



2021/2022 PERFORMANCE AGREEMENT

Made and entered into by and between

ABAQULUSI LOCAL MUNICIPALITY
"Employer"

(Herein represented by **MR. BONGINKOSI EVERT NTANZI**
(ID No. 611011 554 7086)
in his/her capacity as

Municipal Manager

and

MR. NKOSINATHI WISEMAN MBONGWA

(ID NO 8301175506082)

"Employee"

(Hereinafter referred as the)

Director Technical Services

NW NC
SS NL
(4)

CONTENTS

1. INTRODUCTION	3
2. PURPOSE OF THIS AGREEMENT	3
3. COMMENCEMENT AND DURATION.....	4
4. PERFORMANCE OBJECTIVES	5
5. PERFORMANCE MANAGEMENT SYSTEM	5
6. THE EMPLOYEE AGREES TO PARTICIPATE IN THE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM THAT THE EMPLOYER ADOPTS	6
7. EVALUATING PERFORMANCE.....	7
8. SCHEDULE FOR PERFORMANCE REVIEWS.....	9
9. DEVELOPMENTAL REQUIREMENTS	10
10. OBLIGATIONS OF THE EMPLOYER	10
11. CONSULTATION.....	10
12. MANAGEMENT OF EVALUATION OUTCOMES	11
13. DISPUTE RESOLUTION.....	11
14. GENERAL	12

Annexure A – Performance Plan

Appendix C - Financial Disclosure

PERFORMANCE AGREEMENT

ENTERED INTO AND BETWEEN:

The Municipality of ABAQULUSI herein represent by

BONGA EVERT NTANZI (full name) in his capacity as

MUNICIPAL MANAGER hereinafter referred to as the Employer or Reporting

Officer) and NKOSINATHI WISEMAN MBONGWA (full name) Employee of the

Municipality of ABAQULUSI (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 Acts 32 of 2000 ("the System Act"). The Employer and the Employee are hereinafter referred to as "the Parties".
- 1.2 Section 57(1) (b) of the Systems Act, read with the Contract of Employment concluded between the parties to conclude an annual performance Agreement.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Employee to a set of outcomes that will secure local government policy goals.
- 1.4 The parties wish to ensure that there is compliance with Sections 57(4A), 57(4B) and 57(5) of the Systems Act.

2. PURPOSE OF THIS AGREEMENT

The Purpose of this Agreement is to -

- 2.1 Comply with the provisions of Section 57(1)(b),4(A),(4B) and (5)of the Systems Acts as well as the Contract of Employment entered into between the parties;
- 2.2 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 Specify accountabilities as set out in the Performance Plan (Annexure A);
- 2.4 Monitor and measure performance against set targeted outputs;
- 2.5 Use the Performance Agreement and Performance Plan as the basis to assess whether the Employee has met the performance expectations applicable to his/her job;
- 2.6 Appropriately reward the Employee in accordance with the Employer's performance management policy in the event of outstanding performance; 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 1 JULY 2021 (date) and will remain in
- 3.2 force until 30 JUNE 2022 date) 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.
- 3.3 The parties will review the provisions of this Agreement during June each year. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by not later than the beginning of each successive financial year.
- 3.4 This Agreement will terminate on the termination of the Employee's contract of employment for any reason.

NW SS
 NC NL (9)

3.5 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon.

3.5 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

4. PERFORMANCE OBJECTIVES

4.1 The Performance Plan (Annexure A) sets out-

4.1.1 The performance objectives and targets that must be met the Employee; and

4.1.2 The time frames within which those performance objectives and targets must be met.

4.2 The performance objectives and targets reflected in Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan and the Budget of the Employer, and shall include key objectives; key performance indicators; target dates and weighting

4.3 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 timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.

4.4 The Employee's performance will, in addition, be measured in Terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

5. PERFORMANCE MANAGEMENT SYSTEM

5.1 The Employee agrees to participate in the Performance Management System that the Employer adopts or introduces for the Employer, management, and municipal staff of the Employer.

5.2 The Employee accepts that the purpose of the Performance Management System will be to provide a comprehensive system with specific performance standards to assist the Employer, management, and municipal staff to perform to the standards required.

5.3 The Employer will consult the Employee about the specific performance standard that will be included in the Performance Management System as applicable to the Employee.

6. THE EMPLOYEE AGREES TO PARTICIPATE IN THE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM THAT THE EMPLOYER ADOPTS

6.1 The Employee undertakes to actively focus towards the promotion and implementation of KPA's (including special projects relevant to the employee's responsibilities) within the local government framework.

6.2 The criteria upon which the performance of the Employee shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.

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

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

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

6.3 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.

KEY PERFORMANCE AREAS (KPA'S)	WEIGHTING
Basic Service Delivery & Infrastructure Development	100%
Total	100%

6.4 The Competencies will make the other 20% of the Employee's assessment score.

NW NC^{NL} 55 (4)

6.5 COMPETENCY FRAMEWORK

LEADING COMPETENCIES	WEIGHT %
1. Strategic Direction and Leadership	10
2. People Management	10
3. Programme and Project Management	10
4. Financial Management	10
5. Change Leadership	10
6. Governance Leadership	10
CORE COMPETENCIES	WEIGHT %
1. Moral competence	10
2. Planning and Organising	5
3. Analysis and Innovation	5
4. Knowledge and Information Management	10
5. Communication	5
6. Result and Quality Focus	5
TOTAL	100%

7. EVALUATING PERFORMANCE

7.1 The Performance Plan (Annexure A) to this Agreement sets out-

7.1.1 The standards and procedures for evaluating Employee's performance; and

7.1.2 The intervals for the evaluation of the Employee's performance.

7.2 Despite the establishment of intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force.

7.3 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.

