

PERFORMANCE AGREEMENT

Made and entered into by and between:

THE THEEWATERSKLOOF MUNICIPALITY

("the Municipality")

Represented by the Executive Mayor of the Municipality

and

CONRAD WILHELM VAN HEERDEN

Director: TECHNICAL SERVICES

(herein and after referred as Employee)

FOR THE

PERIOD: 1 JULY 2016 – 31 OCTOBER 2016

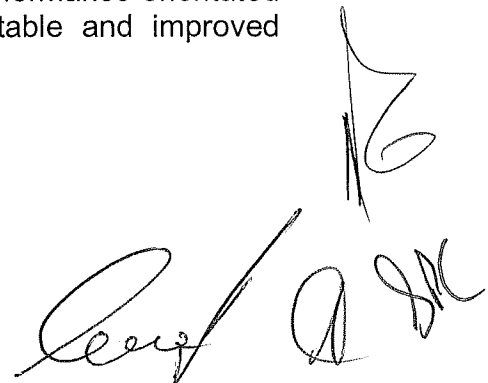
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1. INTRODUCTION

- 1.1 The Employer has entered into a contract of employment with the Employee in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The Employer and the Employee are hereinafter referred as "the Parties".
- 1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties 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 Employees to a set of outcomes that will secure local government policy goals.
- 1.4 The parties wish to ensure that there is compliance with Section 57(4B) and 57(5) of the Systems Act.

2. PURPOSE OF THE PERFORMANCE AGREEMENT IS TO:

- 2.1 Comply with the provisions of Section 57 (1)(b), 4(A), 4(B) and 5 of the Local Government: Municipal Systems Act as well as the employment contract entered into between the parties;
- 2.1 Specify objectives and targets defined and agreed with the employee and to communicate the employers expectations of the employees performance and accountabilities in alignment with the Integrated Development Plan (IDP), Service Delivery Budget Implementation Plan (SDBIP) and the budget of the municipality;
- 2.2 Specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;
- 2.3 Monitor and measure performance against set targeted outputs;
- 2.4 Use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;
- 2.5 In the event of outstanding performance, to appropriately reward the employee; and
- 2.6 Give effect to the employer's commitment to a performance orientated relationship with its employee in attaining equitable and improved serviced delivery.

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NOW THEREFORE the parties record their agreement in writing,

3. PARTIES

3.1 This performance agreement is concluded between the **Theewaterskloof Municipality** herein after referred to as the "municipality" and as the Employer on the one hand; and

3.2 **CONRAD WILHELM VAN HEERDEN** hereinafter referred to as the Director: Technical Services, as the Employee on the other hand.

3.3 The parties as set out in 3.1 and 3.2 above hereby record their agreement in writing.

4 COMMENCEMENT AND DURATION

4.1 The agreement will come into effect on 01 July 2016 and will expire by no later than one month after the commencement of the new financial year of 2016/2017.

4.2 The agreement will terminate on the termination of the employee's contract of employment for any reason.

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

5 CONDITIONS, OBLIGATIONS, PERFORMANCE MANAGEMENT SYSTEM, EVALUATION OF PERFORMANCE AND CONSULTATION PROCESS, MANAGEMENT OF EVALUATION OUTCOMES PROCESS AND DISPUTE RESOLUTION PROCEDURES

As provided for in Government Notice R.805 of August 2006 Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers and Government Notice No 37245 of 17 January 2014.

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6. PERFORMANCE PLAN

As attached as Annexure A to the Agreement.

7. COMPETENCY SECTION

As attached as Annexure B to the Agreement

8. OBLIGATIONS OF THE EMPLOYER

8.1 The Employer shall:

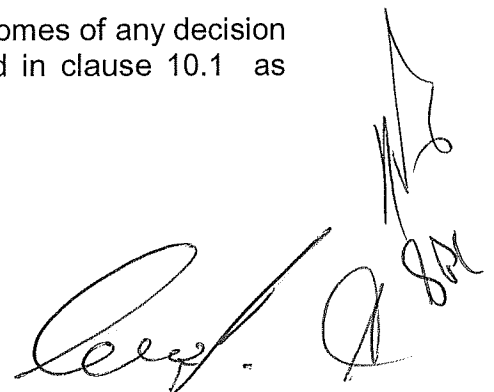
- 8.1.1 Create an enabling environment to facilitate effective performance by the employee;
- 8.1.2 Provide access to skills development and capacity building opportunities;
- 8.1.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee
- 8.1.4 On the request of the Employee delegate such powers reasonably required by the Employee to enable him/her to meet the performance objectives and targets established in terms of this agreement; and
- 8.1.5 Make available to the Employee such resources as the Employee may reasonable require from time to time assisting him/her to meet the performance objectives and targets established in terms of this agreement

