



THE PERFORMANCE AGREEMENT

entered into by and between:

The Executive Mayor of Ekurhuleni Metropolitan Municipality,

Councillor Mondli Gungubele,

and

Councillor Aubrey Nxumalo

Member of Mayoral Committee: Water and Energy

for the Financial Year:

1 July 2011 - 30 June 2012

PURPOSE

The performance plan defines the Executive Mayor's expectations of the Member of Mayoral Committee (MMC) to which this document is attached, which provides that performance objectives and targets must be based on the key performance indicators as set in the municipality's Integrated Development Plan (IDP) and as reviewed annually. The MMC would undertake the following in respect of the IDP:

- Ensure the performance of departments against the IDP and SDBIP as well as assist through the provision of appropriate recommendations;
- Act as an early warning system in cases where targets of departments are unlikely to be achieved;
- Provide regular information to all stakeholders on progress of the performance of the respective department and an informed basis for any reviews;
- Track progress on implementation of service delivery components of the departmental plans
- Identify gaps and weaknesses in service provision; and
- Monitor the impact of services on the city.

1. MAYORAL COMMITTEE FOCUS AREAS

1.1 *Political Leadership and Accountability*

- (a) The MMC to determine policy direction and priorities;
- (b) Review the performance of the departmental Service Delivery Budget Implementation Plan;
- (c) Renewal of citizen and stakeholder participation in the work of the municipality as it relates specifically to the services rendered by the department that oversight is undertaken;
- (d) Implementation of additional oversight projects as deemed by the Executive Mayor;
- (e) Identify gaps in the municipality policy and make recommendations; and
- (f) Monitor feedback on resolution in respect of departmental service delivery issues.
- (g) Evaluate progress against the key performance indicators;
- (h) Monitor the management of the department's administration in accordance with the directions of the municipal council;

1.2 *Public Participation*

- (a) annually report on the involvement of communities and community organizations in the affairs of the municipality;;
- (b) Ensure that regard is given to public views and report on the effect of consultation on the decisions of the council;
- (c) To create a space where the public can get involved in the democratic processes used to govern the Metro, through:
 - Ensuring that public participation is comprehensive and mainstreamed;

- Monitoring the responsiveness and timeous of service delivery;
- Ongoing 'Taking the Metro to the People' programme;
- Ensuring that the citizenry have access to quality information on the departmental work; and
- Tracking the effectiveness and impact of our public participation process (resolution tracking), standard process followed.

1.3 Law Making

- (a) Actively participating in facilitating and providing value – adding input to law making and policy development processes in the metro;
- (b) Creating laws which contribute towards a compliant metro;
- (c) Review the efficacy and impact of laws passed by the metro in respect of quality, relevancy and including the adherence to the principle of transparency and participation.

1.4 Stakeholder Management

- (a) Improved effective mechanisms of fostering stakeholder management; and
- (b) Increased formalization of relationships with key partners.

1.5 Key functions to be performed within the department

- (a) Develop and implement the energy policy and strategy;
- (b) Develop and implement the water policy and strategy;
- (c) Implement related programmes in each area of the department's focus;
- (d) Implement an integrated water and energy programme to support the city's economy;
- (e) Develop and implement long term stakeholder engagement programme on energy and water matters;
- (f) Develop and Implement comprehensive public and private partnerships renewable energy programme;
- (g) Manage inter-governmental relations matters as it relates to water and energy; and
- (h) Manage community engagement matters as it relates to the portfolio.

2. Flagship Projects for the Department – 2011/2012

NAME OF THE PROJECT	BRIEF DESCRIPTION	DATE OF COMPLETION OF OPERATIONAL PLAN	DATE OF COMPLETION OF PROJECT
ENERGY			
Palm Ridge Electrification Project – Electrification of Phase 3 & 4	Electrification of 7 342 stands in Palm Ridge. This project is a continuation of the bigger Palm Ridge electrification master plan and involves electrification of 7 342 stands in Palm Ridge Ext 1, 3, 6, 7, & 8.	1 October 2011	30 June 2012
Eden Park Ext 5 – Electrification	Electrification of the remaining 783 stands in Eden Park Ext 5	1 October 2011	30 June 2012
Chief Albert Luthuli Ext 2, 3 & 5	Electrification of 797 stands in Chief Albert Luthuli Ext 2, 3 & 5	1 October 2011	30 June 2012
Geluksdal Ext 3 – Electrification	Electrification of 719 stands in Geluksdal Ext 3	1 October 2011	30 June 2012
Endayeni – Electrification	Electrification of 90 stands in Endayeni	1 October 2011	30 June 2012
Benoni Industries Sub	Upgrading of Benoni Industrial Substation to provide additional supply to Benoni South industrial area, Wattville, Tamboville and Actonville.	1 October 2011	30 June 2012
Daveyton Substation	Upgrading of Daveyton Substation to provide additional supply to Chief Albert Luthuli and Mayfield Extensions	1 October 2011	30 June 2012
Solar Water Heater Project	Installation of 10 000 Solar Water Heaters in low income housing and hostels	1 October 2011	30 June 2012
Streetlights to be Replaced with Energy Efficient Luminaries	15 000 Streetlights in Boksburg, Germiston and Tembisa to be replaced with Energy Efficient Luminaries	1 October 2011	30 June 2012
Alternative Energy	Leeupan Photovoltaic (PV)	1 October 2011	30 June 2012
Provision of high mast lights to informal settlements	Provision of high mast lights to identified informal settlements	1 October 2011	30 June 2012
Job Creation	Creation of 645 jobs in respect of solar water heaters, installation of energy efficient lights and	1 October 2011	30 June 2012

