

2013/14



UMUZIWABANTU LOCAL MUNICIPALITY

PERFORMANCE CONTRACT | MUNICIPAL MANAGER

2013-14

PERFORMANCE CONTRACT

Made by and entered into between the parties:

**UMUZIWABANTU LOCAL COUNCIL
("the employer")**

Represented by the Mayor, CLLR D. NCIKI,

**duly authorized in terms of Section 57 (1b), (2b) (4a), (4b) and 5 of the
Local Government: Municipal Systems Act No. 32 of 2000 as well as the
employment contract entered into between the parties**

and

**MR SAZI DARIUS MBHELE (ID NO. 7303085390087),
("the Municipal Manager")**

**In his capacity as the accounting officer and the Municipal Administrative
Head of Umuziwabantu Local Municipality**


FINANCIAL YEAR: 01 JULY 2013 TO 30 JUNE 2014

ACRONYMS



BEE	-	Black Economic Empowerment
CCR	-	Core Competency Requirement
CFO	-	Chief Financial Officer
MM	-	Municipal Manager
EXCO	-	Executive Committee
GM	-	General Manager
DT	-	Director
HOD	-	Head of Department
IDP	-	Integrated Development Plan
KPA	-	Key Performance Area
KPI	-	Key Performance Indicators
LED	-	Local Economic Development
MSA	-	Municipal Systems Act no. 32 of 2000
Nedlac	-	National Economic Development and Labour Council
OPMS	-	Organisational Performance Management System
PA	-	Performance Agreement
PDP	-	Personal Development Plan
PIMS	-	Planning Implementation and Management Support
PP	-	Performance Plan
RSA	-	Republic of South Africa
SCM	-	Municipal Supply Chain Management Policy
SDBIP	-	Service Delivery and Budget Implementation Plan

DEFINITIONS



Council	-	refers to Umuziwabantu Local Council
Financial Year	-	Refers to the 12 month period which the organization determines as its budget year.
CFO	-	Chief Financial officer
Director: CS	-	Director: Corporate Services
Director: TS	-	Director: Technical Services
MEC	-	MEC for Local Government and Traditional Affairs
MM	-	Refers to the Municipal Manager
Municipal Manager	-	Refers to Mr. Sazi Darius Mbhele
Municipality	-	Umuziwabantu Local Municipality
Ruling Language	-	Refers to the language parties to the contract choose to use as a medium for formal communication between themselves.
The employee	-	Refers to Mr. Sazi. D. Mbhele
The employer	-	Refers to Umuziwabantu Local Municipality

INTERPRETATION

In this agreement, unless the context clearly indicates a contrary intention:

- The head notes are for reference purposes only and shall not affect the interpretation of any part hereof.
- The singular includes the plural and vice versa
- A reference to one gender includes the other genders.

- Any schedules and annexure's shall be initialed by the parties for the purposes of identification and form part of this agreement as if specifically included herein.

GENERAL PROVISIONS

1. INTRODUCTION

- 1.1 The Employer has entered into a contract of employment with the Municipal Manager for a period of 5 years, ending on 31 December 2013, in terms of section 57(1) (a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act").
- 1.2 Section 57(1) (b) of the Municipal Systems Act, read with the contract of employment concluded between the parties, requires the parties to conclude an annual performance agreement. That the parties hereby agree to have this contract developed in terms of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly accountable to Municipal Managers, 2006.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Municipal Manager reporting to the Mayor representing the Council, to a set of actions that will secure local government policy goals.
- 1.4 This performance contract is between **SAZI DARIUS MBHELE (ID.7303085390087)**, the Municipal Manager, and Umuziwabantu Local Municipality represented by **CLLR D Nciki**, the Mayor. It is for the 2013/2014 financial year only. The expected performance reflected in this contract is based on the Integrated Development Plan 2011/12 – 2015/16 adopted 13 April 2011, 2012/13 Organisational Performance Management System and 2012/13 Service Delivery and Budget Implementation Plan. The three afore-mentioned

documents have been adopted as the working documents of Umuziwabantu Local Municipality and therefore, shall be the basis of the performance assessment.

