

WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY



PERFORMANCE AGREEMENT: 2024/25

Entered into by and between

WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY

("the Employer ")

Represented by the Municipal Manager: Mr. L. Mahlaka

Duly authorized by the Council

AND

Mrs. S. Sako

["the Employee"]

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ACRONYMS

SDBIP	-	Service Delivery and Budget Implementation Plan
BEE	-	Black Economic Empowerment
BIGM	-	Building Inclusive Green Municipalities
MM	-	Municipal Manager
EXCO	-	Executive Committee
SM	-	Senior Manager
HoD	-	Head of Department
IDP	-	Integrated Development Plan
LED	-	Local Economic Development
MFMA	-	Municipal Finance Management Act, No. 56 of 2003
KPA	-	Key Performance Area
KPI	-	Key Performance Indicators
CCR	-	Core Competency Requirements
RSA	-	Republic of South Africa
SCM	-	Supply Chain Management
NEDLAC	-	National Economic Development and Labour Council
PDP	-	Personal Development Plan
PA	-	Performance Agreement
PP	-	Performance Plan
OPMS	-	Organizational Performance Management System

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DEFINITIONS

Ruling Language - Refers to the language parties to the contract choose to use as a medium for formal communication between themselves.

Financial Year - Refers to the 12-month period which the organization determines as its budget year.

GENERAL PROVISIONS

1. INTRODUCTION

- 1.1 The Employer has entered into a contract of employment with the Senior Manager: Engineering Services, 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 the contract developed in terms of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Senior Manager: Engineering Services reporting to the Municipal Manager representing the municipality, to a set of actions that will secure local government policy goals.
- 1.4 The performance contract is between **Sisekho Sako**, the Senior Manager: Engineering Services, and **Luvuyo Mahlaka**, the Municipal Manager. It is for the 2024/2025 financial year only. The expected performance reflected in the contract is based on the Integrated Development Plan 2022 to 2027, and the 2024/2025 Service Delivery and Budget Implementation Plan. The two afore-mentioned documents have been adopted as the working

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documents of Winnie Madikizela-Mandela Local Municipality and therefore, shall be the basis of performance assessment.

2. STRATEGIC OBJECTIVE

The Senior Manager: Engineering Services has the overall responsibility of ensuring that she shall be, subject to the policy directions of the Municipality, responsible and accountable for administratively being in charge of the Engineering Services department, performing such as electricity services, construction and maintenance of infrastructure, project management and any other functions as may be delegated to her by the Municipal Manager.

In addition to the above, she shall be responsible for ensuring that the municipality has and maintains -

- (i) Coordination and management of engineering and infrastructure functions through ensuring the implementation of policies and plans which are in compliance with the relevant municipal laws: and
- (ii) Ensuring the formation and development of an economical, effective, efficient and accountable department responsible for the provision of engineering and public service.

3. PERFORMANCE BONUS & ANNUAL SALARY ADJUSTMENT

If the Senior Manager: Engineering Services achieves outstanding performance, she shall qualify for the annual performance bonus in accordance with clause 6 of the contract of employment, as amended, entered into between the Municipal Manager and the Senior Manager on 16 October 2023, as well as the results of the performance evaluation agreed to in the 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 the agreement, following the receipt of a report on the Senior Manager: Engineering Services achievement or otherwise of the KPIs as reflected in clause 4 of the contract.

Annexure A as attached has listed Key Performance Areas (KPAs) and Core Competency Requirements (CCRs) that are worth 100 points in total. Each KPA and CCR consists of Key Performance Indicators that have different weightings; which weightings are then converted by the adopted rating calculator into the final weightings; which final weightings are to be assessed. The achievement of above 160 percent shall be regarded as 100% cash bonus warranting, above 130 percent to 160 percent, as average and warranting a proportional percentage of performance bonus, above 80 percent to 130 percent shall warrant some form of in-kind recognition, and below 50 percent, shall require the employer to effect remedial measures that may include an incapacity disciplinary enquiry.

