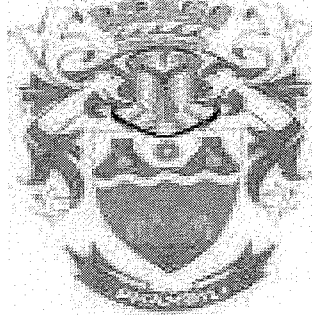




PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

**THE MUNICIPALITY OF SUNDAYS RIVER VALLEY
AS REPRESENTED BY THE MUNICIPAL MANAGER**

MR LONWABO RONALD NGOQO

AND

**MR HOWARD SIKWEZA
THE EMPLOYEE OF THE MUNICIPALITY**

DIRECTOR: COMMUNITY SERVICES

FOR THE

FINANCIAL YEAR: 1 JULY 2016 - 30 JUNE 2017

A handwritten signature in black ink, appearing to be 'H. Sikweza', is written over the signature line. The signature is fluid and cursive.

PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN

The Municipality of Sundays River herein represented by Mr L. Ngogo in his capacity as Municipal Manager (hereinafter referred to as the Employer)

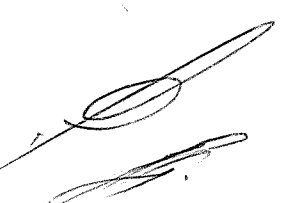
and

Mr H. Sikweza an Employee of the Municipality of Sundays River (hereinafter referred to as the Employee).

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

- 1.1 The Employer has entered into a contract of employment with the Employee in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The Employer and the Employee are hereinafter referred as "the Parties".
- 1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual performance Agreement.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Employee to a set of outcomes that will secure local government policy goals.
- 1.4 The parties wish to ensure that there is compliance with Sections 57(4A), 57(4B) and 57(5) of the Systems Act.

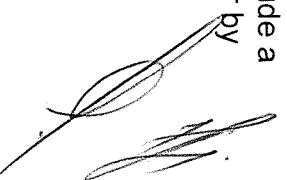


2. PURPOSE OF THIS AGREEMENT

- 2.1 To comply with the provisions of Section 57(1)(b),(4A) and (5) of the Systems Act as well as the Contract of Employment entered into between the parties;
- 2.2 To specify objectives and targets established for the Employee and to communicate to the Employee the Employer's expectations of the Employee's performance expectations and accountabilities;
- 2.3 To specify accountabilities as set out in the Performance Plan (Annexure A);
- 2.4 To monitor and measure performance against set targeted outputs and outcomes;
- 2.5 To appropriately reward the Employee in accordance with the Employer's performance management policy in the event of outstanding performance;
- 2.6 To establish a transparent and accountable working relationship; and
- 2.7 Give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining equitable and improved service delivery.

3. COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the 01 July 2016 and will remain in force until 30 June 2017 where after a new Performance Agreement, Performance Plan and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof.
- 3.2 The parties will review the provisions of this Agreement during June each year. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by not later than the 31 of July of the succeeding financial year.



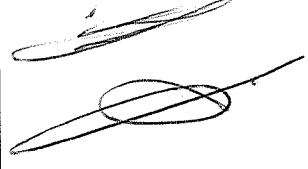
5.6.1 The Employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPA's) and the Core Managerial Competencies (CMC's) respectively.

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

5.6.3 KPA's covering the main areas of work will account for 80% and CMC's will account for 20% of the final assessment.

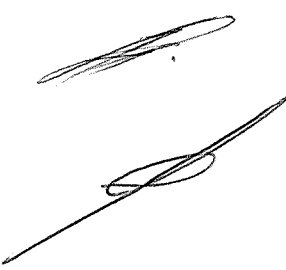
5.7 The Employee's assessment will be based on his/her performance in terms of the outputs/outcomes (performance indicators) identified as per attached Performance Plan (Annexure A), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee:

NO.	KEY PERFORMANCE AREAS (Strategic Objectives)	WEIGHTING
1	Basic Services Delivery and Infrastructure Development	15%
2	Institutional transformation and organisation development	5%
3	Local Economic Development	10%
4	Good Governance and Public Participation	10%
5	Community and Social Services	50%
6	Financial viability and Management	10%