2. STRATEGIC OBJECTIVE

The job purpose for the Municipal Manager must provide for:

- ✓ leadership and direction of the administration of the municipality through effective strategies to fulfill the objects of local government provided for in the Constitution, 1996 and any other legislative framework that governs local government;
- ✓ fostering relationships between the municipal council and the administrative arm of the municipality as well as other key stakeholders;
- ✓ creating an environment that defines the purpose and role of local government as a means to involve people in shaping the future of communities;
- ✓ and implement applicable legislation.

MAIN ACCOUNTABILITIES

- ✓ As the head of administration and the accounting officer of the municipality, the municipal manager is responsible and accountable for and performs the following functions,
 - municipal transformation and organization development;
 - basic service delivery;
 - local economic development;

- municipal financial viability and management; and
 - good governance and public participation.
- ✓ The municipal manager shall report to the council of the municipality and shall report on such matters and furnish such information as the council may, from time to time require.

Over the period of his employment, the municipal manager shall bear the overall responsibility of driving Integrated Development Plan, making an assurance that its strategic objectives are achieved. As the accounting officer of the municipality, the municipal manager has a responsibility to ensure that the municipal Organisational Performance Management System is driving the municipality towards the creation of the society portrayed by the vision of the municipality.

3. PERFORMANCE BONUS & ANNUAL SALARY ADJUSTMENT

If the Municipal Manager performs / achieves outstanding performance, he shall qualify for the annual performance bonus in accordance with the contract of employment entered into between the Municipal Manager and the Municipality on **01 January 2008** as well as the results of the performance evaluation agreed to in this contract. The acceptability of the level of his performance or otherwise shall be determined and declared by the performance evaluation team in accordance with the provision of this agreement, following the receipt of a report on the Municipal Manager's achievement or otherwise of the KPIs as reflected in Annexure "A" of this contract.

The attached Annexure "A" and referred to above has listed Key Performance Areas (KPAs) and Core Competency Requirements (CCRs) that are worth 100 points. Each KPA consists of Key Performance Indicators and CCR that have different weightings.

A performance bonus ranging from 5% to 14% of the all-inclusive remuneration package may be paid to an 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; provided that

- I. A score of 130% to 149% is awarded a performance bonus ranging from 5% to 9% and
- II. A score of 150% and above is awarded a performance bonus ranging from 10% to 14%

In the case of unacceptable performance the employer shall-

- a) Provide systematic or developmental support to assist the employee to improve her performance; and
- b) After appropriate performance counselling and having provided the necessary guidance and/or support and reasonable time for improvement in performance, and performance does not improve, the employer may consider steps to terminate the contract of employment of the Municipal Manager on grounds of unfitness or incapacity to carry out his or her duties

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

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

The increment for 2013/14 shall be based on clauses 7.2 and 7.3 of the Municipal Manager's employment contract concluded between him and the Mayor and the provisions of the Local Government: Municipal Performance Regulations for Municipal Managers directly accountable to Municipal Managers, 2006. The employer shall grant

annual salary adjustment linked to a cost-of-living adjustment based on market indicators which is not performance based, upon the signing of performance contract.

The increment shall only be effected only after this performance contract has been signed by the Municipal Manager.

4. EVALUATING PERFORMANCE

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

The annual performance appraisal will involve:

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

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

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

A five-point rating scale to be used for both KPAs and CCRs is the following:

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	Outstanding Performance	Performance far exceeds the standard expected of an employee at this level. The key appraisal indicates that the employee has achieved above fully effective results against all performance					

		criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.					
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.					
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.					
2	Performance not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.					
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.					

KEY PERFORMANCE AREAS FOR THE MUNICIPAL MANAGER	WEIGHTING		SCORE
Basic Service Delivery	7	8,75%	
Local Economic Development and Social	10	12,5%	
Municipal Institutional Development and Transformation	20	25%	
Good Governance and Public Participation	20	25%	
Municipal Financial Viability and Management	23	28,75%	
TOTAL	80	100%	

The performance bonus payment shall be categorised in two bands with some ranges per band as per the applicable assessment rating calculator.

5. DEVELOPMENTAL REQUIREMENTS

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

6. CONSEQUENCE OF SUBSTANDARD PERFORMANCE

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

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

7. RULING LANGUAGE

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

8. TERM OF CONTRACT

This contract shall be deemed to have been entered into on the 1st of July 2013 and will expire on the 30th of June 2014. The parties will conclude a new performance agreement that replaces this Agreement by not later than 31 July 2014. This Agreement will terminate on the termination of the Municipal Manager's contract of employment for any reason.