9 CONSULTATION

9.1 The employer agrees to consult the Employee timeously where the exercising of the power will have amongst others:

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

9.2 The Employer agrees to inform the Employee of the outcomes of any decision taken pursuant to the exercise of powers contemplated in clause 10.1 as

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soon as is practicable to enable the Employee to take any necessary action without delay.

10 MANAGEMENT OF EVALUATION OUTCOMES

10.1 Where the Employer is, at any time during the Employee's employment, not satisfied with the manager's performance with respect to any matter dealt with in the agreement, the Employer will give notice to the Employee to attend a meeting;

10.2 The Employee will have the opportunity at the meeting to satisfy the Employer of the measures being taken to ensure that his performance becomes satisfactory and any programme, including any dates, for implementing these measures;

10.3 Where there is a dispute or difference as to the performance of the Employee under this agreement, the Parties will confer with a view to resolving the dispute or difference; and

10.4 In the case of unacceptable performance, the Employer shall:

10.4.1 Provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and

10.4.2 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 or her duties.

11 DISPUTE RESOLUTION

11.1 In the event that the Employee is dissatisfied with any decision or action of the Council in terms of this agreement, or where a dispute or difference arises as to the extent to which the employee has achieved the performance objectives and targets established in terms of this agreement, the Employee may within 3 working days meet with the Employer with a view to resolving the issue. The employer will record the of the meeting in writing;

11.2 If the Parties could not resolve the issues within 10 working days, an independent arbiter, acceptable to both Parties, should be appointed to resolve the matter within thirty days; and

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




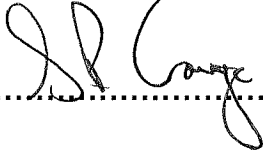
12 GENERAL

- 12.1 The contents of this agreement and the outcomes of any review conducted in terms of Annexure A may be made available to the public by the Employer; and
- 12.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his/her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

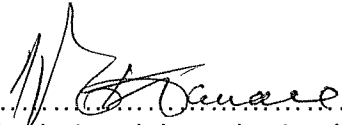
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THUS DONE AND SIGNED at **Caledon** on this 27 day of JULY.....
2016, in the presence of the undersigned witnesses

AS WITNESSES:



1. 
2. 

For and on behalf of the Theewaterskloof Municipality


.....
He/She being duly authorized

THUS DONE AND SIGNED at Caledon on this 27 day of JULY.....
2016, in the presence of the undersigned witnesses.

AS WITNESSES

1. 
2. 


.....
CONRAD WILHELM VAN HEERDEN

THEEWATERSKLOOF MUNICIPALITY

PERFORMANCE PLAN OF TECHNICAL SERVICES
CONRAD VAN HEERDEN – 2016/2017

The outcome of the annual strategic session held the Herberg in September 2015 indicated that the five greatest disappointments over the past 5 years included the collection rate which is still below the target, the rapid growth of the informal settlements, condition of the vehicle fleet the national funding model which does not assist local municipalities to become sustainable and hand in hand the failure to secure funding for the maintenance of infrastructure. TWK therefore needs to focus on these points with specific reference to expectation management dealing with troublesome communities and informal settlements while continuing with maintenance/refurbishment of existing infrastructure.

