened to discuss the outstanding issues. The minutes of such a meeting shall form an addendum to this contract.

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