

Buffalo City Metropolitan Municipality

Performance Agreement

**ACTING DIRECTOR: CHIEF OPERATING
OFFICER**



2014/15

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

MR ANDILE FANI

In his capacity as City Manager of the Buffalo City Metropolitan Municipality

AND

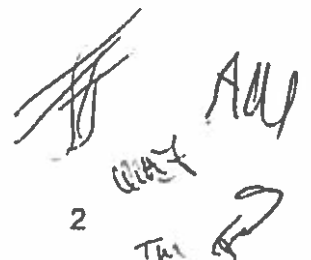
MR THABO MATIWANE

In his capacity as

Acting Director: Chief Operating Officer

FOR THE

FINANCIAL YEAR 1 JULY 2014 – 30 JUNE 2015

Handwritten signatures and initials in the bottom right corner. There are two distinct signatures, one above the other. Below the signatures, there are handwritten initials 'AMU' and 'T.M.' with a checkmark.

Implementation Plan and the Budget of the Employer, and include key objectives, key performance indicators, target dates and weightings.

- 4.3 The key objectives i.e. the main tasks that need to be done, the key performance indicators i.e. the evidence that must be provided to show that a key objective has been achieved, the target dates i.e. the timeframe in which the work must be achieved and the weightings i.e. 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 hereby agrees to participate in the performance management system that the Employer adopts or introduces for the Employer, management and municipal staff of the Employer and to actively focus on the promotion and implementation of the KPAs (including special projects relevant to the Employee's responsibilities) within the local government framework.
- 5.2 The Employee hereby accepts that the purpose of the performance management system is 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 hereby agrees to consult the Employee about the specific performance standards that are included in the performance management system as applicable to the Employee.

6 APPLICATION OF THE PERFORMANCE MANAGEMENT SYSTEM

- 6.1 The criteria upon which the performance of the Employee is assessed consists of two components, both of which are contained in this Performance Agreement.
- 6.1.1 The Employee will be assessed against both components, with a weighting of 80 allocated to the Key Performance Areas (KPAs) and 20 to Core Competency Requirements (CCR's).
- 6.1.2 Each area of assessment will be weighted and contribute a specific value to the total score.
- 6.1.3 KPAs covering the main areas of work will account for 80% and CCR's will account for 20% of the final assessment.

5
TUN
AS

- 6.2 The Employee's assessment will be based on his performance in terms of the outputs / outcomes (performance indicators) identified in the Performance Plan (Annexure A), which are linked to the KPAs, and constitute 80% of the overall assessment result in accordance with the weightings agreed to between the Employer and the Employee and set out hereunder:

Key Performance Areas (KPA's)	Weighting
Basic Service Delivery	20
Municipal Institutional Development and Transformation	30
Local Economic Development	10
Municipal Financial Viability and Management	10
Good Governance and Public Participation	30
Total	100%

- 6.3 The CCR's make up the remaining 20% of the Employee's assessment score and those CCR's deemed to be most critical for the Employee's specific job are selected (√) hereunder and agreed to between the Employer and Employee:

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (20% of Total)		
CORE MANAGERIAL COMPETENCIES (CMC)	√ (Indicate choice)	WEIGHT
Strategic Capability and leadership	essential	10
Programme and Project Management	essential	5
Financial Management	compulsory	10
Change Management		
Knowledge Management		
Service Delivery Innovation		
Problem Solving and Analytical Thinking	essential	5
People Management and Empowerment	compulsory	10
Client Orientation and Customer Focus	compulsory	10
Communication	essential	10
Honesty and Integrity		
CORE OCCUPATIONAL COMPETENCIES		
Competence in Self Management	essential	10
Interpretation of and implementation within the legislative and national policy frameworks	essential	10
Knowledge of developmental local government		
Knowledge of Performance Management and Reporting		
Knowledge of global and South African specific political, social and economic contexts	essential	10
Competence in policy conceptualization, analysis and		

AW
K-S

implementation		
Knowledge of more than one functional municipal field discipline		
Skills in Mediation		
Skills in Governance		
Competence as required by other national line sector departments		
Exceptional and dynamic creativity to improve the functioning of the municipality	essential	10
TOTAL		100%

7 EVALUATING PERFORMANCE

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

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

7.1.2 The intervals at which an evaluation of the Employee's performance will be performed.

7.2 Notwithstanding the agreed intervals for evaluation, the Employer may, in addition, review the Employee's performance at any reasonable time, while the contract of employment remains in force.

