Performance Agreement

Made by and entered into between

INGQUZA HILL LOCAL MUNICIPALITY
("the employer")

Represented by the Municipal Manager, Velile Castro Makhedama authorized in terms of Section 57 (2) (c) of the Local Government: Municipal Systems Act No. 32 of 2000

and

Bavuyise Tshitshi
("Senior Manager Infrastructure Development and Municipal Services")

In his capacity as the Senior Manager: Infrastructure Development and Municipal Services

2026/2027 FINANCIAL YEAR

ACRONYMS

SDBIP	-	Service Delivery and Budget Implementation Plan
BEE	-	Black Economic Empowerment
EXCO	-	Executive Committee
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
PDP	-	Personal Development Plan
PA	-	Performance Agreement
PP	-	Performance Plan
OPMS	-	Organizational Performance Management System

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 months period which the organization determines as its budget year.

GENERAL PROVISIONS

1. INTRODUCTION

1.1 The Employer has entered into permanent employment with the Senior Manager: Infrastructure Development and Municipal Services, starting from the 1st of October 2025, 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.

1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Senior Mnager reporting to the Municipal Manager representing the municipality, to a set of actions that will secure local government policy goals.

1.4 This performance contract is between **Bavuyise Tshitshi,** the Senior Manager: Infrastructure Development and Municipal Services, and IHLM represented by **Velile Castro Makedama**, the Municipal Manager. It is for the 2026/2027 financial year only. The expected performance reflected in this contract is based on the Integrated Development Plan 2026/2027 reviewed, and the 2026/2027 Service Delivery and Budget Implementation

V. C

Plan. The two afore-mentioned documents have been adopted as the working documents of Ingquza Hill Local Municipality and therefore, shall be the basis of performance assessment.

2. STRATEGIC OBJECTIVE

The Senior Manager has the overall responsibility of ensuring that he shall be, subject to the policy directions of the Executive Committee of the Municipality, responsible and accountable for administratively being in charge of the Infrastructure Development and Municipal Services Office, performing such road and storm water construction and maintenance, electricity installation and maintenance, maintenance of streets, provision of buildings and maintenance, construction of landfill sites, street lighting, and any other functions as may be delegated to him by the Municipal Manager.

3. SCHEDULE FOR PERFORMANCE REVIEWS

3.1 The performance of the Employee in relation to his or her performance agreement must be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

Quarter	Review Period	Review to be completed by
1	July- Sep	October (informal)
2	Oct- Dec	January- February (Formal)
3	Jan- March	April (informal)
4	April- June	July- August (formal)

3.2 Provided that reviews in the first and third quarter may be verbal if performance is satisfactory.

3.2.1 The Employer must keep a record of the mid-year review and annual assessment meetings, and feedback must be based on the Employer's assessment of the Employee's performance.

3.2.2 The Employer may amend the provisions of the Performance Plan whenever the performance management system is adopted, implemented or amended, provided that the Employee must be consulted before any such change is made.

3.2.3 The work performance and performance review will not be confined and limited to the performance plan, any incidental work outside the performance plan shall be performed and evaluated accordingly.

V. C

4. PERFORMANCE BONUS & ANNUAL SALARY ADJUSTMENT

If the Senior Manager 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 Senior Manaher: Infrastructure Development and Municipal Servces on **01 July 2026**, 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 Director's achievement or otherwise of the KPIs as reflected in clause 4 of this contract.

Annexure A attached has listed Key Performance Areas (KPAs) and Core Competency Requirements (CCRs) that are worth 200 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% bonus warranting, above 130 percent to 160 percent, as average and warranting a proportional percentage of a 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 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 this contract; and
III. Approval of such evaluation by the Municipal Council as a reward for outstanding performance or effective performance.

The increment for 2026/2027 shall be based on the provisions of the Local Government: Municipal Performance Regulations for Municipal Managers directly accountable to

V. C

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.

5. 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 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 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.					

V. C

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 categorised in two bands with some 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.

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 this 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. This 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;

V. C

iii. A score of above 120% to 130%, to receive an academic/skills development programme grant to a maximum of R20 000.00 only; this 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.

6. DEVELOPMENTAL REQUIREMENTS

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

7. CONSEQUENCE OF SUBSTANDARD PERFORMANCE

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

The Director 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.

