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Dr JS Moroka Local Municipality

PERFORMANCE AGREEMENT
(for Managers directly accountable to the Municipal Manager)

MADE AND ENTERED INTO BY AND BETWEEN:

DR. JS MOROKA LOCAL MUNICIPALITY
AS REPRESENTED BY THE MUNICIPAL MANAGER:

MR BS MAHLANGU

AND

THE EMPLOYEE OF THE MUNICIPALITY

MRS RM RAMPEDI
ACTING MANAGER ADMINISTRATION AND CORPORATE SERVICES

FOR THE

FINANCIAL YEAR 2015-2016

PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

Dr. JS Moroka Local Municipality herein represented by **Mr. BS Mahlangu** in his capacity as Municipal Manager (hereinafter referred to as the **Employer** or Supervisor)

And

MRS RM RAMPEDI
Employee of the Municipality (hereinafter referred to as the Acting Manager Administration and Corporate Services)

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

1.1 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.

1.2 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.

1.3 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 -

2.1 Comply with the provisions of Section 57(1) (b), 4(A), (4B) and (5) of the Systems Acts as well as the Contract of Employment entered into between the parties;

2.2 Specify objectives and targets established for the Employee and to communicate to the Employee the Employer's expectations of the Employee's performance expectations and accountabilities;

2.3 Specify accountabilities as set out in the Performance Plan/ScoreCard;

2.4 Monitor and measure performance against set targets and indicators;

2.5 Use the Performance Agreement and Performance Plan/Scorecard as the basis to assess whether the Employee has met the performance expectations applicable to his/her job;

2.6 Appropriately reward the Employee in accordance with the Employer's performance management policy in the event of Outstanding performance; and

2.7 Give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining equitable and improved service delivery.

3. COMMENCEMENT AND DURATION

3.1 This Agreement will commence on the 01/07/2015 (date) and will remain in force until 30/06/2016 (date) where after a new Performance Agreement, Performance Plan/Scorecard and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof.

3.2 The parties will review the provisions of this Agreement during June each year. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by not later than the beginning of each successive financial year.

3.3 This Agreement will terminate on the termination of the Employee's contract of employment for any reason.

3.4 The content of this Agreement may be revised at anytime during the abovementioned period to determine the applicability of the matters agreed upon.

3.5 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

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4. PERFORMANCE OBJECTIVES

4.1 The Performance Plan/Scorecard (Annexure A) sets out-

4.1.1 The performance objectives and targets that must be met by the Employee; and

4.1.2 The time frames within which those performance objectives and targets must be met.

4.2 The performance objectives 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 key objectives; key performance indicators; target dates and weighting.

4.3 The key objectives describe the main tasks that need to be done. The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.

4.4 The Employee's performance will, in addition, be measured in terms of the following contributions:

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5. PERFORMANCE MANAGEMENT SYSTEM

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.

5.2 The Employee accepts that the purpose of the Performance Management System will be to provide a comprehensive system with specific performance standards to assist the Employer, management, and municipal staff to perform to the standards required.

5.3 The Employer will consult the Employee about the specific performance standard that will be included in the Performance Management System as applicable to the Employee.

5.4. The Employee undertakes to actively focus towards the promotion and implementation of KPA's (including special projects relevant to the employee's responsibilities) within the local government framework.

5.5. The criteria upon which the performance of the Employee shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.

5.5.1. The Employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPA's) and the Core Competency Requirements (CCRs) and Core Managerial Competencies (CMC's) respectively.

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

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

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

Key Performance Areas (KPA's)	**Weighting**
Basic Service Delivery and Infrastructure Development	10%
Municipal Institutional Development and Transformation	60%
Local Economic Development (LED)	
Municipal Financial Viability and Management	10%
Good Governance and Public Participation	
Total	**80%**

5.7 The CCRs will make up the other 20% of the **Employee**'s assessment score. CCR's which 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 and Managers directly accountable to the Municipal Manager:

CORE MANAGERIAL AND OCCUPATIONAL COMPETENCIES	**WEIGHT**
Core Managerial Competencies	
Strategic Capability and leadership	
Programme and Project Management	
Financial Management (compulsory)	5
Change Management	
Knowledge Management	
Service Delivery Innovation	
Problem Solving and Analysis	
People Management and Empowerment (compulsory)	5
Client Orientation and Customer Focus (compulsory)	5
Communication	
Honesty and Integrity	
Core Occupational Competencies	
Competence in Self-Management	
Interpretation of and implementation within the legislative and national policy frameworks	
Knowledge of Performance Management and Reporting	
Knowledge of global and South African specific political, social and economic contexts	
Competence in policy conceptualisation, analysis and implementation	5
Knowledge of more than one functional municipal field/discipline	
Skills in Mediation	
Skills in Governance	
Competence as required by other national line sector departments	
Exceptional and dynamic creativity to improve the functioning of the municipality	
TOTAL	**20%**

6. EVALUATING PERFORMANCE

6.1 The Performance Plan/Scorecard to this Agreement sets out -

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

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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 review discussion must be documented in a Personal Development Plan (Annexure B) as well as the actions agreed to and implementation must take place within set time frames.