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 the contract; and
- III. Approval of such evaluation by the Municipal Council as a reward for outstanding performance or effective performance.

The increment for 2023/2024 shall be based on the provisions of the Local Government: Municipal Performance Regulations for Municipal Managers directly accountable to Municipal Managers, 2006. The employer shall grant an annual salary adjustment linked to a cost-of-living adjustment based on market indicators, which is not performance based.

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;

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- II. Assessing the extent to which the specified standards or KPIs have been met with due regard 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 as depicted hereunder:

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	Outstanding Performance	Performance far exceeds the standard expected of an employee at the 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 the 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	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.					

The performance bonus payment shall be categorized into two bands with multiple ranges per band.

The first performance bonus (cash rewards) payment band ranges between 5% and 9% of the all-inclusive remuneration package, as follows:

- I. A score of above 130% to 136%, to qualify for a 5% bonus;
- II. A score of above 136% to 142%, to qualify for a 7% bonus;
- III. A score of above 142% to 149%, to qualify for a 9% bonus.

The second performance bonus (cash rewards) payment band ranges between 10% and 14% of the all-inclusive remuneration package, as follows:

- I. A score of 150% to 155%, to qualify for a 10% bonus;
- II. A score of above 155% to 160%, to qualify for a 13% bonus;
- III. A score of above 160%, to qualify for a 14% bonus.

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A performance bonus may not be paid on a pro-rata basis as the bonus is paid annually after complying with the legal requirements captured in the contract and the applicable laws.

The performance achievement ranging from 80% to 130% shall be regarded as fully effective and therefore warranting the employer to acknowledge and or recognize the employee, whichever is necessary. The category of performance acknowledgement and recognition is a non-financial rewards system. It will apply as follows:

- i. A score of 80% to 100%, to receive a letter of acknowledgement and recognition issued by the Municipal Manager;
- ii. A score of above 100% to 120%, to receive a recognition certificate from the Mayor;
- iii. A score of above 120% to 130%, to receive an academic/skills development programme grant to a maximum of R25 000.00 only; there to be paid directly to a learning institution of choice.

The selected programme must be linked to the personal development plan (Annexure B).

A level of performance achievement of below 50% shall warrant the employer to execute corrective measures that may include disciplinary measures due to incapacity.

5. **DEVELOPMENTAL REQUIREMENTS**

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

6. **CONSEQUENCE OF SUBSTANDARD PERFORMANCE**

Where the employer, at any time during the Senior Manager: Engineering Services' employment, is not satisfied with the Senior Manager's performance with respect to any matter dealt with in the Agreement, the employer will give notice to the Senior Manager: Engineering Services to attend a monitoring and review meeting.

The Senior Manager will have the opportunity at the meeting to satisfy the Municipal Manager 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 the contract and all reports and documents pertaining to the contract shall be in English language.

8. TERM OF CONTRACT

The contract shall be deemed to have been entered into on the 1st of July 2024 and will expire on the 30th of June 2025. The parties will conclude a new performance agreement that replaces the Agreement by not later than 31 July 2026. The Agreement will terminate on the termination of the Senior Manager: Engineering Services' contract of employment for any reason.

9. LIMITATIONS OF THE CONTRACT

The contract is an agreement between the employer and the Senior Manager about the expected performance of the latter during the specified term. The contract is subject to the employment contract which the Senior Manager entered into on accepting her position and to South African legislation. In the case of any ambiguity, the employment contract shall prevail over the performance contract. Nothing contained in the Agreement in any way limits the right of the employer to terminate the Senior Manager's contract of employment with or without notice for any other breach by the Senior Manager of her 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 Municipal Manager, and their brief will be to assess the performance of the Senior Manager: Engineering Services in line with the performance requirements as outlined in Annexure A of the contract. Despite the in-year reviews, the employer shall establish an assessment team to conduct an annual performance review; the team shall be composed as follows:

- I. Municipal Manager,
- II. Chairperson of the Audit Committee,
- III. A member of the Executive Committee, and
- IV. Municipal Manager from another municipality.

