

Buffalo City Metropolitan Municipality

Performance Agreement

**ACTING DIRECTOR: CORPORATE
SERVICES**



2014/15

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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 LOUIS WULFF

In his capacity as

Acting Director: Corporate Services

FOR THE

FINANCIAL YEAR 1 JULY 2014 – 30 JUNE 2015

Handwritten initials and numbers:
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PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

Mr Andile Fani in his capacity as City Manager (hereinafter referred to as the Employer)

And

Mr Louis Wulff, in his capacity as Acting Director: Corporate Services, an Employee of the Buffalo City Metropolitan Municipality (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. The Employer and the Employee are hereinafter referred to as "the Parties."
- 1.2. Section 57(1) (b) of the Systems Act, 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

The purpose of this agreement is to –

- 2.1. Comply with the provisions of Section 57(1)(b), (4A), (4B) and (5) of the Systems Act;
- 2.2. Specify objectives and targets established for the Employee and 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 for assessing whether the Employee has met the performance

Performance Agreement 2014/2015

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expectations applicable to the position;

- 2.6. 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 2014 and will remain in force until a new official appointment is made or another incumbent is appointed to act where after a new Performance Agreement, Performance Plan and Personal Development Plan shall be concluded between 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 beginning of each successive financial year.
- 3.3. This Agreement will terminate on the termination of the Employee's employment for any reason or period of acting as the case may be.
- 3.4. The content of this Agreement may be revised at any time during the above-mentioned period to determine the applicability of the matters agreed upon.
- 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 by 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, the Service Delivery and Budget

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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.

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- 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	35
Municipal Institutional Development and Transformation	35
Local Economic Development	10
Municipal Financial Viability and Management	10
Good Governance and Public Participation	10
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		

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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.

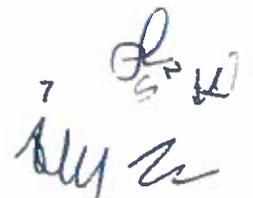
7.2 Notwithstanding the agreed intervals for evaluation, the Employer may, in addition, review the Employee's performance at any reasonable time, while the contract of employment remains in force.

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.

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7.5.2. Assessment of the CCR's

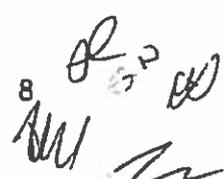
- (a) Each CCR's will be assessed according to the extent to which the specified standards have been met.
- (b) An indicative rating on the five-point scale will be provided for each CCR's.
- (c) Based on the assessment rating calculator set out in the scorecard used whereafter the scores will be summated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

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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.

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- 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;

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.

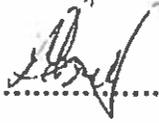
14. GENERAL

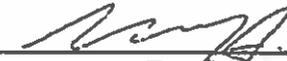
- 14.1. The contents of this Agreement and the outcome of any review conducted in terms of Annexure A (Performance Plan) will be made available to the public by the Employer.
- 14.2. Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his / her Agreement of Employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

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A signature with the number 12 below it.
A signature with the number 12 below it.

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

AS WITNESSES:

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Employee

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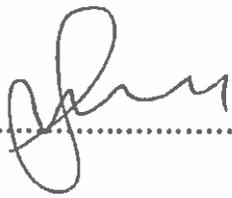
Thus done and signed at East London on the ____ day of June 2014.

AS WITNESSES:

1. 



Municipal Manager

2. 

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 PA and Performance Plan and maintained this in all areas of responsibility throughout the year.												
4		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		Performance fully meets the standard 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 is below the standard required for the job in key areas. Performance meets some of the standards expected of 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		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.												
KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATION 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	POE	Quarter 2 Target ending December 2014	POE	Quarter 3 Target ending March 2015	POE	Quarter 4 Target ending June 2015	POE
Develop an effective and efficient human capital to enhance service delivery	Improve health and safety in the workplace	MTOD2	% Reduction in the disabling of injury frequency rate	Output	2.4%	2%	2.2%	Monthly statistical report submitted to safety committee	2.10%	Monthly statistical report submitted to safety committee	2%	Monthly statistical report submitted to safety committee	2%	Monthly statistical report submitted to safety committee
Rollout-out 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	Applicable only to section 57 employees	Implement system from general manager to task grade 15	Development of performance plans	Copies of signed performance plans	Assessment of all staff from general manager to task grade 15	Copies of signed assessments from general manager to task grade 15	Progress Report to Top management	Copy of report	Assessment of all staff from general manager to task grade 15	Copies of signed assessments from general manager to task grade 15
To ensure BCMM is well structured and capacitated to deliver on its mandate	Review of the Metro Structure with emphasis on functionality	MTOD1	Review Metro structure annually	Input	Existing BCMM Micro Structure	Metro Structure Reviewed	Planning phase	Copy of action plan	Consultation process	Directorate attendance registers	Progress report to Top Management	Copy of report	Metro Structure Reviewed	Copy of Reviewed Metro Structure
To ensure BCMM is well structured and capacitated to deliver on its mandate	Targeted recruitment and selection processes in terms of BCMM's employment equity plan	MTOD75	Number of people from employment equity target groups employed in the 3 highest levels of management in compliance with municipality's approved employment equity plan	Output	28 (Females)	2	0	Signed appointment letter at the 3 highest levels of management by the incumbent	0	Signed appointment letter at the 3 highest levels of management by the incumbent	1	Signed appointment letter at the 3 highest levels of management by the incumbent	1	Signed appointment letter at the 3 highest levels of management by the incumbent
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 target and performance indicators	2	Directorate institutional scorecard and service target and performance indicators	3	Directorate institutional scorecard and service target and performance indicators	4	Directorate institutional scorecard and service target and performance indicators