7.3 Personal growth and development needs identified during a performance review will be documented in a Personal Development Plan which shall also set out the actions and time frames agreed to relate thereto.


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 An assessment of the achievement of results as outlined in the performance plan as indicated hereunder;

(a) Each KPA will 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 will be provided for each KPA based on the assessment rating calculator set out in the scorecard used whereafter the scores will be summated to calculate a final KPA score.

7

 FS

7.5.2. Assessment of the CCR's

- (a) Each CCR's will be assessed according to the extent to which the specified standards have been met.
- (b) An indicative rating on the five-point scale will be provided for each CCR's.
- (c) Based on the assessment rating calculator set out in the scorecard used whereafter the scores will be summated to calculate a final CCR's score.

7.5.3. An overall rating

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

7.6. The assessment of the Employee will be based on the following rating scale for KPA's and CCRs:

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 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.					

[Handwritten signatures and initials]
 T.R. F.S.

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 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.	

7.7. For the purposes of evaluating the annual performance of the Employee, an evaluation panel constituted of the following persons will be established-

- 7.1. Municipal Manager
- 7.2. Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- 7.3. Ward Committee member (on a rotational basis), where applicable;
- 7.4. A member of the Mayoral Committee; and
- 7.5. A Municipal Manager from another municipality.

8. SCHEDULE FOR PERFORMANCE REVIEWS

8.1. The performance of the Employee will 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 2014
Second quarter	:	October - December 2014
Third quarter	:	January - March 2015
Fourth quarter	:	April - June 2015

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

[Handwritten signatures and initials]
 AU
 F.S.
 TM

- 8.3. Performance feedback based on the Employer's assessment of the Employee's performance will be provided to the Employee.
- 8.4. The Employer or the Employee will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons subject to consultation and agreement between the parties before any such change is concluded.

9. DEVELOPMENTAL REQUIREMENTS

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

10. OBLIGATIONS OF THE EMPLOYER

- 10.1. The Employer shall and agrees to –
- 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, delegate such powers reasonably required by the Employee to enable him or her to meet the performance objectives and targets established in this Agreement; and
- 10.1.5. make available to the Employee such resources as the Employee may reasonably require from time to time to meet the performance objectives and targets established in this Agreement.

11. CONSULTATION

- 11.1. The Employer agrees to consult the Employee timeously where the exercising of any of the powers or decisions of the Council will have or result in, amongst others, –
- 11.1.1. A direct impact on the performance of any of the Employee's functions;

[Handwritten signatures and initials]
 10 *[initials]* A.U.
 F.S.
 T.M.

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 impact on the Employee or on the budget under the control of the Employee.

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 between 5% to 14% of the Inclusive annual remuneration package for the year under consideration may be paid to the Employee in recognition of outstanding performance.

12.4. In the case of unacceptable performance, the Employer shall—

12.4.1. provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and

12.4.2. 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 / her duties.

13. DISPUTE RESOLUTION

13.1 Any disputes about the nature or content of the Employee's Performance Agreement, whether it relates to key responsibilities, priorities, methods, assessments and / or any other matter provided for, shall be mediated by –

13.1.1. The Executive Mayor, within thirty (30) days of receipt of a formal dispute from the Employee; or

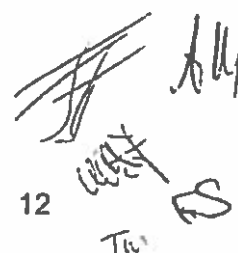
13.1.2. Any other person appointed by the Executive Mayor.

13.6. In the event that the mediation process contemplated above fails, clause 19.3 of the Contract of Employment shall apply.

[Handwritten signatures and initials]
 WJ
 H M
 ES
 T:7

14. GENERAL

- 14.1. The contents of this Agreement and the outcome of any review conducted in terms of Annexure A (Performance Plan) will be made 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 Agreement of Employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

Handwritten signatures and initials, including the number 12, the name 'Tina', and other illegible marks.