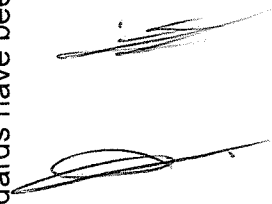
- 5.8 The CMC's will make up the other 20% of the Employee's assessment score. CMC's that are deemed to be most critical for the Employee's specific job are reflected in the list below as agreed to between the Employer and Employee:

CCR No	Core Competency Requirement	Weight
Core Managerial Competencies		
1	Strategic Capability and leadership	
2	Programme and Project Management	25
3	Financial Management	25
4	Change Management	
5	Knowledge Management	
6	Service Delivery Innovation	
7	Problem Solving and Analytical Thinking	
8	People and Diversity Management	25
9	Client Orientation and Customer Focus	25
10	Communication	
11	Accountability and Ethical Conduct	
12	Policy Conceptualisation and implementation	
13	Mediation skills	
14	Advanced negotiation skills	
15	Advanced influencing skills	
16	Partnership and Stakeholder Relations	
17	Supply Chain Management	
Total (Cannot exceed 100%)		100



6. PERFORMANCE ASSESSMENTS

- 6.1 The Performance Plan (Annexure A) to this Agreement sets out –
 - 6.1.1 The standards and procedures for evaluating the Employee's performance; and
 - 6.1.2 The intervals for the evaluation of the Employee's performance.
- 6.2 Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force.
- 6.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.
- 6.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan (IDP).
- 6.5 Assessment of the achievement of results as outlined in the performance plan:
 - 6.5.1 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.
 - 6.5.2 An indicative rating on the five-point scale should be provided for each KPA.
 - 6.5.3 An overall score will be calculated based on the total of individual scores calculated above
- 6.6 Assessment of the CMC's or CCR's
 - 6.6.1 Each CMC should be assessed according to the extent to which the specified standards have been met.
 - 6.6.2 An indicative rating on the five-point scale should be provided for each CMC.



Sundays River Valley Municipality

6.6.3 An overall score will be calculated based on the total of individual scores calculated above

6.7 Overall rating

6.7.1 An overall rating is calculated by adding the overall scores as calculated in 6.5.3 and 6.6.3 above; and

6.7.2 Such overall rating represents the outcome of the performance appraisal.

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

Level	Terminology	Description	Rating 1-5
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. For individual KPIs the performance is 100% and above of the set target.	150%- 159% Bonus of 10-12% 160%-167% Bonus of 13-14%
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	130-139% Bonus of 5-7% 140-149% Bonus of 8-9%

		throughout the year. For individual KPIs the performance is 50% - 99% above the set target.	
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 Performance Agreement and Performance Plan.	<130%
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the performance criteria and indicators as specified in the Performance Agreement and PP.	<130%
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that they employee has achieved below expected 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.	<130%

6.9 For purposes of evaluating the performance of the Employee, an evaluation panel constituted of the following persons will be established –

6.9.1 Municipal Manager;

6.9.2 Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a performance audit committee;

6.9.3 Member of the Mayoral Committee or Executive committee; and

6.9.4 Municipal Manager from another Municipality.

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of each Employee in relation to his/her performance agreement shall be reviewed on the following dates with the understanding reviews in the first and third quarter may be verbal if performance is satisfactory:

Quarter	Review Period	Review to be completed by
1	July – September	October 14 2016
2	October-December	January 20 2017
3	January-March	April 21 2017
4	April-June	July 20 2017

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

7.3 Performance feedback shall be based on the Employer's assessment of the Employee's performance.

7.4 The Employer will be entitled to review and make reasonable changes to the provisions of Annexure A from time to time for operational reasons. The Employee will be fully consulted before any such change is made

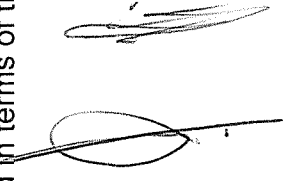
- 7.5 The Employer may amend the provisions of Annexure A whenever the performance management system is adopted, implemented and/or amended as the case may be. In that case, the Employee will be fully consulted before any such change is made.

8. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing developmental gaps is attached as **Annexure B**. Such Plan may be implemented and/or amended as the case may be after each assessment. In that case, the Employee will be fully consulted before any such change or plan is made.

