

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 MAYOR

AND

Lethole Sutane Johannes

THE EMPLOYEE OF THE MUNICIPALITY

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ENTERED INTO BY AND BETWEEN:

The Maruleng Local Municipality herein represented by Thobejane Mafura Happy in her capacity as the Mayor (hereinafter referred to as the **Employer or Supervisor**)

and

Lethole Sutane Johannes Employee of the Municipality (hereinafter referred to as the **Employee**)

WHEREBY IT IS AGREED AS FOLLOWS:

1. Introduction	<ol style="list-style-type: none">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 to 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 Employee to a set of outcomes that will secure local government policy goals1.4. The parties wish to ensure that there is compliance with Sections 57 (4A), 57 (4B) and 57 (5) of the Systems Act.
2. Purpose of this Agreement	The purpose of this Agreement is to: <ol style="list-style-type: none">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 parties2.2. 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 and Budget Implementation Plan (SDBIP) and the budget of the municipality2.3. Specify accountabilities as set out in a Performance Plan, which forms an Annexure to the Performance Agreement2.4. Monitor and measure performance against targeted outputs2.5. Use the Performance Agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job2.6. In the event of outstanding performance , to appropriately reward the employee2.7. Give effect to the employer's commitment to a performance- orientated relationship with its employee in attaining equitable and improved service delivery
3. Commencement and duration	<ol style="list-style-type: none">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 therefore3.2. The parties will review the provisions of this agreement during June each year3.3. 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 year3.4. This agreement will terminate on the termination of the Employee's contract of employment for any reason

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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> <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> <p>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</p>

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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	
Basic Service Delivery	
Local Economic Development (LED)	
Municipal Financial Viability Management	
Good Governance and Public Participation	
Spatial Rationale	
Total	100%

5.7 The Municipal Manager's responsibilities are also directed in terms of the abovementioned key performance areas.

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. Three of the CCRs are compulsory for the Municipal Manager:

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

6.1.1 The standards and procedures for evaluating the Employee's performance

6.1.2 The intervals for the evaluation of the Employee's performance

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

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

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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

6.5. The Annual Performance appraisal will involve:

6.5.1 Assessment of achievement of results as outlined in the Performance Plan

- (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
- (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
- (c) The applicable assessment ratings and scores will calculate a final KPA score

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 expected in the job	133- 166
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	67- 99



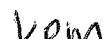

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<p data-bbox="347 1115 598 1160">7. Schedule for Performance Reviews</p>	<p data-bbox="670 1120 1420 1668"> 7.1. The performance of each Employee in relation to his / her Performance Agreement shall be reviewed within the month following the quarters as indicated with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory: First quarter : July-September 2017 (October 2017) Second quarter : October- December 2017 (January 2018) Third quarter : January- March 2018 (April 2018) fourth quarter : April- June 2018 (After the adoption of Annual report) 7.2 The Employer shall keep a record of the mid-year review and annual assessment meetings 7.3 Performance feedback shall be based on the Employer's assessment of the Employee's performance 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 Employee will be fully consulted be such change is made 7.5 The Employer may amend the provisions of the Annexure A whenever the performance management system is adopted, implemented and/or amended as the case may be and Employee will be fully consulted before making changes. </p>								
<p data-bbox="335 1686 518 1731">8. Developmental Requirements</p>	<p data-bbox="654 1691 1348 1736">8.1. The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure B</p>								
<p data-bbox="335 1736 542 1780">9. Obligation of the Employer</p>	<p data-bbox="654 1747 1380 1971"> 9.1. The Employer shall: 9.1.1 Create an enabling environment to facilitate effective performance by the employee 9.1.2 Provide access to skills development and capacity building opportunities 9.1.3 Work collaboratively with the Employee to solve problems and solutions to common problems that may impact on the performance of the Employee </p>								

13.2. Noting 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

13.3. The performance assessment results of the Municipal Manager must be submitted to the MEC responsible for local government in the relevant province as well as the national minister responsible for local government, within fourteen (14) days after the conclusion of the assessment.

Thus done and signed at Heidelberg on this the 07 day of July 2017

AS WITNESSES:

1. [Signature]

2. [Signature]

[Signature]
EMPLOYEE

AS WITNESSES

1. [Signature]

2. [Signature]

[Signature]
MAYOR