7.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's IDP.

7.5 The annual performance appraisal will involve:

7.5.1 Assessment of the achievement of results as outlined in the performance plan:

- (a) Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA.
- (b) An indicative rating on the five-point scale should be provided for each KPA.
- (c) The applicable assessment rating calculator (refer to Paragraph 7.5.3 below) must then be used to add the scores and calculate a final KPA score.

7.5.2 Assessment of the Competencies

- (a) Each Competency should be assessed according to the extent to which the specified standards have been met.
- (b) An indicative rating on the five-point scale should be provided for each Competency.
- (c) The applicable assessment rating calculator (refer to Paragraph 7.5.1) must then be used to add the scores and calculate a final Competency score.

7.5.3 Overall Rating

An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcomes of the performance appraisal.

7.6 The assessment of the performance of the Employee will be based on the following rating scale for KPA's, and Competencies

LEVEL	TERMINOLOGY	DESCRIPTION	RATING
4	Superior	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops and applies comprehensive concepts and methods	5
3	Advanced	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in-depth analyses	4
2	Competent	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses	3
1	Basic	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention	1-2

Handwritten notes:
 NN
 NC
 NC
 SS
 (4)

7.7 For purpose of evaluating the performance Managers accountable to the Municipal Manager, an evaluation panel constituted by the following persons will be established-

- 7.7.1 Municipal Manager
- 7.7.2 Chairperson of the Audit Committee;
- 7.7.4 Member of the Executive Committee; and
- 7.7.5 Mayor and/ or Municipal Manager from another Municipality.

8. SCHEDULE FOR PERFORMANCE REVIEWS

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

First quarter	: July – September	October 2021
Second quarter	: October – December	January 2022
Third quarter	: January – March	April 2022
Fourth quarter	: April – June	August 2022

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

8.3 Performance feedback shall be based on the Employer’s assessment of the Employee’s performance.

8.4 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.

8.5 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.

NW
NC NL
SS (4)

9. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing development gaps is number 7 on the Performance Plan.

10. OBLIGATIONS OF THE EMPLOYER

10.1 The Employer shall:

- 10.1.1 Create an enabling environment to facilitate effective performance by the Employee;
- 10.1.2 Provide access to skills development and capacity building opportunities;
- 10.1.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;
- 10.1.4 On the request of the Employee delegates such powers reasonably required by the Employee to enable him/ her to meet the performance objectives and targets established in term of this Agreement; and
- 10.1.5 Make available to the Employee such resources as the Employee may reasonably require from time to time to assist him/her to meet the performance objectives and targets established in terms of this Agreement.

11. CONSULTATION

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

- 11.1.1 A direct effect on the performance of any of the Employee's functions;
- 11.1.2 Commit the Employee to implement or to give effect to a decision made by the Employer; and
- 11.1.3 A substantial financial effect on the Employer.

11.2 The employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 11.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

12 MANAGEMENT OF EVALUATION OUTCOMES

- 12.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- 12.2 A performance bonus of 5% to 14% of inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance.
- 12.3 The Employee will be eligible for progression to the next higher remuneration package, within the relevant remuneration band, after completion of least twelve months (12) service at current remuneration package 30 June (end of financial year) subject to a fully effective assessment.
- 12.4 In the case of unacceptable performance, the Employer shall-
- 12.4.1 Provide systematic remedial of development support to assist the Employee to improve his or her performance; and
- 12.4.2 After appropriate performance and 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.

13 DISPUTE RESOLUTION

- 13.1 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 in case of managers directly accountable to the Municipal Manager shall be mediated by –
- 13.1.1 The mayor within thirty (30) days of receipt of a formal dispute from the Employee;
- 13.1.2 In the event that the mediation process contemplated above fails, clause 19.3 of the Contract of Employment shall apply.
- 13.2 Any dispute about outcome of employee's performance evaluations must be mediated by


– in case of the managers directly accountable to the municipal manager, a member of municipal council provided that such member was not part of evaluation panel provided for in section 27(4) (e) within (30) days of receipt of formal dispute from the employee,

Whose decision must be final and binding to both parties

14. GENERAL

- 14.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be available to the public by the Employer.
- 14.2 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.
- 14.3 No performance bonus will be paid in terms of this agreement irrespective the outcome of performance evaluation results if unauthorised, irregular, fruitless and wasteful (UIFW) expenditure has been incurred in the financial year.
- 14.4 No performance bonus will be paid in terms of this agreement irrespective of the outcome of performance evaluation results in the event that the municipality does not obtain an unqualified audit opinion from the Auditor General in respect of the relevant financial year.
- 14.5 No performance bonus will be paid in terms of this agreement irrespective of the outcome of performance evaluation results in the event that the evidence is not provided or errors not corrected or as a result of poor record keeping which may lead to findings (on compliance or pre-determined objectives) which will prevent the attainment of unqualified audit opinion

NW
NC NL
SS



Thus, done and signed at ... VHO ... on this the ... 8 ... day of ... JULY ... (Month)
2021 (Year)


AS WITNESSES:


1. 

2. 


The Municipal Manager

AS WITNESSES:

1. 

2. 


Director Technical Services