The Senior Manager: Corporate Services shall provide secretariat services to the assessment team referred to above.

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 Mayor who must settle the case within thirty (30)

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days of receipt of a formal written dispute. The decision of the Mayor shall be deemed final and binding on both parties.

12. JURISDICTION

Regardless of the place of execution, performance or domicile of the parties, the 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 the contract agree that the contract constitutes the whole agreement and arrangement for the performance of the Senior Manager: Engineering Services with effect from 01 July 2024.

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

ANNEXURE A: PERFORMANCE PLAN

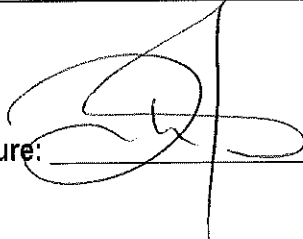
ANNEXURE B: PERSONAL DEVELOPMENT PLAN

APPENDIX 1: COMMITMENT OF MANAGEMENT TEAM

APPENDIX 2: OBLIGATIONS OF THE EMPLOYER

SIGNED at Bizana this 27..... day of July 2024

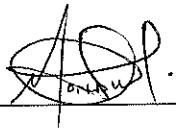
SENIOR MANAGER: ENGINEERING SERVICES


Signature:  _____

Name: Sisekho Sako

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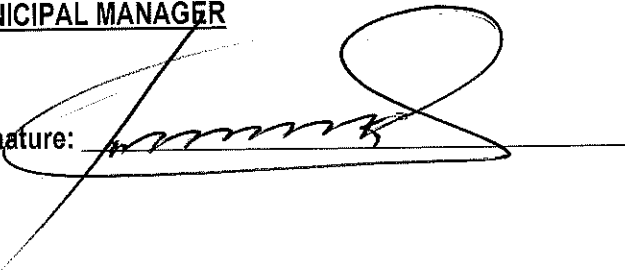
WITNESSES

1. Signature:  Name: MPHO MENDWENI

2. Signature:  Name: THABISILE MSHOBO

FOR AND ON BEHALF OF WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY


MUNICIPAL MANAGER

Signature: 

Name: Luvuyo Mahlaka

WITNESSES

1. Signature:  Name Printed: NONCEDO CIANGI

2. Signature:  Name Printed: BABAWNA MODIKIZELA

ANNEXURE "A"

PERFORMANCE PLAN

14. KEY PERFORMANCE AREAS (KPAS) FOR 2024/2025

14.1 BASIC SERVICE DELIVERY

OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	ANNUAL TARGETS			FINANCIAL IMPLICATIONS	MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY		
To reduce access roads backlog by constructing KMs by end June 2027	2.5	5	Completed construction of KMs of roads. RAS quarterly performance targets.	30 June 2025	Approved design and completed roads	Completed 42,3 km	R 55 686 491.40	Practical Completion Certificates RAS quarterly reports.
To upgrade the state of surfaced roads, stormwater and non-motorised	2.5	5	Upgrading 4,4km of surfaced roads by June 2025	30 June 2025	Completed road maintenance of surfaced roads.	Upgrading 3,4km of surfaced roads, sidewalks and	R14 356 153.80	Completion Certificates

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transport by end June 2027	2.5	5		30 December 2024		stormwater in the CBD	
						Maintaining 1km of surfaced road using alternative surfacing	
To routinely rehabilitate gravel access roads by June 2027	5	10	Completed maintenance and rehabilitation of km of gravel access roads.	30 June 2025	Completed road maintenance according to the maintenance plan and standards.	109,6km maintained	R30 000 000.00
To ensure reliable provision of electricity to the rural community of Winnie Madikizela-Mandela by June 2027	2.5	5	Number of households connected in Winnie Madikizela-Mandela wards. RAS quarterly performance targets	30 June 2025	Energized household connections by Eskom according to Eskom standards and guidelines	647 h/h connected in Winnie Madikizela-Mandela wards	R25 399 093.20
							Completion Certificates
							Completion Certificates RAS quarterly performance reports

