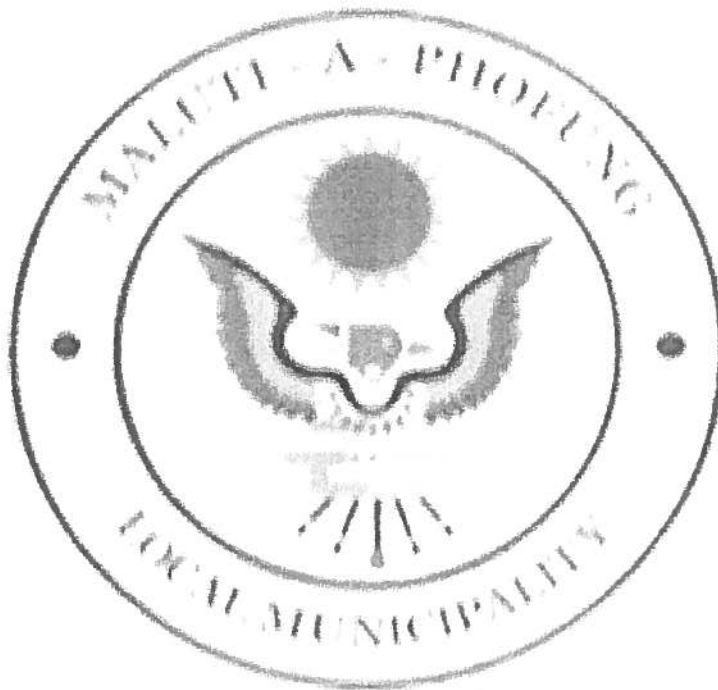


Maluti-a-Phofung Local Municipality

Performance Agreement

Municipal Manager



2015/2016

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Performance Agreement

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Made and entered into by and between

Maluti-A-Phofung Local Municipality

Herein represented by

Mokoana Robert Tsupa

In his duly authorised capacity as the Municipal Manager of Maluti-A-Phofung
Local Municipality

And

Mathapelo Seshilna Sekhonyane

In his capacity as the **Corporate Services Director** of Maluti-A-Phofung Local
Municipality

WHEREAS:

- A. The Employer has entered into an Agreement of Employment with the Employee in terms of section 54A of the Local Government: Municipal Systems Amendment Act, 7 Of 2011;

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- B. Section 54A of Local Government: Municipal Systems Amendment Act, 7 of 2011, read with the Employment Contract concluded between the parties, requires the parties to conclude an annual Performance Agreement within sixty days of assumption of duty, and renew it annually within one month of commencement of the beginning of the financial year;
- C. The parties must 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 as defined in the Municipal Integrated Development Plan; and
- D. The parties must ensure that there is compliance with Sections 57(4A), 57(4B) and 57(5) of the Local Government: Municipal Systems Act, 32 of 2000.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. INTERPRETATION AND DEFINITIONS

1.1 In this Agreement, unless the context indicates otherwise-

- a) An expression, which denotes any gender, includes the other genders, a natural person includes a judicial person and vice versa and the singular includes the plural and vice versa;
- b) Clause headings are for convenience only and will not be used in its interpretation, and the following expressions bear meanings assigned to them and cognate expressions bear corresponding meanings-

"Agreement" means this Performance Agreement and all the Appendices hereto;

"Employee" means **Mathapelo Seshilna Sekhonyane**

"MFMA" means the Local Government: Municipal Finance Management Act, 56 of 2003

"Municipality" means the Maluti-A-Phofung Local Municipality, established in terms of the Local Government: Municipal Structure Act, 117 Of 1998

"Parties" means municipality and the employee

"Regulations" means the Local Government: Municipal Planning and Performance Management Regulations of 2001, Performance Regulations

for Managers and Managers Directly Accountable to Municipal Managers of 2006 and Regulation on Appointment and Condition of Senior Managers, 167 Of 2013

"Structures Act" means Local Government: Municipal Structures Act, 177 of 1998

"Systems Act" means the Local Government: Municipal Systems, 32 of 2000 and the Regulations promulgated in terms of the Act

- c) Words and expressions defined in any sub-clause, for the purpose of the clause of which that sub-clause; and
- d) This agreement is governed by and construed in accordance with the laws of the Republic of South Africa.