9. LIMITATIONS OF THE CONTRACT

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

10. MONITORING AND EVALUATION

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

- I. The Mayor
- II. Chairperson of the performance/audit committee
- III. Member of the executive committee
- IV. Mayor / Municipal Manager from one of the local municipalities in our jurisdiction
- V. Member of the ward committee as nominated by the Executive Mayor.
- VI. Internal Audit/Senior Manager: Strategic Planning & Development for the purpose of providing secretariat services to the team

11. DISPUTE RESOLUTION

In case of disputes, which cannot be resolved through negotiations and mediation, the employee has a right to refer the case to the MEC who must settle the case within thirty (30) days of receipt of a formal written dispute referral. The decision of the MEC shall be deemed final and binding on both parties.

12. JURISDICTION

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

13. WHOLE AGREEMENT

The parties to this contract agree that this contract constitutes the whole agreement and arrangement for the performance of the Municipal Manager with effect from 01 July 2013.

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

ANNEXURE A: PERFORMANCE PLAN

ANNEXURE B: PERSONAL DEVELOPMENT PLAN

APPENDIX 1: OBLIGATIONS OF PARTIES AND UNFORESEEN CONDITIONS

APPENDIX 2: COMMITMENT OF MANAGEMENT TEAM

APPENDIX 3: DECLARATION/DISCLOSURE FOR MUNICIPAL MANAGER

SIGNED at _____ this _____ day of _____ 2013

MUNICIPAL MANAGER

Signature: _____

Name Printed: _____

WITNESSES

1. Signature: _____ Name Printed: _____

2. Signature: _____ Name Printed: _____

FOR AND ON BEHALF OF UMUZIWABANTU LOCAL MUNICIPALITY

MAYOR

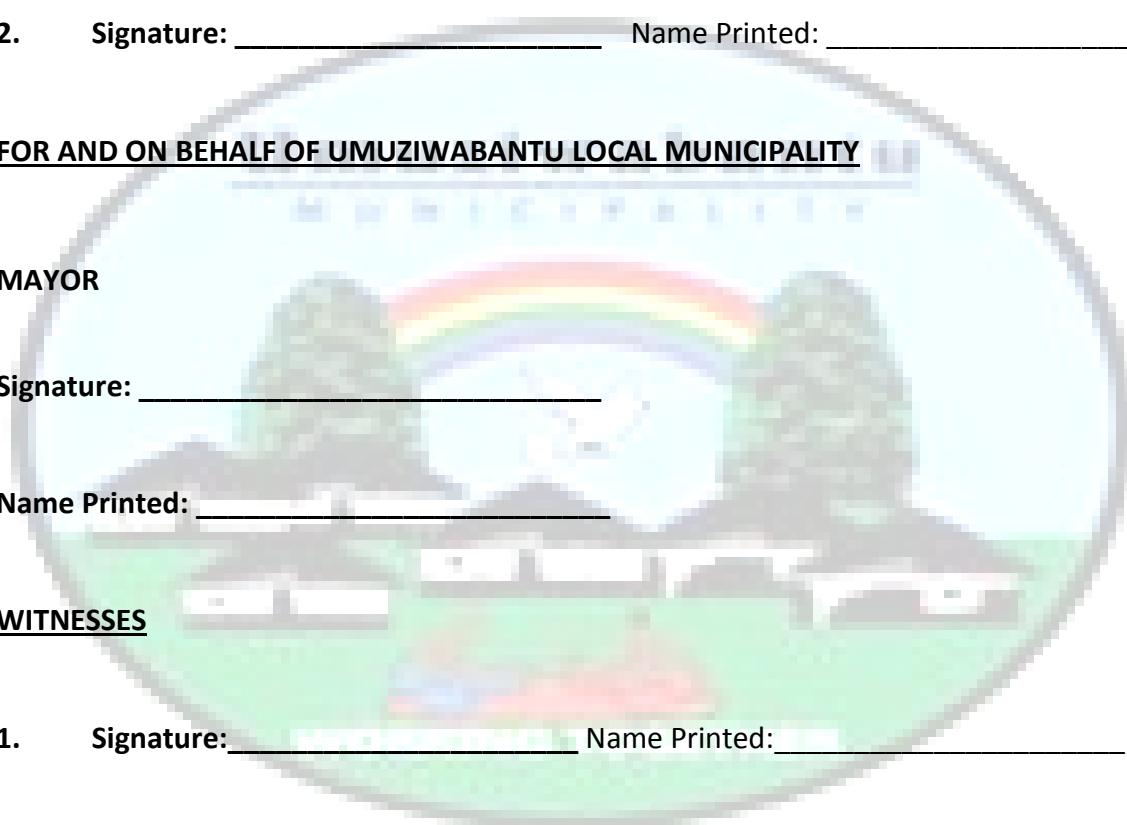
Signature: _____

Name Printed: _____

WITNESSES

1. Signature: _____ Name Printed: _____

2. Signature: _____ Name Printed: _____



ANNEXURE "A"

PERFORMANCE PLAN FOR 2012/2013

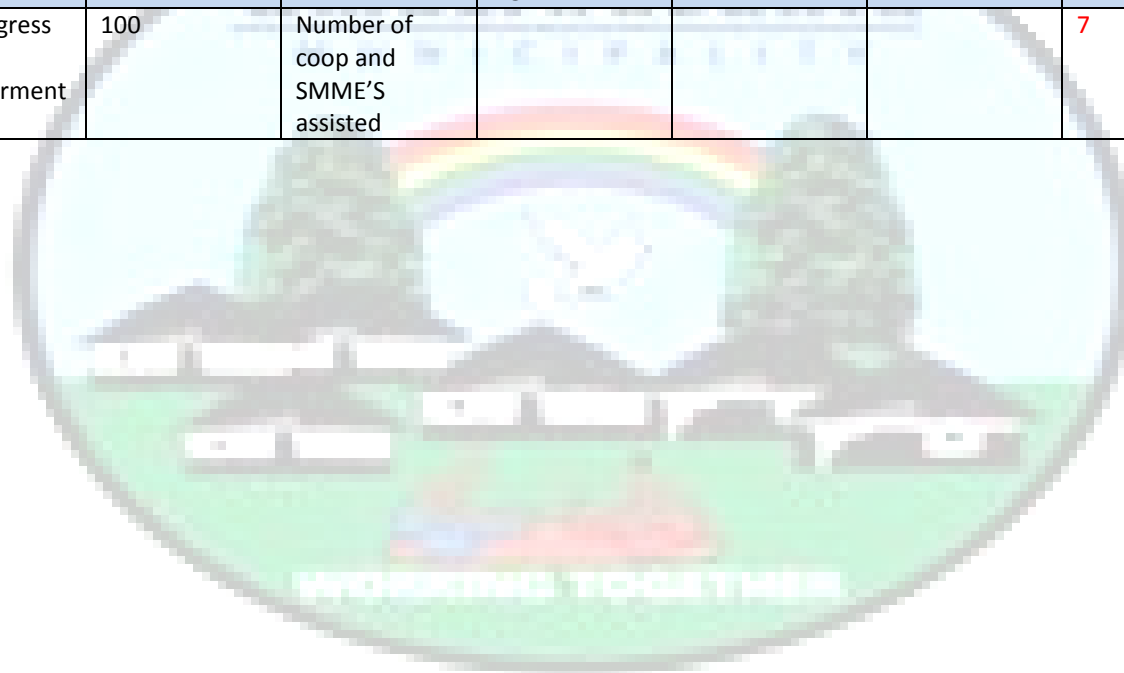
14. KEY PERFORMANCE AREAS (KPA's) (80)

14.1 BASIC SERVICE DELIVERY (7)

MEASURABLE OBJECTIVES/OUTPUT	KPI's	TARGET	MEANS OF VERIFICATION	ACHIEVED /NOT ACHIEVED/ PARTIALLY ACHIEVED	ACTUAL	COMMENT	WEIGHTING	SCORE
New bridges constructed	Number of bridges constructed	1	completion certificate and close out report				1	
Installation of streetlights	Number of streetlights installed	50	completion certificate from Eskom				1	
Kilometers of surfaced roads established: Livingstone and Other	Number of km established	8,7km	completion certificate and close out report				2	
New gravel roads constructed	Km of new gravel	10km	Job card and rotation schedule				1	
Houses built	No of houses built	1000					1	
Upgraded sports-fields	No of sports-fields	1					1	