Thus done and signed at East London on the 24 day of June 2014.

AS WITNESSES:

1. [Signature].....

[Signature]
Employee

2. [Signature].....

Thus done and signed at East London on the 25 day of June 2014.

AS WITNESSES:

1. [Signature].....

[Signature]
Municipal Manager

2. [Signature].....

[Signature]
[Signature]
13
TAL

Level	Description
5	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 is significantly higher than the 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	Performance fully meets 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 and fully achieved all others throughout the year.
2	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 PA and Performance Plan.
1	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.

ACTING DIRECTOR: CHIEF OPERATING OFFICER

MRS. THABO MATIWAANE

KPA 1: MUNICIPAL BASIC SERVICES AND INFRASTRUCTURE

Specific Objective	Strategies	Strategy Code	Key Performance Indicator	Indicator Type	Baseline 2013/14 (To be confirmed at the of the financial year 2013/14)	2014/15 Target	Quarter 1 Target ending September 2014	Portfolio of Evidence	Quarter 2 Target ending December 2014	Portfolio of Evidence	Quarter 3 Target ending March 2015	Portfolio of Evidence	Quarter 4 Target ending June 2015	Portfolio of Evidence
To improve the quality of life through provision of decent formal houses	Provision of formal houses as part of Integrated Sustainable Human Settlements	SBDID18	Number of top structures completed (Housing opportunities provided)	Output	1081	1500	250	Completion Certificates and tick sheets	300 (550)	Completion Certificates and tick sheets	400 (950)	Completion Certificates and tick sheets	550 (1500)	Completion Certificates and tick sheets
To improve the quality of life through provision of built and internal services	To deliver sustainable infrastructure that support social and economic development	SBDID19	Number of serviced sites completed (Informal settlements upgraded (service provided) Related & In Situ)	Output	2395	1700	350	Confirmation from the appointed Consultant and / or BCMM Engineering Department on services completed and handed over to BCMM	400 (750)	Confirmation from the appointed Consultant and / or BCMM Engineering Department on services completed and handed over to BCMM	450 (1200)	Confirmation from the appointed Consultant and / or BCMM Engineering Department on services completed and handed over to BCMM	500 (1700)	Confirmation from the appointed Consultant and / or BCMM Engineering Department on services completed and handed over to BCMM
To improve the living conditions of priority rural Townships	Roll-out the DVRI business plan	SBDID22	Implementation of the Durian Village Redevelopment Initiative Business Plan	Output	Approved 3yr implementation plan	2 Phases (1&2)	Land identification for new projects to be implemented in phase 2	Land acquisition programme	3 quick-win projects	Progress report to TMC	Implementation of 2 planning projects	Progress report to TMC	Implementation of 2 planning projects	Progress report to TMC

KPA 2: MUNICIPAL TRANSFORMATION AND ORGANISATION DEVELOPMENT

Roll-out of performance management to all task grades	Signed Performance Management Scorecard between staff & Supervisors up to Task Grade 15	NFR	6-monthly assessment of staff	Process	Application only to Section 57 employees	Implement system from City Manager to Task Grade 15	Progress Report	Signed Performance Agreements for Planning Phase in Place	Assessment of all staff from City Manager to Task Grade 15	Letter of appointments of EPMDS Steering committees and Directorate Moderating Committees	Progress Report	Signed Performance scorecards for the first review	Assessment of all staff from City Manager to Task grade 15	Reports to council and attendance reports for workshops
---	---	-----	-------------------------------	---------	--	---	-----------------	---	--	---	-----------------	--	--	---

Specific Objective	Strategies	Strategy Code	Key Performance Indicator	Indicator Type	Baseline 2013/14 (To be confirmed at the end of the financial year 2013/14)	2014/15 Target	Quarter 1 Target ending September 2014	Portfolio of Evidence	Quarter 2 Target ending December 2014	Portfolio of Evidence	Quarter 3 Target ending March 2015	Portfolio of Evidence	Quarter 4 Target ending June 2015	Portfolio of Evidence
Capacitated and structured to enable effective and sustainable service delivery	Capacitated and structured to enable effective and sustainable service delivery	NFR	Verify sign off and submit performance reports together with POE files timeously	Process	4	4	1	Directorate Institutional Scorecard and Service Delivery Targets and performance indicators	2	Directorate Institutional Scorecard and Service Delivery Targets and performance indicators	3	Directorate Institutional Scorecard and Service Delivery Targets and performance indicators	4	Directorate Institutional Scorecard and Service Delivery Targets and performance indicators