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To provide sustainable services of municipal facilities to the communities by June 2027	2.5	5	By constructing 3 Public Amenities	30 June 2025	Complete 1. Construction of 2 Community Halls 2. Construction of multipurpose center at Mphuthumi Mafumbatha Stadium	3 Public Amenities constructed	R18 400 000.00	Completion Certificates
	2.5	5	To maintain rehabilitate and repair 2 buildings structures and related infrastructure by June 2025		Complete 1. Upgrading of municipal guard house 2. Conversion of Council Chambers	2 building maintenance projects undertaken	R3 483 865.20	

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14.2 SPATIAL PLANNING AND LOCAL ECONOMIC DEVELOPMENT

OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	ANNUAL TARGETS				FINANCIAL IMPLICATIONS	MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY			
To promote enterprise development to contribute 10% by June 2027	5	10	Number of local contractors appointed for infrastructure projects	30 June 2025	Development of local contractors	4 local contractors appointed by June 2024	R 1 156 400.00	Appointment letters	
Provide short term EPWP job opportunities to alleviate poverty and unemployment by June 2027	5	10	Number of EPWP Job Opportunities created	30 December 2024	Create 342 EPWP Job Opportunities and monitor expenditure by June 2024	Create 342 EPWP Job Opportunities and monitor expenditure by June 2024	R3 322 000	Contract register, EPWP Monthly report	

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14.3 INSTITUTIONAL TRANSFORMATION AND HUMAN RESOURCE DEVELOPMENT

OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	ANNUAL TARGETS				FINANCIAL IMPLICATIONS	MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY			
Develop & review of Institutional policies	2.5	5	Number of existing policies reviewed	30 June 2025	Approved policies by Municipal Council	2 existing policies reviewed	R 0,00	Copy of approved policies.	
To improve Risk Management to an acceptable level by June 2027	2.5	5	Number of risk management reports and number of risk management committee meetings/ workshops	30 June 2025	Risk register and mitigation plan	2 risk management reports and 2 risk management committee meetings/ workshops	R 0,00	Annual risk management report 2024/25 and attendance registers for committee meetings/ workshops	

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14.4 FINANCIAL VIABILITY

OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	ANNUAL TARGETS				FINANCIAL IMPLICATIONS	MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY			
To achieve 100% billing for all services that are to be billed by June 2027	2.5	5	Increased revenue collection	30 June 2025	Accurate billing of electricity consumption	Auditing of all meters	R 947 700.00	Meter audit report	
To ensure compliance with the Eastern Cape Risk Adjusted Strategy	2.5	5	100% grant expenditure in infrastructure grants	30 June 2025	Compliance with RAS	30% expenditure 30 Sept; 60% Expenditure 30 Dec; 85 % Expenditure 31 March; 100%		Grant Expenditure reports; RAS quarterly report	

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OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	ANNUAL TARGETS			FINANCIAL IMPLICATIONS	MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY		
						Expenditure 30 June		
To pay creditors within 30 days in compliance with the MFMA by June 2027	2.5	5	Monthly Reports	30 June 2025	Compliance with the MFMA	Settlement of all invoices submitted for payment within 30 days	None	Invoice Register
To achieve a Clean Audit	2.5	5	Management of the external audit and audit readiness to achieve clean audit – Attending to 100% of action items on audit action plan	30 June 2025	Audit action plan	2 quarterly reports on progress on implementation of audit action plan	None	Progress report on audit action plan