2. PURPOSE OF THIS AGREEMENT

2.1 The purpose of this Agreement is to-

- a) Comply with the provision of Section 54A of the Local Government: Municipal Systems Amendment Act 7 of 2011 as well as the Contract of Employment entered into between the parties;
- b) Communicate the Employer's performance expectations and accountabilities to the Employee, by specifying objectives and targets as defined in the Integrated Development Plan, the Service Delivery and Budget Implementation Plan and the Budget of the municipality;
- c) Specify accountabilities as set out in the Performance Plan, which must be in a format substantially compliant with Appendix "A"
- d) Monitor and measure performance against set targeted outputs;
- e) Use this Agreement and Performance Plan as a basis for assessing the performance of the Employee and to establish whether the Employee has met the performance expectations applicable to the position; and
- f) Appropriately reward the Employee in accordance with the Employer's performance management policy in the event of outstanding performance.

3. COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on **04 January 2016** and will remain in force until **30 June 2016**, where after a new Agreement, Performance Plan and Personal Development Plan must be concluded between the parties for each of the following financial years or any portion thereof for the duration of the Contract of Employment.
- 3.2 This Agreement will terminate on termination of the Employee's employment for any reason whatsoever.
- 3.3 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon.
- 3.4 If at any time during the validity of this Agreement the work environment alters, whether as a result of government or council decision or otherwise, to the extent that the contents of this Agreement are no longer appropriate, the contents must immediately be revised.
- 3.5 Any significant amendments or deviation must take cognisance of the requirements of sections 34 and 42 of the Local Government: Municipal Systems Act, 32 of 2000, and regulation 4(5) of the Regulations.

4. PERFORMANCE OBJECTIVE

- 4.1 The Performance Plan must set out the-
- a) performance objectives and targets that must be met by the Employee;
 - b) timeframes within which those performance objectives and targets must be met.
- 4.2 The performance objectives and targets reflected in the Performance Plan must-
- a) be set by the Employer in consultation with the Employee;
 - b) be based on the Integrated Development Plan and Budget of the Employer; and
 - c) include key objectives, performance indicators, target dates and weightings.

- a) the key objectives must describe the main tasks that must be performed by the Employee;
- b) the key performance indicators provide the details of evidence that must be provided to indicate that a key objective has been achieved;
- c) the target dates describe the timeframe in which the work must be achieved; and
- d) the weightings indicate the relative importance of the key objectives to each other.

5. PERFORMANCE MANAGEMENT SYSTEM

5.2 The Employer must consult the Employee about the specific performance standards that are included in the performance management system which are applicable to the Employee.

5.4 The Employee must be assessed on his or her performance in terms of the performance indicators identified in the attached Performance Plan and include:

5.5 Key Performance Areas will make up 80% of Employee's assessment score, and will contain the following Areas:

Key Performance Areas (80% of Total)	Weighting
Basic Service Delivery and Infrastructure	40%
Local Economic Development	20%
Organisational Development and Transformation	20%
Financial Viability and Management	10%
Good Governance and Public Participation	10%
Total	100%

5.6 The Core Management Criteria will make up the other 20% of the Employee's assessment score, and are deemed to be most critical for the Employee's specific selected from the list below as agreed to between the Employer and the Employee:

CORE COMPETENCY REQUIREMENT FOR EMPLOYEES (20% OF TOTAL)	
CORE MANAGERIAL COMPETENCIES (CMC)	WEIGHT
Strategic Capability	10
Programme and Project Management	6
Financial Management-Compulsory	6
Change Management	5
Knowledge Management	5
Service Delivery Innovation	5
Problem Solving and Analytical Thinking	5
People Management and Empowerment-Compulsory	5
Communication	5
Customer Management-Compulsory	5
Ethics Integrity and Professionalism	5
Policy Conceptualisation and Implementation	5
Political Astuteness	5
Advanced Negotiation Skills	7
Impact and Influence	5
Partnership and Stakeholder Relations	5
Supply Chain Management	5
Governance and Risk Management	5
Total	100%

6. EVALUATING PERFORMANCE

6.1 The Performance Plan, attached as Appendix "A", must set out the-

- a) standards and procedures for evaluating the Employee's performance; and

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- b) intervals for 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 during the validity of the Contract of Employment.
- 6.3 personal growth and development needs identified during any performance review discussion, as well as the actions and timeframes agreed to, must be documented in the Personal Development Plan, which must be in a format substantially compliant with Appendix "B"
- 6.4 The Employee's performance will be measured in terms of contributions to the goals and strategies contemplated in the Employer's Integrated Development Plan.
- 6.5 the annual performance appraisal must involve-
- a) an assessment of achievement of results as outlined in the performance plan:
 - b) an assessment of each Key Performance Area 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;
 - c) a rating on the five-point scale for each Key Performance Area:
 - d) the use of the applicable assessment rating calculator to add the scores and calculate a final Key Performance Area score.
- 6.6 The Core Management Criteria must be assessed-
- a) according to the extent to which the specified standards have been met;
 - b) with an indicative rating on the five-point scale for each criteria
 - c) by using the applicable assessment rating calculator to add the score and calculating a final score
- 6.7 An overall rating is calculated by using the applicable assessment rating calculator, which represents the outcome of the performance appraisal, provided that the performance assessment of the Employee will be based on the following rating scale for both Key Performance indicators and Core

Management Criteria:

Level	Terminology	Description	Rating				
			1	2	3	4	5

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5	Outstanding	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and PP and maintained this in all areas of responsibility throughout the six months period.					
4	Significantly above	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 six months period.					
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 PA and PP.					
2	Not effective	Performance is below the standard requires 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 more than half the key performance criteria and indicators as specified in PA and PP.					
1	Unacceptable	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 PP. 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 improvements.					

6.8 Each KP1 (outputs and OCR's) will be rated according to the abovementioned five-point scale. The score of each KPI is calculated as follows:

Weight per indicator x Rate /3

The sum of respectively all the output KPI scores and all CCR KPI scores is converted to 80% and 20%. The sum of these two scores is used for calculating performance bonuses (see paragraph 11.2)

6.9 For the purpose of evaluating the annual performance of the Municipal Manager, an evaluation panel constituted of the following persons must be established-

- i. The Mayor
- ii. Chairperson of the Audit Committee
- iii. Member of the Mayoral Committee
- iv. Mayor/Municipal Manager from another municipality: and
- v. Member of a ward committee as nominated by the Mayor

7. SCHEDULE FDR PERFORMANCE REVIEWS

7.1 Considering the Employee started to perform his duties in January, the performance in relation to his performance agreement must be reviewed during-

- | | |
|---|--------------|
| a) January to March for the Third Quarter | : April 2016 |
| b) April to June for the Fourth Quarter | : July 2016 |

Reviews in the Third and Fourth quarters may be verbal if performance is satisfactorily.

7.2 The responsibility for rescheduling a cancelled coaching session will be with the individual who requested the rescheduling.

7.3 The fourth quarter coaching is followed up by a review which may be conducted concurrently with the coaching session.

7.4 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.

7.5 Performance feedback shall be based on the Employer's assessment of the Employee's performance.

7.6 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

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Employee will be fully consulted before such change is made.

7.7 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 such change is made.