| Objective | KPI | Performance Standard | Desired Outcome | Weight |
|--|--|--|---|-----------|
| Service Delivery and Stakeholder Relations | | | | 40 |
| Provide support and assist in the improvement of the operation of treatment plants. | Ensuring measures in order to satisfy the permit conditions pertaining to the disposal of effluent into watercourses. | Prepare implementation plans for improvement required at Caledon and Tesselaarsdal treatment plants and enter into SLA with Town Manager By end of November | To ensure compliance with permit conditions of the Department of Water and Sanitation. | 10 |
| <u>Monitoring of compliance by Town Offices</u> Continue the monitoring and auditing system in terms of which compliance and performance of all Towns as the implementation agents of corporate programs can be monitored and remedially responded to | Review current SLAs Review SOPs if necessary Brief all operational and management staff of the implementation agent accordingly. Complete at least two full audits of each of the Town Offices in terms of such requirements Report on findings Provide guidance in taking remedial action and monitor the implementation thereof | By end of September By end of September By end of November End of December and May End of Jan and June Continuous | Guiding, coaching, supporting and overseeing that service delivery of the implementation agents responsible for his portfolio is substantially improved | 5 |

| Objective | KPI | Performance Standard | Desired Outcome | Weight |
|--|--|---|--|-----------|
| <u>Waste Management Interventions</u> Investigate the possibility of a waste to energy plant in conjunction with Overstrand Implementation plan of the waste minimization in Villiersdorp Completion of the upgrade of the Grabouw Waste Transfer Station | Ensuring lower cost to the consumer by generating energy Reducing the amount of waste to landfill Ensuring compliance with Environmental regulations with respect to handling of waste | Report to Management by February Report to Management by November Progress as per project plan by 30 June 2016 – roll over project into 2016/17 | More effective waste management, lower cost and longer life of landfill site Neater more efficient and effective waste handling process | 15 |
| Complete Section 78 investigation to determine the best water supply options for small towns such as RSE, Genadendal and Villiersdorp | Ensuring measures in order to comply with DWS Requirements of Class I Potable Water in sufficient quantity to supply the current and demand for following 20 years. | Report to Management regarding the findings with regard to phase 2 of the process. By end of November | More effective water supply to the communities of smaller towns | 5 |
| <u>Waste water treatment and disposal</u> Investigate the possibility of providing a replacement treatment facility for Greyton | Ensuring compliance with NEMA and Department of W&S with regard to the treatment and disposal of effluent | Report to Management regarding the options available By end of September | | 5 |
| Corporate Governance | | | | 25 |
| SDBIP Compliance | Ensuring compliance with the approved service delivery budget implementation plan | Monthly reporting to be on time Minimum 95% achievement at end of year | Well planned implementation of activities for the year and maximizing value for the community | 15 |
| Legislative Compliance in terms of NEMA | Ensuring compliance with legislation and permit conditions of Waste Water Treatment Plants and Solid Waste Facilities | Risk plans submitted to Management 3 x WWTP risk plans by end of September 3 x Solid Waste risk plans by end March | Well planned operations to ensure timeous identification of possible risks and apply mitigation as required | 10 |

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| Institutional Development and Capacity Development (10) | | | | 10 |
| Minimise the risk of infrastructure collapse | Prioritising critical projects required to ensure sustainability and integrity of infrastructure. | Report to Council by June 2017 | Providing guidelines of what needs to be done to be able to enter into the next 20 years with confidence | 5 |
| Empower the newly elected Council | Ensure that sufficient information is passed on which is necessary to make informed decisions for the next cycle | Presentation at the first strategic planning session of Council and Management Follow-up report to Management regarding changes anticipated after strategic session By end of October | Enabling transition as seamless as possible from the one outgoing Council to the new Council | 5 |
| Financial Viability (20) | | | | 20 |
| Reducing water losses to 25% Implement Year 2 of Water Demand and Water Conservation Plan | Report on progress made with approved plan | Report to management and Technical Services Portfolio Committee at least three times i.e. November, March and June | Need to reduce costs caused by water losses and which needs to be calculated and which will improve the surplus on water revenue | 10 |
| In conjunction with Director: Development assist with streamlining applications and drafting SLA's for developers | Ensure growth of income base | Report to Management progress with interventions in December and June | Increased income which will contribute towards the financial sustainability of the municipality | 10 |
| Local Economic Development (10) | | | | 5 |
| Contributing towards the success of sustainable development in TWK which will ensure job creation and increased revenue | Signed SLA with Manager: Sustainable Development | Report to Management in December and June | Assist in ensuring sound economic growth in the local sector to enhance economy of region | 5 |

