

PERFORMANCE AGREEMENT



FOR THE FINANCIAL YEAR: 1 JULY 2017- 30 JUNE 2018

MADE AND ENTERED INTO BY AND BETWEEN:

MARULENG LOCAL MUNICIPALITY

AS REPRESENTED BY THE MUNICIPAL MANAGER

AND

MOKONYANE MAKUATA LILLY

THE EMPLOYEE OF THE MUNICIPALITY

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ENTERED INTO BY AND BETWEEN:

The Maruleng Local Municipality herein represented by Lethole Sutane Johannes in his capacity as the Municipal Manager (hereinafter referred to as the **Employer or Supervisor**)

and

Mokonyane Mokuata Lilly Employee of the Municipality (hereinafter referred as the **Employee**)

WHEREBY IT IS AGREED AS FOLLOWS:

<p>1. Introduction</p>	<p>1.1. The Employer has entered into a contract of employment with the Employer 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 to as “the Parties”.</p> <p>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.</p> <p>1.3. The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Employee to a set of outcomes that will secure local government policy goals</p> <p>1.4. The parties wish to ensure that there is compliance with Sections 57 (4A), 57 (4B) and 57 (5) of the Systems Act.</p>
<p>2. Purpose of this Agreement</p>	<p>The purpose of this Agreement is to:</p> <p>2.1. Comply with the provisions of Section 57 (1)(b), 4(A), (4B) and (5) of the Act as well as the employment contract entered into between parties</p> <p>2.2. Specify objectives in terms of the key performance indicators and targets defined and agreed with the employee and to communicate to the employee the employer’s expectations of the employee’s performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery</p>

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	<p>and Budget Implementation Plan (SDBIP) and the budget of the municipality</p> <p>2.3. Specify accountabilities as set out in a Performance Plan, which forms an Annexure to the Performance Agreement</p> <p>2.4. Monitor and measure performance against targeted outputs</p> <p>2.5. Use the Performance Agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job</p> <p>2.6. In the event of outstanding performance, to appropriately reward the employee</p> <p>2.7. Give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery</p>
<p>3. Commencement and duration</p>	<p>3.1. This agreement will commence on 1 July 2017 and will remain in force until 30 June 2018 thereafter a new Performance Agreement, Performance Plan and Performance and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof</p> <p>3.2. The parties will review the provisions of this agreement during June each year</p> <p>3.3. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by not later than one month after the beginning of each successive financial year</p> <p>3.4. This agreement will terminate on the termination of the Employee's contract of employment for any reason</p>

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	<p>3.5. The content of this Agreement may be revised at any time during the above-mentioned period to determine the applicability of the matters agreed upon</p> <p>3.6. If at any time during the validity of this Agreement the work environment alters (whether as a result of Council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised</p>
<p>4. Performance Objectives</p>	<p>4.1. The Performance Plan (Annexure A) sets out-</p> <p>4.1.1 Key Performance Areas that the employee should focus on</p> <p>4.1.2 Core competencies required from employees</p> <p>4.1.3 the strategic objectives, key performance indicators, projects and targets that must be met by the Employee</p> <p>4.1.4 The time frames within which those performance objectives and targets must be met</p> <p>4.2 The performance objectives, key performance indicators, projects and targets reflected in Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Employer, and shall include strategic objectives; key performance indicators; targets, projects and activities that may include dates and weightings. A description of these elements follows:</p> <p>4.2.1 The strategic objectives describe the strategic intent of the organization that needs to be achieved</p> <p>4.2.2 The performance indicators provide the measurements on how the strategic objective needs to be achieved</p>

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	<p>4.2.3 The target dates describe the timeframe in which the work must be achieved</p> <p>4.2.4 The weightings show the relative importance of the key performance areas, key objectives, key performance indicators to each other</p> <p>4.2.5 The activities are the actions to be achieved within a project</p>
<p>5. Performance Management System</p>	<p>5.1. The employee agrees to participate in the performance management system that the Employer adopts or introduces for the Employer, management and municipal staff of the Employer</p> <p>5.2. The Employee accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards required</p> <p>5.3. The employer will consult the Employee about specific performance standards that will be included in the performance management system applicable to the employee</p> <p>5.4. The Employer undertakes to actively focus towards the promotion and implementation of the KPA's within the local government framework</p> <p>5.5. The criteria upon which the performance of the Employee shall be assessed consist of two components, Key Performance Areas and Core Competency Requirements, both of which shall be contained in the Performance Agreement.</p> <p>5.5.1 The Employee must be assessed against both components, which a weighting of 80:20 allocated to the Key Performance Areas (KPA's) and the Core Competency Requirements (CCRs) respectively.</p>

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5.5.2 KPA's covering the main areas of work will account for 80% and CCRs will account for 20% of the final assessment

5.5.3 Each area of assessment will be weighted and will contribute a specific part to the total score

5.6 The Employee's assessment will be based on his or her performance in terms of the key performance indicator output/outcomes identified as per attached Performance Plan (Annexure A), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed upon to between the Employer and the Employee:

Key Performance Areas (KPA's)	Weighting
Municipal Institutional Development and Transformation	10%
Basic Service Delivery	70%
Local Economic Development (LED)	0%
Municipal Financial Viability Management	10%
Good Governance and Public Participation	10%
Spatial Rationale	0%
Total	100%

5.7 The Manager's responsibilities are also directed in terms of the abovementioned key performance areas. In the case of managers directly accountable to the Municipal Manager, other key performance areas related to the functional area of the relevant manager can be added subject to negotiation between the municipal manager and the relevant manager.