9. OBLIGATIONS OF THE EMPLOYER

- 9.1 The Employer shall-
- 9.1.1 Create an enabling environment to facilitate effective performance by the employee;
 - 9.1.2 Provide access to skills development and capacity building opportunities;
 - 9.1.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;
 - 9.1.4 On the request of the Employee delegate such powers reasonably required by the Employee to enable him/her to meet the performance objectives and targets established in terms of this Agreement; and
 - 9.1.5 Make available to the Employee such resources as the Employee may reasonably require from time to time assisting him/her to meet the performance objectives and targets established in terms of this Agreement.



10. CONSULTATION

10.1 The Employer agrees to consult the Employee timeously where the exercising of the powers will have amongst others-

10.1.1 A direct effect on the performance of any of the Employee's functions;

10.1.2 Commit the Employee to implement or to give effect to a decision made by the Employer; and

10.1.3 A substantial financial effect on the Employer.

10.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in clause 11.1 as soon as is practicable to enable the Employee to take any necessary action with delay.

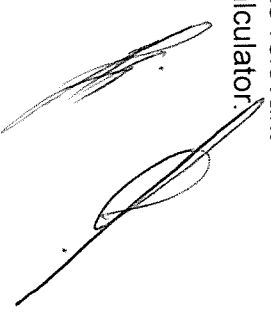
11. MANAGEMENT OF EVALUATION OUTCOMES

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

11.2 A performance bonus may be paid to the Employee in recognition of outstanding performance. Such bonus will be determined in terms of this Agreement.

11.3 A performance bonus of between 5% and 14% of the inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance. In determining the performance bonus the relevant percentage is based on the overall rating, calculated by using the applicable assessment rating calculator.

11.4 In the case of unacceptable performance, the Employer shall –

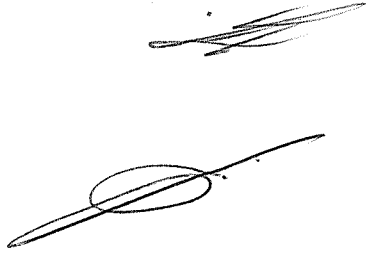


- 11.4.1 Provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and
- 11.4.2 After appropriate performance counselling and having provided the necessary guidance and/or support as well as reasonable time for improvement in performance, the Employer may consider steps to terminate the contract of employment of the Employee on grounds of unfitness or incapacity to carry out his or her duties.

12. DISPUTE RESOLUTION

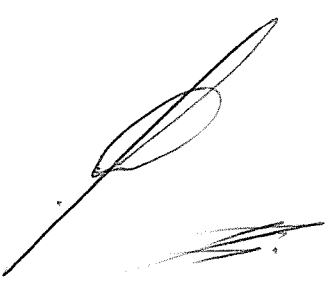
- 12.1 Any disputes about the nature of the Employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/or any other matter provided for, shall be mediated by:-
 - 12.1.1 The Mayor of the Employer within thirty (30) days of receipt of a formal written dispute from the Employee provided that where the dispute relates to the outcome of the performance evaluation the Mayor shall appoint a member of Council to consider submissions on performance whose decision shall be final and binding.
- 12.2 Any disputes about the outcome of the Performance Evaluations shall within thirty (30) days of receipt of a formal written dispute from the Employee be mediated by a member of the Sundays River Valley Municipal Council, provided that such Councilor was not part of the evaluation panel contemplated in paragraph 7 herein, whose decision shall be final and binding on both parties.
- 12.3 In the event that the mediation process contemplated above fails, the relevant clause of the Contract of Employment shall apply.

13. GENERAL



Sundays River Valley Municipality

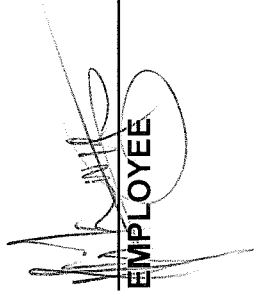
- 13.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Employer.
- 13.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his/her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

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Thus done and signed at Kirkwood on this the 28 day of July of 2016

AS WITNESSES:

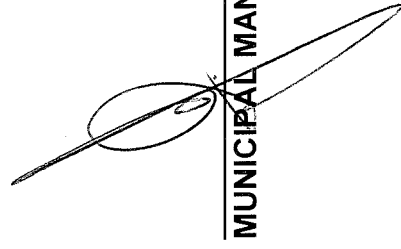
1. MANGALISO KHOMO
2. SC/K


EMPLOYEE

Thus done and signed at Kirkwood on this the 28 day of July 2016.