COMPETENCY FRAMEWORK STRUCTURE FOR THE 2016/17 YEAR

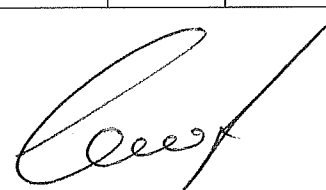

| <i>Core management and occupational competencies</i> | | <i>Mayco</i> | <i>Panel</i> | <i>Choice</i> | <i>Value</i> |
|---|--|--------------|--------------|---------------|--------------|
| Strategic capabilities and leadership | This is about identifying the current undesired and the gap between that and the desired future and working out strategies to transform from where we are to where we would like to be. This in the main deals with the WHAT needs to be done rather than the HOW/WHO/WHEN. It is about the SWOT and considering priorities and setting practical and achievable targets. He needs to understand the risks and obstacles in the way of the strategy and in how to mitigate such strategies | | | 1 | 15 |
| Programme and project management | It is about understanding the problem or the challenge and setting a project plan in place in resolving or meeting a challenge. It deals with scoping of the project, identifying key stakeholders, defining the deliverables, defining the logical steps in respect of HOW, WHEN WHO and putting project capacity in place and managing the obstacles and pitfalls which places the project under risk | | | 2 | 15 |
| Problem Solving and analyses | Correct definition of problem, implications, cause, cause focussed solutions, development of realistic and practical optional solutions and making the right choices. It is about wisdom and actually solving issues which are aimed at the bigger picture and which takes the organisation forward as a whole. Should be holistically thinking and must be able to think at a conceptual level as well. He must also be able to obtain support and cooperation for his solutions | | | 3 | 15 |
| Exceptional and dynamic creativity to improve the functioning of the municipality | His input has made the organisation more effective and efficient and always able to come up with a positive and constructive solution to a challenge faced by the municipality and the organisation. Extremely proactive and innovative in the way he manages his function. Focuses on | | | 4 | 10 |

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|--|---|--|--|----|------------|
| | cause rather than symptom | | | | |
| Financial Management | Here it is in the main his ability and competency in driving the Financial Sustainability turnaround strategy and the financial management rescue plan provided for in his contract | | | 5 | 5 |
| People Management | He must be able to form partnerships and be able to resolve conflict and even prevent destructive conflict. This does not mean that he cannot make a stand. Must be confident, deal with difficult customers and people and must be able to sell a point to a larger audience | | | 6 | 10 |
| Client Orientation | Must be able to establish a customer focus in his department and in the way he looks at policies, strategies, processes and in his problem solving. The customer is always an important consideration during such a process. | | | 7 | 10 |
| Change Management | It is about identifying the need for change in time and accurately, defining the change that is required accurately and manage the change process in an appropriate successful manner. This is in many ways about tactical management, using the most appropriate mechanisms and approach etc. | | | 8 | 10 |
| Interpretation of and implementation within the legislative and national policy frameworks | Here it is about his knowledge of applicable legislation and policy, including that of the Council itself. He is the specialist and his advice, interpretations and application is always sound and results in solutions and prevents non-compliance Understands the process of performance management, keeping his finger on the pulse and diagnostic in his assessments. Picks up early warning signals, proactive and remedial in his action and able take precautionary steps | | | 9 | 5 |
| Performance Management and Reporting | Understands the process of performance management, keeping his finger on the pulse and diagnostic in his assessments. Picks up early warning signals, proactive and remedial in his action and able take precautionary steps | | | 10 | 5 |
| Total | | | | | 100 |
| Total out of 20 | | | | | |
| Total out of 5 | | | | | |
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Summary of Performance Plan rating

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|------------------------|--|--|
| | | |
| Service Delivery | | |
| Corporate Governance | | |
| Institutional Capacity | | |
| Financial Management | | |
| LED | | |
| Total out of 100 | | |
| Total out of 80 | | |
| Total out of 5 | | |

Overall summary of ratings

| | | |
|------------------|-----|-----|
| | | |
| Performance Plan | /80 | /80 |
| Competency | /20 | /20 |
| Total out of 100 | | |
| Total out of 5 | | |

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