NAME OF THE PROJECT	BRIEF DESCRIPTION	DATE OF COMPLETION OF OPERATIONAL PLAN	DATE OF COMPLETION OF PROJECT
	installation of electricity supply connections		
Energy Departmental Strategy	Develop overall strategic plan for the Energy Department	1 November 2011	
WATER SERVICES			
Effective management of ERWAT	Development of an SDBIP for ERWAT and a Performance Agreement with the Board of Directors		
Strategy to convert sludge to economic opportunities	Conduct research to identify possible economic opportunities through the conversion of sludge		
Job Creation	Creation of 20 000 person days in respect of refurbishment, upgrade and new infrastructure projects	16 September 2011	30 June 2012
Project Xixima	Implementation of sustainable sanitation solution in prioritized informal settlements	16 September 2011	Multi-year
Top 500 consumer meter consolidation project	Reduction of water losses through consolidation of meters of high consumers	16 September 2011	Multi-year
Project Boloka Metsi	Installation of intelligent meters to manage water consumption and minimize water wastages	16 September 2011	Multi-year
Germiston: Replace water pipes	Upgrading of water network infrastructure in a key strategic area. It also targets to reduce water losses	16 September 2011	2012/13 FY
Phasing out of Dunswart sewer pump station	Phasing out of this pump station to deal with environmental pollution	16 September 2011	2012/13 FY
Water Services departmental strategy	Develop overall strategic plan for the Water Services Department		

3. Transversal Projects for the Department – 2011/2012

Target Group	Description of Project	Number Targeted
Energy		
Women	The Energy Department is actively creating an enabling environment for female employees within the department by providing special training programmes to further workplace transformation and career path development The Energy Department is providing apprenticeship programmes to women as well as practical training to women who requires it in terms of the P1 and P2 Practical training is also provided to students who obtain their institutional training from various training centres but then require practical training to obtain their diploma	3 8
Youth	The Energy Department is providing apprenticeship programmes to the youth as well as practical training to the youth who requires it in terms of the P1 and P2 Practical training is also provided to students who obtain their institutional training from various training centres but then require practical training to obtain their diploma Contracts awarded to youth full entrepreneurs will be collated in order to create a baseline from where improvements can be made	40
Jobs Created		
Water Services		
Women	New infrastructure projects, infrastructure rehabilitation projects and infrastructure upgrade projects	5 000 person days
Youth	New infrastructure projects, infrastructure rehabilitation projects and infrastructure upgrade projects	10 000 person days
People with disabilities		10 person days
Jobs Created	New infrastructure projects, infrastructure rehabilitation projects and infrastructure upgrade projects	25 000 persons days

4. PERFORMANCE PLAN CLR AUBREY NXUMALO: WATER AND ENERGY

NATIONAL OUTCOME	KEY RESULT AREA	KRA WEIGHT	HIGH LEVEL ACTIVITIES / PROJECTS	KEY PERFORMANCE INDICATOR (KPI)	BASELINE	TARGETS	QUARTERLY TARGETS/MEASURES				SUPPORTING EVIDENCE
							QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
ENERGY											
Sustainable human settlements and improved quality of house hold life	Improved quality, maintenance and equitable services throughout urban areas		Reduce electricity services backlog	Number of households backlogs addressed	120 000	10 0000	2 500	2 500	2 500	2 500	Project Close Out Report
			Increased provision of sustainable electricity supply to all customers	Reliability ratio in respect of electricity supply	0,9% unreliable	0,8% unreliable	0,8% unreliable	0,8% unreliable	0,8% unreliable	0,8% unreliable	Project Close Out Report
			Effective management of electricity service reliability	Turn-around time to repair electrical problems	7,0 hours	7,0 hours	7,0 hours	7,0 hours	7,0 hours	7,0 hours	Project Close Out Report
			Reduced street and area lighting backlog	Number of streetlights backlog completed	16 000	570	140	140	140	150	Project Close Out Report
			Reduced electricity demand	% electricity demand	Reduced by 1,29MW	400kW	400kW	400kW	400kW	400kW	Project Close Out Report