6.4 The **Employee**'s performance will be measured in terms of contributions to the goals and strategies set out in the **Employer**'s Integrated Development Plan (IDP).

7. PERFORMANCE APPRAISALS

The Annual Performance Appraisals will involve:

7.1 Assessment of the 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) An indicative rating on the five-point scale should be provided for each KPA.

(c) The applicable assessment rating calculator must then be used to add the scores and calculate a final KPA score.

7.2. 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 multiplied by the weighting given to each CCR during the contracting process, to provide a score.

(d) The applicable assessment rating calculator (refer to paragraph 6.5.1) must then be used to add the scores and calculate a final CCR score.

7.3 Overall rating

An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcome of the performance appraisal.

7.4. Rating Scale

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

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 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.					
2	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.					

Level	Terminology	Description	Rating				
			1	2	3	4	5
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.					

7.5. EVALUATION PANEL

For the purpose of evaluating the annual performance of Managers directly accountable to the Municipal Manager an evaluation panel constituted of the following persons must be established-

a. Municipal Manager;
b. Chairperson of the Performance Audit Committee and/or the Audit Committee Member;
c. Member of the Mayoral or Executive Committee;
d. Municipal Manager from another municipality;
e. PMS Unit (or HR for Secretariat Services)

8. SCHEDULE FOR PERFORMANCE REVIEWS

8.1. The performance of each **Employee** in relation to his / her performance agreement shall be reviewed on the following dates; with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter : July – September (review by December)
Second quarter : October –December (review by March)
Third quarter : January – March (review by June)
Fourth quarter : April – June (review by September)

8.2 The **Employer** shall keep a record of the mid-year review and annual assessment meetings.

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

8.4 The **Employer** will be entitled to review and make reasonable changes to the provisions of Annexure "B" from time to time for operational reasons. The **Employee** will be fully consulted before any such change is made.

8.5 The **Employer** may amend the provisions of Annexure A whenever the performance management system is adopted, implemented and / or amended as the case may be. In that case the **Employee** will be fully consulted before any such change is made.

9. DEVELOPMENTAL REQUIREMENTS

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

10. OBLIGATIONS OF THE EMPLOYER

10.1 The Employer shall –

10.1.1 Create an enabling environment to facilitate effective performance by the employee;

10.1.2 Provide access to skills development and capacity building opportunities;

10.1.3 Work collaboratively with the **Employee** to solve problems and generate solutions to common problems that may impact on the performance of the **Employee**;

10.1.4 On the request of the **Employee,** delegate powers reasonably required by the **Employee** to enable him / her to meet the performance objectives and targets established in terms of this Agreement; and

10.1.5 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.

11. CONSULTATION

11.1 The **Employer** agrees to consult the **Employee** timeously where the exercising of the powers will have amongst others –

11.1.1 A direct effect on the performance of any of the **Employee**'s functions;

11.1.2 Commit the **Employee** to implement or to give effect to a decision made by the **Employer**; and

11.1.3. A substantial financial effect on the **Employer**.

11.2 The **Employer** agrees to inform the **Employee** of the outcome of any decisions taken pursuant to the exercise of powers contemplated in

11.1 as soon as is practicable to enable the **Employee** to take any necessary action without delay.

12. MANAGEMENT OF EVALUATION OUTCOMES

12.1 In the case of unacceptable performance, the **Employer** shall –

12.1.1 Provide systematic remedial or developmental support to assist the **Employee** to improve his or her performance; and

12.1.2 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 grounds of unfitness or incapacity to carry out his or her duties.

13. DISPUTE RESOLUTION

13.1 Any disputes about the nature of the **Employee**'s performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/ or any other matter provided for, shall be mediated by –

13.1.1 The Executive Mayor within thirty (30) days of receipt of a formal dispute from the **Employee**; or

13.1.2 Any other person appointed by the Executive Mayor.

13.1.3 In the case of Managers directly accountable to the Municipal Manager, a Member of the Mayoral Council, provided that such member was not part of the evaluation panel provided for in sub-regulation 27(4)(e) of the Municipal Performance Regulations, 2006, within thirty (30) days of receipt of a formal dispute from the employee;

Whose decision shall be final and binding on both parties.

13.2 In the event that the mediation process contemplated above fails, clause 20.3 of the Contract of Employment shall apply.

14. GENERAL

14.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure B may be made available to the public by the **Employer**.

14.2 Nothing in 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.

14.3 The performance assessment results of the municipal manager must be submitted to the Executive Mayor as the responsible person, within fourteen (14) days after the conclusion of the assessment.

Thus **done** and **signed** at SITHABUSWA on this the 5th day of JUNE 2015.

(Employee)

AS WITNESSES:

1. .....

2. .....

Thus **done** and **signed** at Siyabuswa on this 9th day of June 2015.

(Employer)

AS WITNESSES:

1. .....

2. .....