8. 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.

9. TERM OF CONTRACT

This contract shall be deemed to have been entered into on the 1st of July 2026 and will expire on the 30th of June 2027. The parties will conclude a new performance agreement that replaces this Agreement by not later than 31 July 2027. This Agreement will terminate on the termination of the Director's employment for any reason.

V. C

10. LIMITATIONS OF THE CONTRACT

This contract is an agreement between the employer and the Senior Manager about the expected performance of the latter during the specified term. This contract is subject to the employment contract which the Senior 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 Senior Manager's contract of employment with or without notice for any other breach by the Senior Manager of his obligations to the Municipality or for any other valid reason in law.

11. MONITORING AND EVALUATION

The monitoring and performance reviews for each quarter as determined in the Local Government: Municipal Performance Regulations for Municipal Managers and Senior Managers directly accountable to Municipal Managers 2006, shall be comprised of the Municipal Manager, and his brief will be to assess the performance of the Senior 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 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 Corporate Services Senior Manager shall provide secretariat services to the assessment team referred to above.

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

V. C

13. 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.

14. WHOLE AGREEMENT

The parties to this contract agree that this contract constitutes the whole agreement and arrangement for the performance of the Senior Manager with effect from 01 July 2026.

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 annexures and 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: COMMITMENT OF MANAGEMENT TEAM
APPENDIX 2: OBLIGATIONS OF THE EMPLOYER

SIGNED at PLAQSTAFF this 21 day of JULY 2026

SENIOR MANAGER

Signature: _____

Name Printed: DAVHANA ISHITOLI

WITNESSES

1. **Signature:** _____ Name Printed: Ongezwa Magxaba

2. **Signature:** _____ Name Printed: N.L. Ntlangano

V.C

FOR AND ON BEHALF OF INGQUZA HILL LOCAL MUNICIPALITY

MUNICIPAL MANAGER

Signature: _____

Name Printed: V.C Makedama

WITNESSES

1. **Signature:** _____ Name Printed: A. Hloma

2. **Signature:** _____ Name Printed: A. Sico

V.C

ANNEXURE "A"

PERFORMANCE PLAN

3. KEY PERFORMANCE AREAS (KPAS) FOR 2026/2027

KEY PERFORMANCE AREA	WEIGHTING
Basic Service Delivery & Social Service	55%
Municipal Institution Development and Transformation	5%
Local Economic Development	2,5%
Municipal Financial Viability and Management	20%
Good Governance and Public participation	17,5%
Total	**100%**