NATIONAL OUTCOME	KEY RESULT AREA	KRA WEIGHT	HIGH LEVEL ACTIVITIES / PROJECTS	KEY PERFORMANCE INDICATOR (KPI)	BASELINE	TARGETS	QUARTERLY TARGETS/MEASURES				SUPPORTING EVIDENCE
							QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
			Increased implementation of energy efficient measures, creating savings on the Opex budget and reducing carbon emissions	Opex budget savings	R0,2 mil	R024 mil	R0,2 mil	R0,2 mil	R0,2 mil	R024 mil	Project Expenditure – Venus Report
	Increased efficiency of electricity meter management through the revenue value chain		% of unaccounted electricity consumption (the industry norm in terms of technical losses is 5% - 6%. Non-technical losses refers to illegal connections, billing errors and theft of electricity)	% of kWh unaccounted for	Not available	9.50%	9.50%	9.50%	9.50%	9.50%	Project Close Out Report
			Reduced monthly demand metering and billing deviations are kept to levels of less than 5%	Monthly figures averaged over 12 months	93%	95%	95%	95%	95%	95%	Water and Electricity Meter Management reports
					Number of jobs	0	400	100	100	100	100

NATIONAL OUTCOME	KEY RESULT AREA	KRA WEIGHT	HIGH LEVEL ACTIVITIES / PROJECTS	KEY PERFORMANCE INDICATOR (KPI)	BASELINE	TARGETS	QUARTERLY TARGETS/MEASURES				SUPPORTING EVIDENCE
							QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
				created							Electricity Meter Management reports
WATER											
Sustainable human settlements and improved quality of house hold life	Increased access to sustainable and cost effective water and sanitation services		Implementation of solutions driven water service provision to targeted informal settlements	Number of prioritized informal settlements with access to sustainable and cost effective basic water service	0	4	0	1	1	2	Report on solution(s) implemented
			Implementation of solutions driven sanitation service provision to targeted informal settlements	Number of prioritized informal settlements with access to sustainable and cost effective basic sanitation service	0%	4	0	1	1	2	Report on solution(s) implemented
			Increased access to free basic water by registered indigents in line with applicable standards	% of indigent hh, registered on Indigent register as at end of Quarter 4	100%	90%	90%	90%	90%	90%	90%

NATIONAL OUTCOME	KEY RESULT AREA	KRA WEIGHT	HIGH LEVEL ACTIVITIES / PROJECTS	KEY PERFORMANCE INDICATOR (KPI)	BASELINE	TARGETS	QUARTERLY TARGETS/MEASURES				SUPPORTING EVIDENCE
							QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
			Increased access to free basic sanitation by registered indigents in line with applicable standards	% of indigent hh, registered on Indigent register as at end of Quarter 4	100%	90%	90%	90%	90%	90%	Indigent free basic sanitation access report
	Environmental assets and natural resources that is well protected and continually enhanced.		Increased protection and enhancement of Environmental assets and natural resources	% compliance of treated wastewater with applicable quality standards	40%	50%	20%	30%	40%	50%	Wastewater discharge quality report
			Compliance with wastewater discharge standards	Number of wastewater treatment plants complying with wastewater discharge standards	1	2	1	1	2	2	Wastewater discharge quality report
			Improved management of ERWAT	Completion of ERWAT's SDBIP by target date	0%	Quarter 3	0%	0%	Quarter 3		Assessment report
		Reduced water		Reduced water losses	% reduction in water losses	0.25%	0.30%	0.10%	0.15%	0.20%	0.30%