8. DEVELOPMENTAL REQUIREMENTS

8.1 The Personal Development Plan (PDP) for addressing development gap will be provided when required.

9. OBLIGATION OF THE EMPLOYER

9.1 The Employer shall-

- a) create an enabling environment to facilitate effective performance by the Employee;
- b) provide access to skills development and capacity building opportunities;
- c) work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;
- d) on request of the Employee delegate such powers reasonably required by the Employee to enable him to meet the performance objectives and targets established in terms of this Agreement; and
- e) make available to the Employee such resources as the Employee may reasonably require from time to time to assist him/her to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION

10.1 The Employer agrees to consult the Employee timeously where the exercising of the powers will have amongst others-

- a) a direct effect on the performance of any of the Employee's functions;
- b) commit the Employee to implement or give effect to a decision made by Employer; and
- c) a substantial financial effect on the Employer.

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10.2 The Employer agrees to inform the Employee of the outcome of any decision taken pursuant to the exercise of powers contemplated in 10.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

11. MANAGEMENT OF EVALUATION OUTCOMES

11.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

11.2 A performance bonus of between 5% and 14% of all inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance to be constituted as follows:

Score	Performance Rating		Bonus Amount
5	Score above 150%	Outstanding Performance	10%-14% of the Total Package
4	Score above 130%-149%	Significantly above Expectation	5%-9% of the Total Package
3	Score of 100%-129%	Fully Effective	0%
2	Below 100%	Not fully Effective and Unacceptable Performance	No Bonus but remedial Action Required

11.3 In the case of unacceptable performance, the Employer shall-

- a) provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and after appropriate performance counselling and having provided the necessary guidance and/or support as well as reasonable time for improvement in performance, the Employer may consider steps to terminate the contract of employment of the Employee on the grounds of unfitness or incapacity to carry his or her duties.

12. DISPUTE RESOLUTIONS

12.1 Any dispute about the nature of the Employee's performance Agreement, whether it relates to key responsibilities, priorities, methods of assessment and/or salary increment in the Agreement, must mediate by-

- a) In the case of Municipal Manager, the MEC for local government in the province within (30) days of receipt of a formal dispute from the Employee, or any other

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person designated by the MEC; and

12.2 Any dispute about the outcome of the Employees evaluations, must be mediated by-

a) In case of the Municipal Manager, the MEC for local government in the province within (30) days of receipt of a formal dispute from the Employee, or any other person designated by the MEC; and

12.3 In the event that mediation processes contemplated above fails, clause 15 of the contract of Employment shall apply.

13. GENERAL


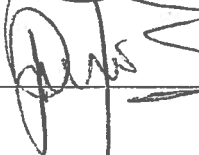
13.1 The contents of this Agreement and the outcome of any review conducted in terms of Annexure "A" may be made available by to the public by the employer.

13.2 Nothing in this Agreement diminishes the obligations, duties or accountabilities of the employees in terms of his/her contract employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.



13.3 The performance assessment results must be submitted to the Mayoral Committee the Maluti-A-Phofung Local Municipality within (30) days after conclusion of the assessment.

Thus done and signed at Quthing on this the 11th day of January 2016

AS WITNESSES

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AS WITNESSES

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EMPLOYEE


EMPLOYER

ANNEXURE A

PERSONAL PERFORMANCE PLAN 2015/16:
DIRECTOR: CORPORATE SERVICES

KEY PERFORMANCE AREA: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

Performance objective [Main tasks]	Weight	Key Performance Indicator [Evidence of performance]	Target Date	Achievements/Progress/ Comments/Reference to evidentiary documents	Rating
To ensure that the records are kept in a safe place	30	Number of fire proof cabinets procured	30/06/16		
To render an effective and efficient record management systems to Council		Number of records managed and processed	On-going		
To capacitate all employees of the necessary skills		Number of training provided to all employees	Monthly		
To conduct a holistic employer / employee relations training		Number of people trained on employer/ employee relations	30/06/16		
To recruit competent employees in order for the municipality to achieve its IDP objectives		Number of competent staff appointed	On-going		
To provide Customer Care Services		% of customer services provided	On-going		
TOTAL					