V.C

15. KEY PERFORMANCE AREAS (KPAS) FOR 2026/2027p

1. Basic Services KPA 55%

OBJECTIVE	PROJECT	BASELINE	KPI's	TARGETS					BUDGET	Means of verification	WEIGHTING 60%
				ANNUAL TARGET	Quarter 1	Quarter 2	Quarter 3	Quarter 4			
To provide basic service delivery through infrastructure development plan in an environmentally friendly manner	Construction of 19km of access roads 5km Chwechwela Access road in ward 22, 4km Ngibe Access road in ward 21, 5km New Rest to Khonjwayo Access road in ward 19and 5km Mkhamela to Makolonini Access road in ward 25 by 30 June 2027	Designs in Place	1.81.19. % Completion of construction of 19km of access roads 5km Chwechwela Access road in ward 22, 4km Ngibe Access road in ward 21, 5km New Rest to Khonjwayo Access road in ward 19and 5km Mkhamela to Makolonini Access road in ward 25 by 30 June 2027	100%	**Stage 3 (40%)** Installation of pipes by 30 September 2026	**Stage 4(60%)** tipping of gravel, processing of gravel by 31 December 2026	**Stage 5(80%)** Construction of headwalls and installation of road signs by 31 March 2027	**Stage 6 (100%)** Completion of works by 30 June 2027	R19.259.817,02	Appointment letter, signed monthly progress report, and Practical completion certificate	**5%**
To provide basic service delivery through infrastructure development plan in an environmentally friendly manner	Constructions of 10m long Chwechwela bridge in ward 22 and Ngibe 12m long bridge road in ward 21 by 30 June 2027	Designs in Place	1.87.66 % Completion of construction of 10m long Chwechwela bridge in ward 22 and Ngibe 12m long bridge road in ward 21 by 30 June 2027	100%	**Stage 2 (40%)** Base Foundation slab by 30 September 2026	**Stage 3 (60%)** Columns and top slab complete by 31 December 2026	**Stage 5(80%)** Construction of wingwalls by 31 March 2027	**Stage 6 (100%)** Completion of works by 30 June 2027	R5.581.176,78	Monthly reports Practical Completion Certificate	**2,5%**
To provide basic service delivery through infrastructure development plan in an environmentally friendly manner	% Construction of 10km Surfacing of Flagstaff Internal Streets-Phase 2 in Ward 06 Flagstaff Town and Lusikisiki Internal Streets-Phase 3 in ward 15 by 30 September 2026	Phase 1 completed in Flagstaff and Phase 1 and Phase 2 completed in Lusikisiki	1.03.3 % completion of construction of 10km Surfacing of internal streets.4km Flagstaff Internal Streets-Phase 2 in Ward 06 Flagstaff Town and 6km Lusikisiki Internal Streets-Phase 3 in ward 15 by 30 September 2026	100%	**Stage 6 (100%)** Completion of works by 30 September 2026	N/A	N/A	N/A	**R17.300.000,00**	Signed Monthly reports Practical Completion Certificate	**5%**
To provide basic service delivery through infrastructure development plan in an environmentally friendly manner	% Construction of 2,4km of Lusikisiki by-pass in ward 19 by 30 June 2027	New Project	1.34.71 % Completion of Construction of 2,4km of Lusikisiki by-pass in ward 19 by 30 June 2027	100%	**Stage 1 (10%) -** Appointment of contractor and Site Establishment by 30 September 2026	**Stage 3 - (40%) -** Installation of pipe culverts complete by 31 December 2026	**Stage 5 -** (80%) - Kerbing, Asphalt and Protection works complete complete	**Stage (7) 100% -** Project on Practical Completion by 30 June 2027	R29.253.000,00	Appointment Letter, Signed Monthly Reports with Photos and Completion certificate	**2,5%**

							by 31 March 2027				
To provide basic service delivery through infrastructure development plan in an environmentally friendly manner	% Construction of 24km of access roads: 4km Bantini to Mangweni Access Road in Ward 14,5km Njombela via Ntlavukazi Access Road in Ward 24, 5km Mxhopho Access Road in Ward 29, 5km Khathazweni to Lujecweni Access Road in Ward 30, 5 km Mavaleleni Access Road in Ward 32 by 30 June 2027	Registered in MIG-MIS System	1.81.20. % Construction of 24km of access roads: 4km Bantini to Mangweni Access Road in Ward 14, 5km Njombela via Ntlavukazi Access Road in Ward 24, 5km Mxhopho Access Road in Ward 29, 5km Khathazweni to Lujecweni Access Road in Ward 30, 5 km Mavaleleni Access Road in Ward 32 by 30 June 2027	10%	N/A	N/A	N/A	**Stage 1 (10%) -** Appointment of contractor and Site Establishment by 30 June 2027	R1.000.000,00	Signed Monthly Reports and appointment Letter	**2,5%**
To provide basic service delivery through infrastructure development plan in an environmentally friendly manner	% Constructions of 2 bridges(8m long) at Bantini to Mangweni in ward 14 by 30 June 2027	Registered in MIG-MIS System	1.81.3 % Constructions of 2 bridges (8m long) at Bantini to Mangweni in ward 14 by 30 June 2027	10%	N/A	N/A	N/A	**Stage 1 (10%) -** Appointment of contractor and Site Establishment by 30 June 2027	R200.000,00		**2,5**
To provide basic service delivery through infrastructure development plan in an environmentally friendly manner	% Construction of 2 bridges (12m long) Mavaleleni in ward 32 by 30 June 2027	Registered in MIG-MIS System	1.81.4 % Construction of 2 bridges (12m long) Mavaleleni in ward 32 by 30 June 2027	10%	N/A	N/A	N/A	**Stage 1 (10%) -** Appointment of contractor and Site Establishment by 30 June 2027	R200.000,00	Signed Monthly Reports and appointment Letter	**2,5**
To provide basic service delivery through infrastructure development plan in an environmentally friendly manner	% Construction of 2400m2 Khathazweni Sports Field in ward 30 and 2400m2 Kwadiki Sports Field in ward 17 by 30 June 2027	Registered in MIG-MIS System	1.06.19.% Completion of 2400m2 Khathazweni Sports Field in ward 30 and 2400m2 Kwadiki Sports Field in ward 17by 30 June 2027	10%	N/A	N/A	N/A	**Stage 1 (10%) -** Appointment of contractor and Site Establishment by 30 June 2027	R400.000,00	Signed Monthly Reports and appointment Letter	**2,5**
To provide basic service delivery through infrastructure development plan in an environmentally friendly manner	% Construction of Landfill Site in Flagstaff in ward 6 by end 30 June 2027	New Project	1.75.64 % Completion of Construction of Landfill Site in Flagstaff by end 30 June 2027	10%	N/A	N/A	N/A	**Stage 1 (10%) -** Appointment of contractor and Site Establishment by 30 June 2027	R7.000.000,00	Signed Monthly Reports and appointment Letter	**2,5**
To provide basic service delivery through infrastructure development plan in an environmentally friendly manner	Rehabilitation of 4000m2 Surfaced Roads (Pothole patching) in ward 6,15 and 19 in Lusikisiki and Flagstaff Town by 30 June 2027	53 141m² rehabilitated	1.35.45% completion of 4000m2 surfaced road (pothole patching) in Ward 06,15 and 19 in Lusikisiki and Flagstaff Town by 30 June 2027	100%	**Project at (25%)** 750m2 rehabilitated by 30 September 2026	**Project at (50%)** Rehabilitation of 2000m2 by 31 December 2026	**Project at (75%)** Rehabilitation of 3000m2 by 31 March 2027	**Project at (100%)** Rehabilitation of 4000m2 by 30 June 2027	R6.000.000,00	Signed Monthly Reports and Completion Certificate	**2.5%**