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14.5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	ANNUAL TARGETS				FINANCIAL IMPLICATIONS	MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY			
To strengthen and enhance public participation mechanism and strategies by June 2027	5	10	Number of project handovers held	30 September 2024	Public participation structures functionality	16 project handovers held	R 0.00	Attendance registers	
To ensure development of a credible IDP - aligned with PMS & Budget by June 2027	5	10	Council resolution on the adoption of the IDP Review for 2024/2025	30 June 2025	Comply with Section 32 of the Municipal Systems Act	Council Approved IDP Review for 2024/2025 by May 2025	R 0, 00	Council resolution on Adoption of final IDP review for 2024/2025	
Total	10	20							

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15. CORE COMPETENCIES REQUIREMENTS (CCRs)

SELECTED CORE COMPETENCIES REQUIREMENTS

- 1) Financial Management (Objective 15.1)
- 2) People Management and Empowerment (Objective 15.2)
- 3) Client Orientation and Customer Focus (Objective 15.3)
- 4) Change Management (Objective 15.4)
- 5) Supply Chain Management (Objective 15.4)

OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	TARGETS			MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY	
15.1 To produce accurate and timeous budgets in line with NT regulations and guideline	5	25	Approved Annual Budgets	31 May 2025	Budgets that meet MFMA Compliance standards	One approved Adjusted Budget 2023/24 and a Budget for 2024/25	Resolutions of Council approving the Adjustment Budget 2023/24 and the 2024/25 Annual Budget
15.2 To ensure that the Municipality recruits, attract and retain experienced individuals	3	15	Advertisement of all budgeted positions which there is intention to fill	30 June 2025	Appointment of qualified personnel	Filled all funded posts	Copy of advertisement and appointment letters

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OBJECTIVES	WEIGHTING	RATING CALCULATOR WEIGHTING %	KPI's	TARGETS			MEANS OF VERIFICATION
				TIME	QUALITY	QUANTITY	
15.3 To improve the quality of services provided to customers	2	10	Customer service register	30 June 2025	Customer satisfaction survey	One Register	Customer enquiries line
15.4 To ensure all resolutions taken by council are implemented	5	25	Council calendar in place and Council Resolution Register	30 June 2025	Reports	Six standing Committee sittings	Minutes and attendance register
15.5 Effective Acquisition Management	5	25	Attend bid committee sittings for all bid committees appointed	30 June 2024	MFMA Compliance	Number of sittings	Registers for bid committee sitting
Total	20	100					

NB: All performance requirements have a deadline of 30 June 2025, unless stated otherwise in the requirements.

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ANNEXURE "B"

PERSONAL DEVELOPMENT PLAN

NAME: SISEKHO SAKO

JOB TITLE: SENIOR MANAGER: ENGINEERING SERVICES

EMPLOYER: WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY

FINANCIAL YEAR: 2024/2025

Competency area to be addressed	Proposed actions	Responsibility	Time-frame	Expected outcome
1. Engineering Management	Receive training in the Occupational Health and Safety Act to attain knowledge on principles of Construction Management	Senior Manager: Corporate Services and Municipal Manager	31 March 2025	Management of construction activities in line with the OHS Act and Construction Regulations
2. Project Management	Annual affiliation fees for ECSA, IMESA, SAICE, ILGM	Senior Corporate Services Manager:	30 December 2024	Professional Affiliation

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APPENDIX 1

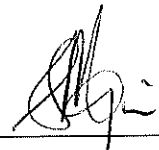
Commitment of Management Team reporting directly to the Senior Manager

We, V. Nontanda (Manager: PMU), S. Songca (Manager: Operations and Maintenance) and V. Mqina (Manager: Electricity) hereby make the commitment to support the Senior Manager, S. Sako, to achieve targets as set in the performance contract between him and the employer. As support managers, 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.

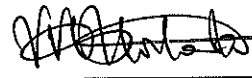
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S. SONGCA 

2. Signed by

V. Mqina 

3. Signed by

V. NONTANDA 

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APPENDIX 2

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 Senior 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 managers reporting directly to the Senior Manager: Engineering Services.