KPA 3: LOCAL ECONOMIC DEVELOPMENT

Specific Objective	Strategies	Strategy Code	Key Performance Indicator	Indicator Type	Baseline 2013/14 (To be confirmed at the end of the financial year 2013/14)	2014/15 Target	Quarter 1 Target ending September 2014	Portfolio of Evidence	Quarter 2 Target ending December 2014	Portfolio of Evidence	Quarter 3 Target ending March 2015	Portfolio of Evidence	Quarter 4 Target ending June 2015	Portfolio of Evidence
Create an enabling economic environment with focus on key growth sectors	Implement Economic and Capacitation Programmes	LED1	Number of jobs created through LED initiatives including implementation of capital projects	Input	400	60	1	Directorate Institutional Scorecard and Service Delivery Targets and performance indicators	2	Directorate Institutional Scorecard and Service Delivery Targets and performance indicators	3	Directorate Institutional Scorecard and Service Delivery Targets and performance indicators	4	Directorate Institutional Scorecard and Service Delivery Targets and performance indicators

KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Specific Objective	Strategies	Strategy Code	Key Performance Indicator	Indicator Type	Baseline 2013/14 (To be confirmed at the end of the financial year 2013/14)	2014/15 Target	Quarter 1 Target ending September 2014	Portfolio of Evidence	Quarter 2 Target ending December 2014	Portfolio of Evidence	Quarter 3 Target ending March 2015	Portfolio of Evidence	Quarter 4 Target ending June 2015	Portfolio of Evidence
Expenditure of all grant capital infrastructure funding for service delivery in the applicable financial	Actual Capital expenditure expressed as a percentage of the total capital budget	MFVMA4	The percentage of municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's IDP	Input	0.38	>75%	>15%	Section 71 Report	>30%	Section 71 Report	>57%	Section 71 Report	>75%	Section 71 Report

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Specific Objective	Strategies	Strategy Code	Key Performance Indicator	Indicator Type	Baseline 2013/14 (To be confirmed at the end of the financial year 2013/14)	2014/15 Target	Quarter 1 Target ending September 2014	Portfolio of Evidence	Quarter 2 Target ending December 2014	Portfolio of Evidence	Quarter 3 Target ending March 2015	Portfolio of Evidence	Quarter 4 Target ending June 2015	Portfolio of Evidence
To improve the quality of human life through provision of bulk and internal Services	Beneficiary education on provision of descent formal housing	BSDID20	Number of beneficiaries educated about home ownership	Process	4400	4500	1000	Photos, attendance registers	1000	(2000) Photos, attendance registers	1000	(3000) Photos, attendance registers	1500	(4500) Photos, attendance registers
To improve the living conditions of priority nodal Townships	Ensure that beneficiaries are registered for home ownership	BSDID20	Number of beneficiaries registered for possible home ownership	Process	5000	3500	875	Stamped list of registered beneficiaries from the PDoHS	875	(1750) Stamped list of registered beneficiaries from the PDoHS	875	(2625) Stamped list of registered beneficiaries from the PDoHS	875	(3500) Stamped list of registered beneficiaries from the PDoHS
To improve the living conditions of priority nodal Townships	Improved living conditions in two townships		Conduct Impact Assessment Study for MURP		Quality of Life Survey	Approved MURP Impact Assessment Study	Appointment of service provider	Progress report on the service provider	Mid term assessment of the study	Progress report on the performance of the service provider	Draft Report	Approved Impact Assessment Study - MURP	Progress report on the performance of the service provider	Progress report on the performance of the service provider

MUNICIPAL MANAGER: A. FANI

ACTING DIRECTOR CHIEF OPERATING OFFICER: MR. T. MATIWANE

SIGNATURE:

SIGNATURE:

DATE: 25/06/14

DATE: 27 JUNE 2014