V.C

To provide basic service delivery through infrastructure development plan in an environmentally friendly manner	Rehabilitation of Mbhayi 10m long Bridge in ward 4 and Rehabilitation of Nzaka 15m long Bridge in ward 11 by 30 June 2026	Project at 90%	1.1.5.3 % Completion of Rehabilitation of 10m long Mbhayi Bridge in ward 4 15m long Nzaka Bridge in ward 11by 30 September 2026	100%	**Stage 6 (100%)** wing walls, protection works and road signs complete and project complete by 30September 2026	**N/A**	**N/A**	**N/A**	**R2,837,688.94**	Signed Monthly Reports and Completion Certificate	**2,5%**
To provide basic service delivery through infrastructure development plan in an environmentally friendly manner	Construction of 0,23ha of Ward 2 Multipurpose Sports Field - Phase 2 in Mavaleleni Village in Ward 2 by 31 March 2027	Project is 80% complete	1.96.12% completion of 0,23ha of Ward 2 Multipurpose sports field - Phase 2 at Mavaleleni by 31 March 2027	100%	**N/A**	**N/A**	**Project at 100%** Landscaping and Project completed by 31 March 2027	**N/A**	R8,300,000.00	Signed Monthly progress reports and Practical completion Certificates	**2,5%**
To provide basic service delivery through infrastructure development plan in an environmentally friendly manner	Construction of Zone 5 0,11ha Sports Field at Malangeni village in Ward 16 by 31 December 2026	Project at 30%	1.06.19 % Completion Zone 5 0,11ha Sports Field at Malangeni village in Ward 16 by 30 June 2027	100%	**Project at (80%) Installation** of artifial turf and line markings by complete 30 September 2025	**Project at (100%)** Change rooms, guard house, ground, soccer pitch goal posts and project complete 31 December 2026	N/A	N/A	R5.591.000,00	Signed Monthly report and Completion certificate.	**2,5%**
To provide basic service delivery through infrastructure development plan in an environmentally friendly manner	Construction of 7440 m2 of Lusikisiki Municipal Offices in Ward 19 by 30 June 2027	Procurement Stage	1.13.49 % Completion of Lusikisiki Offices in Ward 19 by 30 June 2027	40%	N/A	N/A	**Stage 1 (10%) -** Appointment of contractor and Site Establishment by 31 March 2027	**Stage 2 (40%) -** Site layout and earthworks completed by 30 June 2027	R25.000.000,00	Signed Monthly progress reports	**2,5%**
To provide basic service delivery through infrastructure development plan in an environmentally friendly manner	Installation of 10 high mast lights at ward 7,8,19,21,22,23,24,26,28 and 29 by 30 June 2027	96 High Mast Ligh Installed	1.17.24 Completion of Installation of 10 high mast lights at ward 7,8,19,21,22,23,24,26,28 and 29 by 30 June 2027	100%	**Stage 1 (10%) -** Appointment of contractor and Site Establishment by 30 September 2026	**Project at 50%-** Installation of 5 high mast lights by 31 December 2026	**Project at 90%-** Installation of 9 high mast lights by 31 March	**Projects at 100% -** All High Mast lights installed by 30 June 2027	R10.000.000,00	Appointment Letter, Signed monthly report, and Completion certificate	**5%**