14.2 LOCAL ECONOMIC DEVELOPMENT AND SOCIAL (20)

MEASURABLE OBJECTIVES/OUTPUT	KPI's	TARGET	MEANS OF VERIFICATION	ACHIEVED /NOT ACHIEVED/ PARTIALLY ACHIEVED	ACTUAL	COMMENT	WEIGHTING	SCORE
Facilitate the empowerment of coops and SMME's	% of progress in the empowerment	100	Number of coop and SMME'S assisted				7	



14.3 INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT (20)

MEASURABLE OBJECTIVES/OUTPUT	KPI's	TARGET	MEANS OF VERIFICATION	ACHIEVED /NOT ACHIEVED/PARTIALLY ACHIEVED	ACTUAL	COMMENT	WEIGHTING	SCORE
Disciplinary cases	% of completed disciplinary cases for council within 3 months	100%	Reports from the prosecutor.				2	
Review IDP 2013/14 by date of adoption	Date reviewed and adopted	Jun-14	Council resolution and IDP				2	
Develop and adopt OPMS for 2014-15 by date	Date of Adoption	30-Jun-14	Council Resolution				2	
Develop and adopt SDBIP 2014-15	Date of adoption	30-Jun-14	Council Resolution and the SDBIP				2	
Quarterly Performance Reports	4 Quarterly Performance Reports	4	Council Resolution and the quarterly reports				2	
Compile and submit Annual Performance Report 11/12to Treasury, COGTA and Auditor General	Date compiled and submitted to Treasury ,COGTA and Auditor General	31-Aug-13	Council Resolution ,Annual performance Report and proof of submission				2	
Facilitate sittings of EXCO	Percentage of EXCO meetings facilitated.	100%	Attendance registers				2	

MEASURABLE OBJECTIVES/OUTPUT	KPI's	TARGET	MEANS OF VERIFICATION	ACHIEVED /NOT ACHIEVED/ PARTIALLY ACHIEVED	ACTUAL	COMMENT	WEIGHTING	SCORE
Facilitate sittings of Council	Percentage of Council meetings facilitated.	100%	Attendance registers				2	
	No MANCO meetings convened	100%	Attendance register Minutes of meetings				2	
Prepare and compile	Date Annual Report Adopted	Feb 2014	Council resolution and MINUTES				2	

14.4 GOOD GOVERNANCE AND COMMUNITY PARTICIPATION ()

MEASURABLE OBJECTIVES/OUTPUT	KPI's	TARGET	MEANS OF VERIFICATION	ACHIEVED /NOT ACHIEVED/ PARTIALLY ACHIEVED	ACTUAL	COMMENT	WEIGHTING	SCORE
Clean audit report	Reduction in the number of audit queries	100%					2	
MTAS	% of targets achieved from the MTAS	100%	Quarterly reports.				1	
Policy Review and development	No. of municipal policies reviewed	10	Copies of resolutions				1	
	No of municipal policies developed	5	Copies of resolutions				1	

MEASURABLE OBJECTIVES/OUTPUT	KPI's	TARGET	MEANS OF VERIFICATION	ACHIEVED /NOT ACHIEVED/ PARTIALLY ACHIEVED	ACTUAL	COMMENT	WEIGHTING	SCORE
Develop Fraud Prevention Plan	% Compliance to requirements of Plan	100	Council Resolution and Fraud prevention Strategy				1	
Fraud Prevention awareness Programme conducted– Internally & Externally	Number of awareness programmes conducted	3	attendance register				1	
Facilitate the sitting of MPAC	Number of meetings facilitated	4	Minutes and attendance register				1	
Facilitate the sitting of Audit Committee	Number of meetings facilitated	2	Minutes and attendance register				1	
Annual Internal Audit Plan	% of projects identified from the Risk Register	100	report and minutes				1	
Assessment of Internal Audit	Evaluation Report by 30 June 2013	30 June 2014	Resolution and Reports				1	
Assessment of Audit Committee and PAC	Evaluation Report by 30 June 2013	30 June 2014	Resolution and Reports				1	
Develop Risk Management Policy & Strategy	4 meetings p.a	4	Resolution and Reports				1	
Sign S57 Performance Agreements	Number of agreement signed	3	Signed agreements				1	
	Date signed	July 2013	Copy of agreements					
Monitor & Evaluate	Number of %	100%	MANCO Resolution				1	