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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	POE	Quarter 2 Target ending December 2014	POE	Quarter 3 Target ending March 2015	POE	Quarter 4 Target ending June 2015	POE
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KPA 2: MUNICIPAL BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Expenditure of all grants/capital infrastructure funding for service delivery in the appl cable financial year	Accelerate implementation of grant/ capital projects	MFVM4	% of a municipalities of capital budget actual spent on capital projects identified to a particular financial year in terms of the municipalities intergrated development plan	Output	0.38	>75%	>15%	Section 71 report	>30%	Section 71 report	0	Section 71 report	>75%	Section 71 report	
	To ensure BCMM is well structured and capacitated to deliver on its mandate	Provision of ICT systems and infrastructure to support internal and external customers	Development and implementation of an ICT Strategy	Input	Existing outdated ICT Strategy	Approved ICT Strategy	Award contract	Letter of award	Develop phase 1 towards establishment of the ICT strategy	Draft ICT strategy plan	Close-out report of Phase 1 to the Top Management	Develop the phase 2 towards establishment of the ICT strategy	Draft ICT strategy plan	Approved ICT Strategy	Minutes of the Council and signed strategy
			Number of ICT Disaster Centres established	Input	Site identified and equipment procured	1 Disaster recovery centre (EL IDZ)	Initial on of servers	Test results of the site from service provider	Disaster Recovery Plan document	Disaster Recovery Plan approved	Minutes of the Council and approved DRP	Draft Disaster Recovery Plan	Approval process of the Disaster Recovery Plan	Disaster recovery centre (EL IDZ)	Operational and tested Disaster Recovery site with test results
			Establishment of a Knowledge Management Portal - Share point or similar	Output	No existing portal	Detailed planning for Sharepoint Portal Completed	Research and benchmarking exercise	Case study report	Planning phase	Progress report on planning	Progress report on planning	Detailed planning for Sharepoint Portal	Planning phase	Progress report on planning	Implementation plan

KPA 3: LOCAL ECONOMIC DEVELOPMENT

To ensure BCMM is well structured and capacitated to deliver on its mandate	Provide training and development opportunities to BCMM staff	MTOD3	% of the municipality's budget actually spent on implementing its workplace skills plan	Output	16% of Staff budget	17% of staff budget	16%	Budget expenditure drawn from the venus financial system	48%	Budget expenditure drawn from the venus financial system	96%	Budget expenditure drawn from the venus financial system	1.7 of staff budget	Budget expenditure drawn from the venus financial system
					750	1300	200	Attendance Register and quarterly training report	450 (650)	Attendance Register and quarterly training report	500 (1150)	Attendance Register and quarterly training report	150 (1300)	Attendance Register and quarterly training report

KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGENT

To ensure BCMM is well structured and capacitated to deliver on its mandate	Provide training and development opportunities to BCMM staff	MTOD1	Number of employees registered for training and capacity building programmes annually	Output	750	1300	200	Attendance Register and quarterly training report	450 (650)	Attendance Register and quarterly training report	500 (1150)	Attendance Register and quarterly training report	150 (1300)	Attendance Register and quarterly training report
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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	POE	Quarter 2 Target ending December 2014	POE	Quarter 3 Target ending March 2015	POE	Quarter 4 Target ending June 2015	POE
To ensure BCMM is well structured and capacitated to deliver on its mandate	Roll-out of Employee Performance Management and Development System	MTOD4	Number of non section employees to which management and development system has been cascaded	Output	109 Performance Management system cascaded from GM to Task Grade 15	896 (employees from task grade 14 to 8)	Cascade EPMDs to 224 employees between Task Grade 8 and 14	Signed Performance Agreements of 224 employees between Task Grade 8 and 14	Cascade EPMDs to 448 employees between Grade 8 and 14	Signed Performance Agreements of 448 employees between Task Grade 8 and 14	Cascade EPMDs to 672 employees between Grade 8 and 14	Signed Performance Agreements of 672 employees between Task Grade 8 and 14	Cascade EPMDs to 896 employees between task grade 8 and 14	Signed Performance Agreements of 896 employees between Task Grade 8 and 14
			Number of EPMDs capacity building initiatives implemented	Input	2 (from GM to Task Grade 15 and employees from task grade 14 to 8)	2 (employees from task grade 14 to 8)	1 EPMDs Refresher Workshop on Performance Planning	Attendance Register	Attendance Register	2 EPMDs Refresher Workshop on Performance Assessments	Attendance Register	No reporting this quarter	No reporting this quarter	0
KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION														
MUNICIPAL MANAGER: R. A. FANI														
ACTING DIRECTOR CORPORATE SERVICES: MR. L. WULFF														
SIGNATURE: _____														
DATE: <u>25/06/14</u>														
SIGNATURE: _____														
DATE: <u>25/6/14</u>														