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KEY PERFORMANCE AREA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Performance objective [Main tasks]	Weight	Key Performance Indicator [Evidence of performance]	Target Date	Achievements/Progress/ Comments/Reference to evidentiary documents	Rating
To administer the booking and cleaning of Council building and halls	20	Number of bookings administered	On-going		
TOTAL					

KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Performance objective [Main tasks]	Weight	Key Performance Indicator [Evidence of performance]	Target Date	Achievements/Progress/ Comments/Reference to evidentiary documents	Rating
To determine compliance with policies , plans , procedures laws and regulations	50	Review of processes and procedures in order to align Municipal practices with relevant legislation	30/06/16		
To develop an organisational structure for the municipal to execute the IDP		% of a developed organisational structure	30/06/16		
To ensure that legal matters for and against Council are expeditiously dealt with		Number of posts filled to execute IDP	On-going		
To ensure that all contracts and other legal documents are kept in a safe environment		Number of cases submitted	As and when required		
To ensure that all contracts that are entered into are legally correct and are compiled in terms of relevant legislation		Number of fire proof cabinets for legal documents procured	30/06/16		
To provide professional legal services		% compliance of all contracts entered into.	As and when required		
To maintain labour relations through proper discipline and grievances processes		% of professional legal services provided			
To provide Council and Mayoral Committee with administrative support		Number of cases of misconduct reduced			
To develop a Wellness Programme in order to address the wellness of employees		Number of meetings held and supported	As and when required		
		% developed Wellness Plan	31/10/16		
		No. of employee attended wellness programme	On-going		
				TOTAL	

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CORE COMPETENCY REQUIREMENTS

Competencies	Weight	Description/Definition	Achievements/Progress/ Comments/Reference to evidentiary documents	Rating
Financial management	10	Compiles and manages budgets, controls cash flow, institutes risk management and administers supply chain management processes in accordance with legal prescripts and generally recognised accounting practices in order to ensure the achievement of the Municipality's strategic objectives.		
People management and empowerment	20	Manages and encourages people, optimises their outputs and effectively manages relationships in order to achieve the Municipality's strategic objectives.		
Client orientation and customer focus	20	Willing and able to deliver services effectively and efficiently in order to put the spirit of customer service (Batho Pele) into practice.		
Strategic capability and leadership	10	Provides a vision, sets the direction for the administration and inspires others to deliver on the municipality's mandate		
Problem solving and risk analysis	10	Systematically identifies, analyses and resolves existing and anticipated problems and risks in order to reach optimum solutions in a timely manner.		
Programme and project management	10	Plans, manages, monitors and evaluates specific activities in order to deliver the desired outputs and outcomes.		
Honesty and integrity	10	Displays and builds the highest standards of ethical and moral conduct in order to promote confidence and trust in the Municipality.		
Competence in policy conceptualisation, analysis and implementation	10	The ability to draft and implement a policy due to the arriving at a concept or a generalisation as a result of seeing things, experiencing things, being informed of something as well as the ability to analyse, comprehend and implement a policy drafted by somebody else.		

Competencies	Weight	Description/Definition	Achievements/Progress/ Comments/Reference to evidentiary documents	Rating
RATING ASSESSMENT CALCULATOR				TOTAL

KEY PERFORMANCE AREAS

Key performance area		Weight	Rating	Score
Municipal institutional development and transformation		40		
Municipal financial viability and management		30		
Good governance and public participation		30		
Total score				
Total weight, key performance areas				80%
Weighted score, Key performance areas				

CORE COMPETENCY REQUIREMENTS

Core competency requirement		Weight	Rating	Score
1	Financial management	10		
2	People management and empowerment	20		
3	Client orientation and customer focus	20		
4	Strategic capability and leadership	10		
5	Problem solving and analysis	10		
6	Interpretation of and implementation within the legislative and national policy frameworks	10		
7	Honesty and integrity	10		
8	Competence in policy conceptualisation, analysis and implementation	10		
Total score				
Total weight, core competency requirements				20%
Weighted score, core competency requirements				

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