MEASURABLE OBJECTIVES/OUTPUT	KPI's	TARGET	MEANS OF VERIFICATION	ACHIEVED /NOT ACHIEVED/ PARTIALLY ACHIEVED	ACTUAL	COMMENT	WEIGHTING	SCORE
progressive implementation of Plan of Corrective Measures for Regularity Audit.	Complete by 30 June 2014	completed by 30 June 2014	and Reports					
Monitor & Evaluate progressive implementation of Plan of Corrective Measures for Performance Audit	Number of % Complete by 30 June 2014	100% Complete by 30 June 2014	MANCO Resolution and Reports				1	
Implementation of Audit Process Plan and Timetable	Date implemented	August 2014	Report and minutes				1	

14.5 FINANCIAL VIABILITY AND MANAGEMENT (23)

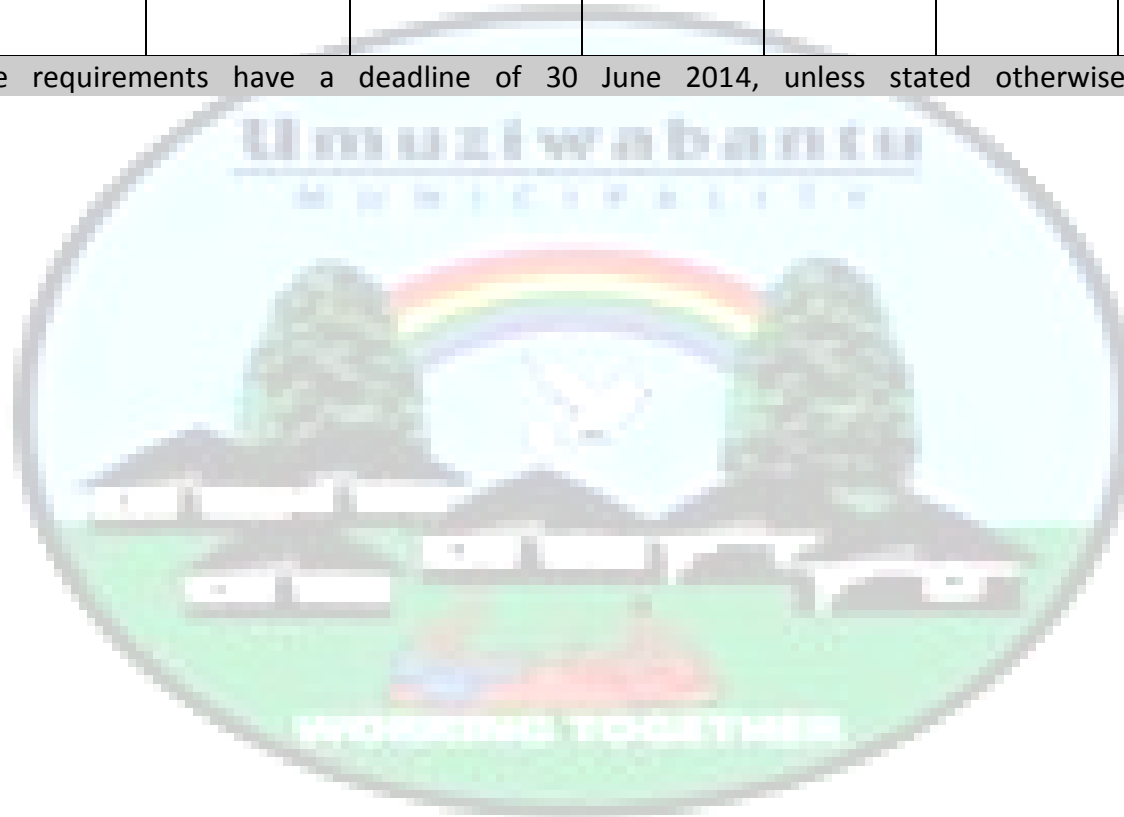
MEASURABLE OBJECTIVES/OUTPUT	KPI's	TARGET	MEANS OF VERIFICATION	ACHIEVED /NOT ACHIEVED/ PARTIALLY ACHIEVED	ACTUAL	COMMENT	WEIGHTING	SCORE
Review of revenue enhancement	May-13	N/A	Council Resolution and the Revenue				1	