V.C

							2027				
To provide basic service delivery through infrastructure development plan in an environmentally friendly manner	Construction of 6km Nkunzimbini/Ntlavukazi link line Ward16 and 24 by 31 March 2027	59 211 household Energized	1.93.08 % Completion of Construction of 6km Nkunzimbini/Ntlavukazi link line, Ward16 and 24 by 31 March 2027	100%	**Stage 1 (10%) -** Appointment of contractor and Site Establishment by 30 September 2026	**Project at 40% - Stringing** and tensioning completed by 31 December 2026	**Project at 100%** - labeling and inspection completed by 31 March 2027	N/A	R2.700.000,00	Appointment Letter, Signed monthly report, and Completion certificate	**5%**
To provide basic service delivery through infrastructure development plan in an environmentally friendly manner	Construction of the 3 km Hombe link line, Ward 20, by 31 March 2027	59 211 household Energized	1.93.08% Completion of Construction of 3km Hombe link line Ward 20 by 31 March 2027	100%	**Stage 1 (10%) -** Appointment of contractor and Site Establishment by 30 September 2026	**Project at 40% -** Stringing and tensioning completed by 31 December 2026	**Project at 100%** - labeling and inspection completed by 31 March 2027	No Target	R1.350.000,00	Appointment Letter, Signed monthly report, and Completion certificate	**5%**

2. MUNICIPAL INSTITUTION DEVELOPMENT & TRANSFORMATION 5%

OBJECTIVE	PROJECT	BASELINE	KPI's	TARGETS					BUDGET	MEANS OF VERIFICATION	WEIGHTING
				ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4			5%
To ensure municipal transformation and organizational development	Training and workshops for municipal employees	There are yearly MIG and INEP workshops and trainings that the departments provide	1.2.1 Number of training and workshops completed	4 completed trainings or workshops	1	1	1	1	N/A	Attendance Registers	2,5%
To ensure municipal transformation and organizational development	Signing of performance contract	Reporting time frames set	1.2.4. Signing of Performance Agreement	1	1	N/A	N/A	N/A	N/A	Signed performance agreement	2,5%

V.C

3. LOCAL ECONOMIC DEVELOPMENT 2,5%

Objective	PROJECT	BASELINE	KPI's	TARGETS					BUDGET	MEANS OF VERIFICATION	WEIGHTING
				ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4			2,5
To promote Local Economic Development	Construction of Information Centre in Lusikisiki (Ward 15) by 30 June 2027	New project	6.53.15% Completion of Lusikisiki Information Centre (220m2) in Ward 15 by 30 June 2027	100%	**Stage 1 (10%) -** Appointment of contractor and Site Establishment by 30 September 2026	**Project at 40%** (Stage 2) Eathworks, Foundations by December 2026	**Project at (80%) - Stage 5** Superstructure, Plumbing, Electricity by 31 March 2027	**Project at 100%** (Stage 6) - Finishes, Landscaping 30 June 2027	R4.000.000,00	Signed Monthly progress reports and Practical completion Certificates	2,5%

4. MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT 20%

PROJECT	BASELINE	KPI's	TARGETS					BUDGET	MEANS OF VERIFICATION	WEIGHTING
			ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4			20%
100% of MIG expenditure	Allocation for the 2026/27 financial year R 73 702 000.00	1.4.1. Percentage of MIG expenditure	100% expenditure of 73 702 000.00	25%	50%	75%	100%	67 757 000.00	MIS Expenditure report	5%
100% Disaster Grant Expenditure	Allocation for the financial year R 31 300 000.00	1.4.2 Percentage of Disaster expenditure	100% expenditure of R 31 300 00.00	25%	50%	75%	100%	8 114 000.00	Signed expenditure report	5%
100% INEP Grant Expenditure	Allocation for the 2026/27 financial year R 6 739 000.00	1.4.3 Percentage of INEP expenditure	100% expenditure of R 7 739 000.00	25%	50%	75%	100%	7 841 595,17	Signed expenditure report	5%
Implementation of activities in the procurement plan based on timely submission	Procurement plan was implemented monthly in 2026/27 financial year	4.87.01 % Implementation of procurement plan	100%	R0.00	25%	50%	75%	100%	Quarterly progress report on procurement plan	5%

5. GOOD GOVERNANCE AND PUBLIC PARTICIPATION 17,5%

PROJECT	BASELINE	KPI's	TARGETS					BUDGET	MEANS OF VERIFICATION	WEIGHTING
			ANNUAL TARGET	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4			17,5%
Submission of 12 Monthly reports to MANCO	Reporting time frames set	1.5.1. Number of monthly reports submitted	12 reports submitted	3	3	3	3	N/A	Submitted Monthly Reports	5%
Submission of 4 Quarterly reports to MANCO	Reporting time frames set	1.5.2. Number of quartely reports submitted	4 reports submitted	1	1	1	1	N/A	Adopted reports	2,5%
Submission of Annual reports to MANCO	Reporting time frames set	1.5.3 Number of annual reports submitted	1 reports submitted	1	NA	N/A	N/A	N/A	Adopted reports	2,5%
Quarterly sittings of Portfolio committees	Reporting time frames set	1.5.2 Proper reporting to functional committees	4	1	1	1	1	N/A	Portfolio Committee resolution noting the reporting levels of the department to Council meetings	2,5%
Monthly sitting of departmental meetings	Reporting time frames set	1.5.4. Effectively managed department and sitting of departmental meetings	12	3	3	3	3	N/A	Minutes of departmental meetings	2,5%
Number of Risk monitoring tools submitted	Approved risk management implementation plan for 2026/27 financial year	1.5.5. Number of Risk monitoring tools submitted	4	1	1	1	1	N/A	Risk monitoring tool	2,5%

Total =100%

16. CORE COMPETENCIES REQUIREMENTS (CCRs) SELECTED CORE COMPETENCIES REQUIREMENTS

The CCRs will make up the other 20% of the employee's assessment score. CCR's that are deemed to be most critical for Employe's specific job should be selected from the below as agreed to between the **Employer** and **Employee**.

CORE COMPETENCY REQUIREMENTS (CCR FOR EMPLOYEES		
CORE MANAGERIAL COMPETENCY (CMC)		**WEIGHT**
Strategic Capability and Leadership	✓	**10**
People Management	✓	**10**
Program and Project Management	✓	**10**
Financial Management	✓	**10**
Change leadership	✓	**10**
Governance Leadership	✓	**10**
CORE OCCUPATIONAL COMPETENCIES (COC)		
Moral competency		
Planning and Organization	✓	**5**
Analysis and organization	✓	**10**
Analysis and Innovation	✓	**10**
Knowledge and Information Management	✓	**10**
Communication	✓	**5**
Total		**100%**

NB: All performance requirements have a deadline of 30 June 2027, unless stated otherwise in the requirements.

V.C

ANNEXURE "B"

PERSONAL DEVELOPMENT PLAN

NAME : BAVUYISE TSHITSHI
JOB TITLE : SENIOR MANAGER INFRASTRUCTURE DEVELOPMENT AND MUNICIPAL SERVICES
EMPLOYER : INGQUZA HILL LOCAL MUNICIPALITY
FINANCIAL YEAR : 2026/ 2027