AS WITNESSES:

1. 
2. 


MUNICIPAL MANAGER



SUNDAYS RIVER VALLEY DISTRICT MUNICIPALITY

PERFORMANCE PLAN : Howard Sikweza

2016/2017

Community Services Director

Community and Social Services;

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PERFORMANCE PLAN : Howard Sikweza (Community Services Director)

2016/2017

Objective	Strategy	Key Performance Indicator (Project)	Annual Target	Proof	Weighting	Targets			
						September 2016/2017	December 2016/2017	March 2016/2017	June 2016/2017
KPA 2. BASIC SERVICE AND INFRASTRUCTURE DEVELOPMENT									
To ensure that the poor households access free basic services and that each household has access to a set of basic household services	To improve access to free basic and household services	The percentage of households with access to basic level of solid waste removal (MIMO00456)	100%	Reports from the department	7.6%	100%	100%	100%	
KPA 4. COMMUNITY SERVICES									
Communities have sufficient and affordable solid waste disposal options to encourage clean and healthy environment	Clean-up campaigns for targeted areas	Number of clean up campaigns conducted (In Valencia, Paterson, Moses Mabhidan d Addo) (CSS00488)	4	Phobos; Reports; payment certificate	6.2%	1	1	1	1
	Regular water and food quality sampling	Number of water samples tested (CSS00489)	144	eWQMAS reports	8.3%	36	36	36	36
		Number of inspections conducted at food selling premises. (CSS00490)	160 inspections conducted at food selling premises	Inspections sheet; Reports	10.3%	40	40	40	40
To ensure the provision of effective and efficient fire and disaster management services throughout the SRVM	Functional Disaster Management Forums	% of DMF resolutions implemented (CSS00491)	100% of DMF resolutions implemented	Resolutions register; Minutes of DMF meetings	6.9%	100%	100%	100%	100%
To ensure provision of traffic services including improved revenue enhancement	Regular inspections to assess compliance with fire safety regulations	Number of premises inspected for fire safety compliance (CSS00492)	100 premises inspected for fire safety compliance	Inspection sheet; Reports from the department	8.3%	25	25	25	25
	Traffic law enforcement programmes to encourage road safety	Number of road traffic law enforcement operations conducted (CSS00493)	12 road traffic law enforcement operations conducted	Attendance register; Photos; Reports	6.9%	3	3	3	3
	Maximisation in collecting traffic revenue owed	% progress in the construction of traffic paypoint (CSS00494)	100% progress in the construction of traffic paypoint	Progress reports; Completion certificate	6.9%	15%	N/A	100%	N/A
	Revenue Enhancement at traffic services	% improvement in traffic fines revenue from the previous year quarter baseline (comparing quarter to quarter of the same period) (CSS00495)	10% improvement in traffic fines revenue from the previous year quarter baseline (comparing quarter to quarter of the same period)	Section 52d report; Reports from the department	10.3%	2.5%	2.5%	2.5%	2.5%
	Education campaign to encourage preventative road safety awareness	% of traffic fines debt collected (CSS00496)	25% of traffic fines debt collected	Reports from Traffic	6.9%	N/A	10%	5%	10%
		% progress in the renovation of identified library building (CSS00497)	100%	Progress reports from the service provider	7.6%	10%	30%	N/A	100%
To ensure upgrading of libraries throughout the SRVM	Maintain and upgrade library infrastructure								
Communities of SRVM with specific	Maintenance of	Number of times per quarter each	Once per quarter each	Photos:	6.9%	Once per quarter	Once per quarter	Once per quarter	Once per quarter

7/28/2016

PERFORMANCE PLAN : Howard Sikweza (Community Services Director)