MEASURABLE OBJECTIVES/OUTPUT	KPI's	TARGET	MEANS OF VERIFICATION	ACHIEVED /NOT ACHIEVED/ PARTIALLY ACHIEVED	ACTUAL	COMMENT	WEIGHTING	SCORE
Strategy(measure by date of adoption			Enhancement Strategy					
Implement a debt collection and credit control policy	% Implementation of a debt collection and credit control policy	50%	Monthly Reports , Incl Debt Recovery Stats and extracts of relevent documentation				1	
Review of a debt collection and credit control policy (measure by date	Aug-14	Aug-14	Council Resolution and debt and credit control policy				1	
% Implementation of rates policy	Aug-14	100%	Billings Reconciliation , Indigent Information				1	
Review of rates policy	May-14	0	Council Resolution and rates policy				1	
% of implementation of asset management framework	01-Jun-14	25%	Minutes of Asset Committee , Report on Complaine with Framework.				1	
% of repairs and maintenance budgeted for against asset base	2%		Approved Budget				1	
Establishment of a functional Asset Management Committee (date est)	Sep-14	30-Sep-14	Terms of Refrence , Committee Minutes				1	
%age Compliance with S 71 MFMA -	100% compliance	100%	National Treasury Return Forms				1	

MEASURABLE OBJECTIVES/OUTPUT	KPI's	TARGET	MEANS OF VERIFICATION	ACHIEVED /NOT ACHIEVED/ PARTIALLY ACHIEVED	ACTUAL	COMMENT	WEIGHTING	SCORE
Budget returns(how many reports per quarter) What about S72 reports								
%age Completion of Adjustment Budget Date of Approval of final budget	100%	0%	Council Resolution				1	
	31-May-14	N/A	Council Resolution and the Annual Budget				1	
Total of capital expenditure for MM,s Office Department) spent by percentage	Percentage spent	100%					2	
Avoid overspending of Operational expenditure by percentage	Percentage of overspending	0%					2	
Avoid Unauthorized expenditure by rand value	Rand value of unauthorized expenditure avoided	R0,00					2	
Avoid irregular expenditure by rand value	Rand value of irregular expenditure avoided	R0,00					2	
Avoid fruitful and wasteful expenditure by rand value	Rand value of fruitful and wasteful expenditure avoided	R0,00					2	
Total of grant expenditure spent pro-rata to year under review and in	Percentage spent	100%					2	

MEASURABLE OBJECTIVES/OUTPUT	KPI's	TARGET	MEANS OF VERIFICATION	ACHIEVED /NOT ACHIEVED/ PARTIALLY ACHIEVED	ACTUAL	COMMENT	WEIGHTING	SCORE
terms of conditions of the grant by percentage								

NB: All performance requirements have a deadline of 30 June 2014, unless stated otherwise in the requirement.



14. CORE COMPETENCIES REQUIREMENTS (CCRs)

SELECTED CORE COMPETENCIES REQUIREMENTS:

CORE COMPETENCIES REQUIREMENTS (CCRs) FOR EMPLOYEES (CCR)				
CORE MANAGERIAL AND OCCUPATIONAL COMPETENCIES	Indicate Choice by	Weight		Score
CORE MANAGERIAL COMPETENCIES	✓			
15.1 Financial Management	compulsory			
15.2 People Management and Empowerment	compulsory			
15.3 Client Orientation and Customer Focus	compulsory			
15.4 Knowledge Management				
15.5 Change Management				
15.6 Programme and Project Management				
15.7 Communication				
15.8 Strategic Capability and Leadership				
15.9 Service Delivery Innovation				
15.10 Problem Solving and Analysis				
15.11 Honesty and Integrity				
CORE OCCUPATIONAL COMPETENCIES				
15.12 Knowledge of Developmental Local Government	✓			
15.13 Knowledge of Performance Management and Reporting				

15.14 Competence in Self Management				
15.15 Knowledge of global and South African specific political, social and economic contexts				
15.16 Interpretation of and implementation within the legislative and national policy frameworks				
15.17 Competence in policy conceptualization, analysis and implementation				
15.18 Knowledge of more than one functional municipal field/ discipline				
15.19 Skills in Mediation				
15.20 Skills in Governance				
15.21 Competence as required by other national line sector departments				
15.22 Exceptional and dynamic creativity to improve the functioning of the municipality	✓			
Total				

ANNEXURE "B"

PERSONAL DEVELOPMENT PLAN

NAME : S.D. MBHELE

JOB TITLE : MUNICIPAL MANAGER

EMPLOYER : UMUZIWABANTU LOCAL MUNICIPALITY



COMPETENCY TO BE ADDRESSED	PROPOSED ACTIONS	RESPONSIBILITY	TIME-FRAME	EXPECTED OUTCOME

1. OBLIGATIONS OF THE EMPLOYER (KEY ASSUMPTIONS)

1.1 Office Accommodation

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

1.2 Personnel

The employer shall be required to hire support staff to help the Municipal Manager.