Competency area to be addressed	Proposed actions	Responsibility	Time-frame	Expected outcome
1. Strategic leadership and management.	Receive the appropriate knowledge and training and thereafter be assessed by an Assessor accredited by the Local Government Sector Education Training Authority (LGSETA) in terms of the SAQA guidelines and NQF registered unit standards and criteria.	Skills Development Facilitator.	By 30/06/2027	Achieving the minimum competency requirements, as prescribed in the Municipal Regulations on Minimum Competency Levels, issued in terms of the MFMA, No. 56 of 2003.
2. Strategic financial management.	Receive the appropriate knowledge and training and thereafter be assessed by an Assessor accredited by the Local Government Sector Education Training Authority (LGSETA) in terms of the SAQA guidelines and NQF registered unit standards and criteria.	Skills Development Facilitator.	By 30/06/2027	Achieving the minimum competency requirements, as prescribed in the Municipal Regulations on Minimum Competency Levels, issued in terms of the MFMA, No. 56 of 2003.
3. Risk and change management.	Receive the appropriate knowledge and training and thereafter be assessed by an Assessor accredited by the Local Government Sector Education Training Authority (LGSETA) in terms of the SAQA guidelines and NQF registered unit standards and criteria.	Skills Development Facilitator.	By 30/06/2027	Achieving the minimum competency requirements, as prescribed in the Municipal Regulations on Minimum Competency Levels, issued in terms of the MFMA, No. 56 of 2003.

V. C

APPENDIX 1

Commitment of Management Team reporting directly to the Director

SOLOMZI THANDO NJEKENI

PMU MANAGER

I, Solomzi Thando Mjekeni (PMU Manager) hereby make this commitment to support the Senior Manager: Infrastructure Development and Municipal Services, Bavuyise Tshitshi, to achieve targets as set in this performance contract between him and the employer. As a support manager, I understand that his targets are impossible to achieve without my full support and co-operation. I, therefore, accept both my individual and collective responsibilities towards the attainment of the set targets.

Signed By

Solomzi Thando Njekeni

PMU MANAGER

Commitment of Management Team reporting directly to the Director

ASANDA HLEHLISO

MANAGER: INFRASTRUCTURE OPERATIONS AND MAINTENANCE

I, Asanda Hlehliso T (Manager: Infrastructure Operations and Maintenance) hereby make this commitment to support the Senior Manager: Infrastructure Development and Municipal Services, Bavuyise Tshitshi, to achieve targets as set in this performance contract between him and the employer. As a support manager, I understand that his targets are impossible to achieve without my full support and co-operation. I, therefore, accept both my individual and collective responsibilities towards the attainment of the set targets.

Signed By

ASANDA HLEHLISO

MANAGER: INFRASTRUCTURE OPERATIONS AND MAINTENANCE

V. C

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.

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 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) weeks 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 department operations. If there is failure on the employer's part and the Director 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 Senior Manager

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

2 OBLIGATIONS OF THE DIRECTOR

2.1 Conditions of service

2.1.1 The Senior Manager shall be the Head of the Infrastructure Development and Municipal Services Department, subject to the conditions of service as stipulated by the employer. The conditions of service of the Senior Mnager shall include but not be restricted to:

2.1.1.1 Setting of specific of 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 Infrastructure Development and Municipal Services 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 Infrastructure Development and Municipal Services Department to the Municipal Manager on a monthly and quarterly basis for information purposes.

2.1.1.7 Assessing performance reports for Infrastructure Development and Municipal Services staff where necessary.

2.1.1.8 Assist in the preparation of the annual budget and once approved, adhering to it.

2.1.1.9 Implementing strategies to improve the morale of staff.

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

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

N.C

2.1.3 Making recommendations to the Municipal Manager to hire staff in the Infrastructure Development and Municipal Services 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 Director 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 this contract. The Director 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 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.

√. C

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 4 of this contract.

2.5 Reporting

2.5.1 The Senior Manager shall submit detailed quarterly reports on the operation of the Infrastructure Development and Municipal Services 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.

2.6 Expenditure

The Senior Manager shall be responsible for the implementation of the approved operational and capital budget of the Infrastructure Development and Municipal 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 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

N. C

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 Auditor shall ensure that no payments are effected contrary to this arrangement.

2.9 Books and Records

The Senior 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 of July 2026 and end on the 30th of June 2027, 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 Senior 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 Senior Manager shall make the necessary submissions to the Infrastructure Development and Municipal Services Office, reflecting the projected financial needs of his department for the following financial year.

2.11.2 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 this performance contract.

N. C

2.12 Liability

The Senior 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 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 his 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 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 upon, shall then be convened to discuss the outstanding issues. The minutes of such a meeting shall form an addendum to this contract.

N. C