NATIONAL OUTCOME	KEY RESULT AREA	KRA WEIGHT	HIGH LEVEL ACTIVITIES / PROJECTS	KEY PERFORMANCE INDICATOR (KPI)	BASELINE	TARGETS	QUARTERLY TARGETS/MEASURES				SUPPORTING EVIDENCE
							QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
	losses and managed water consumption		Installed smart meters	Number of households with smart meters		1000	0	0	500	500	Metering report
			Increased Implementation of Researched options of converting wastewater treatment by-products, such as sludge, to energy	% of implementation of Researched options of converting wastewater treatment by-products, such as sludge, to energy	No research has yet been undertaken	Research report	Research	Research	Research	Research	Research report
	Improved quality of service provision		Compliance with national standards	% compliance with national standards	95%	95%	95%	95%	95%	95%	Potable water quality report
			Monitoring of quality of water in line with National Standards	Frequency of water quality monitoring	Once a month	Frequency monitoring	Once a month	Once a month	Once a month	Once a month	Once a month
			Reduced water and sanitation maintenance	% Reduction in unplanned interruptions	-14%	0.50%	0.10%	0.25%	0.40%	0.50%	Unplanned interruptions report

NATIONAL OUTCOME	KEY RESULT AREA	KRA WEIGHT	HIGH LEVEL ACTIVITIES / PROJECTS	KEY PERFORMANCE INDICATOR (KPI)	BASELINE	TARGETS	QUARTERLY TARGETS/MEASURES				SUPPORTING EVIDENCE
							QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
	Reduced unplanned interruptions		backlog - poor to very poor infrastructure [current replacement cost is R152 million for water infrastructure and R650 million for sewer infrastructure]	% Reduction of water and sanitation maintenance backlog	0.2%	0.50%	0.15%	0.25%	0.40%	0.50%	Capex implementation report
Accountability and Governance Management	Clean Audit		Attend to all issues raised by the Auditor General that relate to the department	Operation Clean Audit report	Clean audit	Clean audit	Clean audit	Clean audit	Clean audit	Clean audit	AG report
			Periodic monitoring of departments	Frequency of reporting on departmental performance		Quarterly	Quarter 1	Quarter 2	Quarter 3	Quarter 4	

NATIONAL OUTCOME	KEY RESULT AREA	KRA WEIGHT	HIGH LEVEL ACTIVITIES / PROJECTS	KEY PERFORMANCE INDICATOR (KPI)	BASELINE	TARGETS	QUARTERLY TARGETS/MEASURES				SUPPORTING EVIDENCE
							QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
CUSTOMER CARE AREAS											
A responsive, accountable, effective local government system	Increased sustainability of the urban environment		Improve efficiency and effectiveness of service delivery in the urban environment in Thokoza and Alberton	Incident reporting and monitoring time for the resolution of service delivery incidents in the urban environment	0	100%	0	0	0	0	Incident reports
				% services delivery meeting the quality services standards in the urban environment	0	100%	0	0	0	100%	Invites, agenda, minutes & attendance register
	Increased sustainability of the urban environment		Improved coordination of integrated service delivery in Thokoza and Alberton	% of reported service delivery incidents resolved	0	100%	0%	0%	0%	60%	complaints register and resolutions
			Improved co-ordination of by-law enforcement	% contraventions of by-laws in the targeted hot-	0	100%	100%	90%	80%	70%	Number of joint operations & reports

NATIONAL OUTCOME	KEY RESULT AREA	KRA WEIGHT	HIGH LEVEL ACTIVITIES / PROJECTS	KEY PERFORMANCE INDICATOR (KPI)	BASELINE	TARGETS	QUARTERLY TARGETS/MEASURES				SUPPORTING EVIDENCE
							QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	
				spots in the urban environment							
			Improved monitoring of planned and unplanned service delivery in the built environment	% improvement of monitoring of planned and unplanned service delivery in the built environment	0	100%	0%	20%	30%	40%	Monitoring reports
			Improve functionality of sectoral and ward committees	Level of functionality of sectoral and ward committees	20%	100%	20%	25%	30%	40%	Invites, agenda, minutes & attendance register

Measurement Declaration

I declare that the information and evidence contained in this documents has been read and checked by myself and that information is accurate and supported with evidence as detailed in the:

1. Baseline ¹;
2. Quarterly reports;
3. Mid-year reports; and
4. Annual report.

SIGNATORIES

Clr Aubrey Nxumalo
Member of Mayoral Committee:
Water and Energy

Clr Mondli Gungubele
Executive Mayor
Ekurhuleni Metropolitan Municipality

8 September 2011

^{1 1} The Baseline is an early element in the monitoring and evaluation and uses the logic model structure to systematically assess the circumstances in which the activity commences. It provides the basis for subsequent assessment of how efficiently the activity is being implemented and the eventual results achieved.

- It is important to find out what information is already available. The data needed to help measure the degree and quality of change during an Activity might already exist. In this case, the only task is to collate the data and will be validated and the reporting tools be reviewed within two months of signing this agreement.
- Where baselines do not exist, the second quarter results will be used as baselines.
- All revised baselines shall be used to update the SDBIP during the mid year reviews and the adjustment estimate process.