1.3 Facilities and Equipment

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

1.4 Other provisions

1.4.1 Approvals

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

1.4.2 Tasks to the Employer

The employer undertakes to execute all crucial activities that fall under his responsibility as required by this contract in order not to derail the continuity of office operations. If there is failure on the employer's part and the Municipal Manager feels that the

attainment of targets of this contract is at stake, the two parties will meet and agree on the way forward.

1.4.3 Substitution of the Municipal Manager

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

2 OBLIGATIONS OF THE MUNICIPAL MANAGER

2.1 Conditions of service

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

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

2.1.1.2 Advise the Mayor on all matters including progress made in the implementation of the annual service delivery and budget implementation plan.

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

2.1.1.4 Ensuring that the municipality's assets are in a good working condition.

2.1.1.5 Provision of high quality service within the municipality in a cost effective manner within agreed time frames.

2.1.1.6 Completing and submitting performance reports for the *municipality*, to Council on a quarterly basis for information and reviewal purposes.

2.1.1.7 Assessing performance reports for designated staff where necessary.

2.1.1.8 Preparation of the Municipality's budget and once approved, adhering to it.

2.1.1.9 Implementing strategies to improve the reporting systems of the municipality.

2.1.1.10 Attending meetings and other occasions on behalf of the Municipality.

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

2.1.3 Making recommendations to Council to appoint staff in the municipality's function as the need arises where applicable.

2.1.4 Determining the optimum staff level necessary for the accomplishment of targets and advising the employer on reduction or increase of staff in the organisation. Staff restructuring or reduction will utilize the existing municipal 'staff pool' as will be mutually agreed between the employer and the Municipal Manager in fulfillment of the current staff reduction/retainment policy. If such staff is to be laid off due to the staff reduction policy, the cost of severance and other terminal benefits shall be borne by the employer as required by the Labour Laws of RSA.

2.2 Standard of Service

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

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

2.3 Supervision of Personnel in the Municipality

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

2.4 Targets and Milestones

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

2.4.2 The Municipal Manager undertakes to achieve the organisational targets, which shall be directly related to the expected improvement in the level of services and therefore improvement in the quality of life within the municipality. The organisational targets are those defined as performance requirements in Section 3 of this contract.

2.5 Reporting

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

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

2.6 Expenditure

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

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

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

2.8 Purchases

2.8.1 The Municipal Manager undertakes to utilize the most recently approved Municipal Supply Chain Management Policy (SCM) to handle all procurement within the municipality, according to the provisions of this contract. No procurement shall be allowed to proceed outside of the approved SCM policy, and the Municipal Internal Audit shall ensure that no payments are effected contrary to this arrangement.

2.9 Books and Records

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

2.10 Financial Procedures

2.10.1 Financial year shall commence on the 1st July 2013 and end on the 30th June 2014, such period defined as the financial year shall be used for purposes of budgets, expenditures, cash flows and other operational requirements.

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

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

2.11 Budget

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

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

2.12 Liability

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

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

3. OTHER PROVISIONS

3.1 Unforeseen conditions

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

Commitment of Management Team reporting directly to the Municipal Manager

We, the Chief Financial Officer, Director: Corporate Services, Director: Technical Services, hereby make this commitment to support the Municipal Manager, Mr. S.D. Mbhele, to achieve targets as set in this performance contract between him and the employer. We understand that his targets are impossible to achieve without our full support and co-operation. We, therefore, accept both our individual and collective responsibilities towards the attainment of the set targets.

1. Signed by

Mis T. Mhlongo
CHIEF FININCIAL OFFICER

2. Signed by

Mr M. GUZOWSKI
DIRECTOR: TECHNICAL SERVICES

3. Signed by

DIRECTOR: CORPORATE SERVICES