1.3 Facilities and Equipment

1.3.1 During the full period of the performance contract, the employer shall avail to the Senior Manager all existing facilities and equipment which he will need in executing her 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 the contract in order not to derail the continuity of department operations. If there is failure on the employer's part and the Senior Manager feels that the attainment

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

1.4.3 Substitution of the Senior Manager

The employer reserves the right to take appropriate action to replace the Senior Manager: Engineering Services as per employment contract of the Senior Manager.

2 OBLIGATIONS OF THE SENIOR MANAGER

2.1 Conditions of service

2.1.1 The Senior Manager shall be the head of the Engineering Services Department, subject to the conditions of service as stipulated by the employer. The conditions of service of the Senior Manager shall include but not be restricted to:

2.1.1.1 Setting of specific targets for managers reporting to him.

2.1.1.2 Advise Municipal Manager on all matters including progress made in the implementation of the SDBIP.

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

2.1.1.4 Ensuring that the departmental assets are in a good working condition.

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

2.1.1.6 Completing and submitting performance reports for the Department, to the Municipal Manager on a quarterly basis for information purposes.

2.1.1.7 Assessing performance reports for departmental staff where necessary.

2.1.1.8 Preparation of the departmental annual budget and once approved, adhering to it.

2.1.1.9 Implementing strategies to improve the morale of staff.

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2.1.1.10 Attending meetings and other occasions on behalf of the department and the municipality.

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

2.1.3 Making recommendations to the Municipal Manager to hire staff in the Department as the need arises.

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 department. Staff restructuring, or reduction will utilize the existing municipal 'staff pool' as will be mutually agreed between the employer and the Senior *Manager* in fulfillment of the current staff reduction 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.

2.1.5 Carrying out all the necessary departmental staff training as shall be mutually agreed with the employer.

2.2 Standard of Service

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

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2.2.2 Nothing in the Agreement diminishes the obligations, duties or accountabilities of the Senior 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 Senior Manager undertakes to supervise personnel in his department. 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 Senior Manager shall do all in his power to achieve the targets and milestones indicated in the municipal IDP and Performance Management System.

2.4.2 The Senior Manager undertakes to achieve the parent 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 parent targets are those defined as performance requirements in Section 14 of the contract.

2.5 Reporting

2.5.1 The Senior Manager shall submit detailed quarterly reports on the operations of the Department 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 Senior Manager also undertakes to submit any other report/s as required by the employer.

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2.6 Expenditure

The Senior Manager shall be responsible for the implementation of the approved operational and capital budget of the Engineering Services Department.

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

The Senior Manager shall assist the Municipal Manager in the maintenance of assets in the department with the Municipal Manager having no authority to enter into service contracts with service providers to carry out such maintenance.

2.8 Purchases

- 2.8.1 The Senior 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 the contract. No procurement shall be allowed to proceed outside of the approved SCM policy.

2.9 Financial Procedures

- 2.9.1 Financial year shall commence on the 1st of July and end on the 30th of June each year; such period defined as the financial year shall be used for purposes of budgets, expenditures, cash flows and other operational requirements.
- 2.9.2 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 the regard.
- 2.9.3 The Senior Manager must ensure strict adherence of all approved municipal financial policies, including issues of cost effectiveness, cost efficiency and over expenditure.

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2.10 Budget

2.10.1 During the budget process the Senior Manager shall make the necessary submissions to the Budget Office, reflecting the projected financial needs of her department for the following financial year.

2.10.2 The approval of the departmental budget shall constitute the authority to the Senior Manager to incur expenditure accordingly and in line with the performance targets indicated in the performance contract.

2.11 Liability

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

2.11.1 The Senior 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 her department 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 the performance contract. If either party discovers such circumstances, during the course of operation of the performance contract, the matter shall be brought to the attention of the other, in writing. A meeting, whose timing shall be mutually agreed upon, shall then be convened to discuss the outstanding issues. The minutes of such a meeting shall form an addendum to the contract.

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