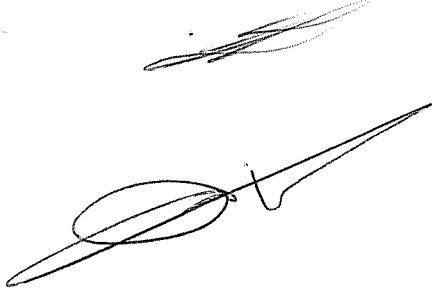
reference to youth have access to suitable and affordable recreational and sport facilities and public amenities.	community halls and other public amenities	sports field is maintained (CSS00498)	is maintained	Reports from community services					
KPA 5. GOOD GOVERNANCE AND PUBLIC PARTICIPATION									
To ensure all findings by the Auditors are addressed	Improving the audit outcome through the audit action plan	% progress on the implementation of the audit action plan from both IA and AG (MMO00514)	100%	Reports from Internal Audit		6.9%	20%	40%	70%
								100%	




CORE COMPETENCY REQUIREMENTS (CCR's) : Howard Sikweza (Community Services Director)

2016/2017

Core Competency Requirement	Annual Target	Proof	Weighting	Targets		
				September 2016/2017	December 2016/2017	March 2016/2017
CCR 1. MANAGERIAL						
Programme and Project Management	100		25%			
CCR 2. OCCUPATIONAL						
Client orientation and Customer Focus			25%			
Financial Management			25%			
People Management and Empowerment			25%			



APPENDIX B

(To the Performance Agreement)

PERSONAL DEVELOPMENT PLAN (PDP)

Made and entered into by and between:

**Sundays River Valley Municipality
As represented by the Municipal Manager
Mr Lonwabo Ronald Ngoqo**

And

Mr. H Sikweza

Period: 1 July 2016 to 30 June 2017

A handwritten signature in black ink, consisting of a stylized, cursive script that appears to be the name 'H. Sikweza'.

Training and Development

- Every employee is required to have a **Personal Development Plan (PDP)** that is used throughout the year.
- These plans form a key part of the skills development planning process.
- PDPs provide an opportunity for managers and employees to jointly identify training and development needs in order to improve job performance and to support individual development and succession planning.
- PDPs are not only used to increase the ability for a person to perform their current job but also to prepare a person for the next position they do.
- Suggested training or development activity should preferably be in line with the National Qualifications Framework to enable the trainee to obtain recognition towards a qualification.
- PDP does not just concern itself with formal training; other methods such as those shown below can also be improved to build on existing skills.
- (On-the-job-training; Mentoring; Study or reading; job rotation; involvement in a specific project or task)

MUNICIPAL COMPETENCY REGULATIONS

General Competency Levels of Senior Managers

- The senior manager of a municipality must generally have the skills, experience and capacity to assume and fulfill the responsibilities and exercise the functions and powers assigned in terms of the Act
- A senior manager must meet the prescribed financial management competency levels.

Minimum competency levels for Senior Managers

- The senior manager must comply with the minimum competency levels required for higher education qualification, work related experience, core managerial and occupational competencies
- Must be competent in the standards prescribed for financial and supply chain management competency areas as set out below



MINIMUM COMPETENCY LEVEL FOR Senior Managers			
Description	All Municipalities		
Higher Education Qualification	At least NQF 6 level in fields related to area of work employed in.		
Work-related Experience	Minimum of 5 years at middle management level.		
Core Managerial and Occupational Competencies	As described in the performance regulations (CCRs)		
Financial and Supply Chain Management Competency Areas:	Required Minimum Competency level in Unit Standards		
	SAGA US ID	UNIT STANDARD TITLE	Competent/ Non-competent
Strategic Leadership and Management	116358	Contribute to the strategic planning process in a South African municipality	
Strategic financial management	116361	Interpret South African legislation and policy affecting municipal financial management	
	116342	Apply approaches to managing municipal income and expenditure within a multi-year framework	
	116362	Manage a municipality's assets and liabilities	
Operational financial management	116345	Apply the principles of budgeting within a municipality	
	119352	Apply principles of information systems to public finance and administration	
	119341	Apply cost management information systems in the preparation of management reports	
	119331	Conduct working capital management activities in accordance with sound financial management policy	
	116364	Plan a municipal budgeting and reporting cycle	
Governance, ethics and values in financial management	116343	Apply the principles of ethics in a municipal environment	
Financial and performance reporting	116363	Prepare and analyse municipal financial reports	
	119350	Apply accounting principles and procedures in the preparation of reports and decision making	
	119348	Apply selected GRAP (Generally Recognised Accounting Practices) to periodic accounting reporting process	
	116341	Conduct performance management to a South African municipal environment	
Risk and change management	116339	Apply risk management in South African municipalities	