5.8 The CCR's will make up the other 20% of the Employee's assessment score. CCR's that are deemed to be most critical for the Employee's specific job should be selected (✓) from the list below as agreed to between the Employer and Employee.

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Three of the CCRs are compulsory for the Municipal Manager:

CORE MANAAGRIAL COMPETENCIES(CMC)	✓ ²	WEIGHT	LEVEL ³
Strategic Capability and Leadership		10%	
Program and Project Management		5%	
Financial Management	✓	10%	
Change Management		5%	
Knowledge Management		5%	
Service Delivery Innovation		20%	
Problem Solving and Analysis		10%	
People and Diversity Management	✓	10%	
Client Orientation and Customer Focus	✓	10%	
Communication		10%	
Accountability and Ethical Conduct		5%	
Total percentage		100%	

¹ As published and defined within the Draft Competency Guidelines; Government Gazette 23 March 2007

²✓= Compulsory for Municipal Manager

³ Proficiency levels (1,2 or 3) as stipulated in the Draft Competency Guidelines: Government Gazette 23 March 2007

6. Evaluating Performance

6.1. The Performance Plan (Annexure A) to this Agreement sets out :

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	<p>6.1.1 The standards and procedures for evaluating the Employee's performance</p> <p>6.1.2 The intervals for the evaluation of the Employee's performance</p> <p>6.2. Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force</p> <p>6.3. Personal growth and development needs identified during any performance discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set of timeframes</p> <p>6.4. The Employee's performance will be measured in of the contributions to the strategic objectives and strategies set out in the Employer's IDP</p> <p>6.5. The Annual Performance appraisal will involve:</p> <p>6.5.1 Assessment of achievement of results as outlined in the Performance Plan</p> <p>(a) Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA</p> <p>(b) Values are supplied for the KPI's and activities under each KPA as part of the Institutional Assessment. Based on the Target for an activity or KPI, over or under performance are calculated and converted to the 1-5 point scale. These scores are carried over to the applicable employee's performance plan. During assessment, the employee has a chance to submit evidence of performance where a disagreement occur</p> <p>(c) The applicable assessment ratings and scores will calculate a final KPA score</p>
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6.5.2 Assessment of the CCRs

- (a) Each CCR should be assessed according to the extent to which the specified standards have been met.
- (b) An indicative rating on the five-point scale should be provided for each CCR
- (c) This rating should be multiply by a weighting given to each CCR during the contracting process, to provide a score
- (d) This applicable assessment rating calculator (refer to paragraph 6.5.1) must then be used to add the scores and calculate a final CCR rating

6.5.3 Overall rating

An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcomes of the various weighted ratings contained in the Performance Plan which represents the outcome of the performance appraisal

6.6. The assessment of the performance of the Employee will be based on the following rating scale for KPA's and CCRs:

Rating	Terminology	Description	% Score
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level	167
4	Performance significantly above expectations	Performance is significantly higher than the standard	133- 166

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			expected in the job	
	3	Fully effective	Performance fully meets the standards expected in all areas of the job	100- 132
	2	Performance not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standard expected for the job	67- 99
	1	Unacceptable performance	Performance does not meet the standard expected for the job. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite efforts to encourage improvement	0-66
<p>6.7 For the purpose of evaluating the performance of the section 57 manager reporting to the municipal</p>				

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	<p>manager, an evaluation panel constituted of the following persons must be established-</p> <p>6.7.1 Municipal Manager</p> <p>6.7.2 Chairperson of Performance Audit Committee or a member of the Performance Audit Committee in the absence of the Chairperson of the Performance Audit Committee</p> <p>6.7.3 Member of Executive Committee</p> <p>6.7.4 Municipal Manager of another municipality</p> <p>6.8 The Manager responsible for human resources of the municipality must provide secretariat services to the evaluation panels</p>
<p>7. Schedule for Performance Reviews</p>	<p>7.1. The performance of each Employee in relation to his / her Performance Agreement shall be reviewed within the month following the quarters as indicated with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:</p> <p>First quarter : July-September 2017 (October 2017)</p> <p>Second quarter : October- December 2017 (January 2018)</p> <p>Third quarter : January- March 2018 (April 2018)</p> <p>fourth quarter : April- June 2018 (After the adoption of Annual report)</p> <p>7.2 The Employer shall keep a record of the mid-year review and annual assessment meetings</p> <p>7.3 Performance feedback shall be based on the Employer's assessment of the Employee's performance</p> <p>7.4 The Employer will be entitled to review and make reasonable changes to the provision of Annexure "A" from time to time for operational reasons. The</p>

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Thus done and signed at Hoedspruit on this the 27 day
of JUNE 2017

AS WITNESSES:

1. [Signature]

2. [Signature]

[Signature]
EMPLOYEE

AS WITNESSES

1. [Signature]

2. [Signature]

[Signature]
EMPLOYER