



**PERFORMANCE AGREEMENT 2019/2020**

MADE AND ENTERED INTO BY AND BETWEEN

**MAHLAGAUME MESHACK KGWALE**  
**"THE ACTING MUNICIPAL MANAGER"**  
**(HEREINAFTER "THE EMPLOYER")**

ON BEHALF OF THE ELIAS MOTSOLEDI LOCAL MUNICIPALITY

AND

**GOLAOTSWE ELLIAN KEGOPOTSEMANG**

**"SENIOR MANAGER: COMMUNITY SERVICES"**  
**(HEREIAFTER "THE EMPLOYEE")**

AND

JOINTLY REFERRED TO AS "THE PARTIES"

FOR

THE FINANCIAL YEAR 1<sup>ST</sup> JULY 2019 TO 30<sup>TH</sup> JUNE 2020

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## **1. INTRODUCTION**

- 1.1 The Elias Motsoaledi Municipality (EMLM) 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 (Acting Municipal Manager) and the Employee (Senior Manager Community Services) are herein 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. The Parties hereby conclude the Performance Agreement for the period 01<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved and secure the commitment of the Employee (Senior Manager Community Services) reporting to the Employer (Acting Municipal Manager), to a set of actions that will secure local government policy goals.

## **2. PURPOSE OF THIS AGREEMENT**

The Parties agree that the purposes of this Agreement are to:

- 2.1 comply with the provisions of Section 57(1)(b), s57 (4)(a), s57(4)(b) and s57(5) of the Systems Act;
- 2.2 specify objectives, indicators and targets defined and agreed with the Employee and communicate to the Employee the Employer's expectations of the Employee's performance and accountabilities in alignment with the Integrated Development Plan (IDP), Service Delivery and Budget Implementation Plan (SDBIP) and the budget of the Employer;
- 2.3 specify areas of accountabilities as set out in the performance plan which is an annexure to this performance agreement;
- 2.4 monitor and measure performance of the Employee against the set targeted outputs;
- 2.5 establish a transparent and accountable working relationship between the Parties;
- 2.6 give effect to the Municipality's commitment to a performance-orientated relationship with its Employee in attaining equitable and improved service delivery;
- 2.7 use the Performance Agreement as the basis for assessing whether the Employee has met the performance expectations applicable to his job; and
- 2.8 in the event of outstanding performance, to appropriately reward the Employee.

## **3. COMMENCEMENT AND DURATION**

- 3.1 Regardless of the date of signature hereof, this Agreement shall be deemed to have commenced on the 01<sup>st</sup> July 2019 ending 30<sup>th</sup> June 2020, and, subject to paragraph 3.3, will continue in force until a new Performance Agreement is concluded between the parties as contemplated in paragraph 3.2;

- 3.2 The Parties will review the provisions of this Agreement during June each year. The parties will conclude a new performance agreement that replaces this Agreement at least once a year by not later than July each year as prescribed by s57(2)(a) of the Systems Act.
- 3.3 This Agreement will terminate on the termination of the Employee's Contract of Employment for any reason as provided for in the Contract of Employment.
- 3.4 The contents of this Agreement may be revised at any time during the above-mentioned 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 decision or otherwise) to an extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

#### **4. PERFORMANCE OBJECTIVES**

- 4.1 Annexure "A", the Performance Plan sets out:
  - 4.1.1 the performance indicators and targets that must be met by the Employee; and
  - 4.1.2 the time frames within which those performance indicators and targets must be met.
- 4.2 The performance indicators and targets reflected in Annexure "A" are set by the Employer in consultation with the Employee, and include key objectives; key performance indicators; target dates and weightings.
- 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 contributions to the goals and strategies set out in the Municipality's IDP.
- 4.5 The Municipality will make available to the Employee such subordinate employees as the Employee may reasonably require from time to time to assist him to meet the performance objectives and targets established in terms of this Agreement; provided that it will at all times remain the responsibility of the Employee to ensure that she complies with those performance obligations and targets.
- 4.6 The Employee will at his request be delegated such powers by the Employer as may in the discretion of the Municipality be reasonably required from time to time to enable him to meet the performance objectives and targets established in terms of this Agreement.

#### **5. PERFORMANCE MANAGEMENT SYSTEM**

- 5.1 The Employee agrees to participate in the performance management system that the Municipality adopts or introduces for the management of the Municipality and its staff.
- 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 Municipality, management and municipal staff to perform to the standards required.

- 5.3 The Employer will consult the Employee about the specific performance standards 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 the Key Performance Areas (KPAs) (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 must be assessed consist of two components, both of which must be contained in the performance agreement. The employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and Core Competency Requirements (CCRs) respectively. Each area of assessment will be weighted and will contribute a specific part to the total score. KPAs covering the main areas of work will account for 80% and CCRs will account for 20% of the final assessment.
- 5.6 The Employee's assessment will be based on his or her performance in terms of the outputs/outcomes (performance indicators) identified as per the performance plan which are linked to the KPA's, which constitute 80% of the overall assessment result as per the weightings agreed to between the employer and employee:

Organizational Key Performance Areas (KPA's)	Weighting
Spatial Rationale	
Municipal Institutional Development and Transformation	
Basic Service Delivery	90
Local Economic Development	
Municipal Financial Viability and Management	10
Good Governance and Public Participation	
<b>Total</b>	<b>100%</b>

- 5.7 The CCRs will make up the other 20% of the Employee's assessment score. CCRs that are deemed to be most critical for the employee's specific job should be selected from the list below as agreed to be between the Employer and the Employee and must be considered with due regard to the proficiency level agreed to:

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR)		
LEADING COMPETENCIES		
		Weight
Strategic Direction and Leadership	*Impact and Influence. *Institutional Performance Management. *Strategic Planning and Management. *Organizational Awareness.	5
People Management	*Human Capital Planning and Development. *Diversity Management *Employee Relations Management. *Negotiation and Dispute Management.	10

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- (ii) An indicative rating on the five-point scale should be provided for each KPA
- (iii) The applicable assessment rating calculator must then be used to add the scores and calculate a final score.
- (b) Assessment of the CCRs
  - (i) Each CCR should be assessed according to the extent to which the specified standards have been met.
  - (ii) An indicative rating on the five-point scale should be provided for each CCR
  - (iii) This rating should be multiplied by the weighting given to each CCR during the contracting process, to provide a score.
  - (iv) The applicable assessment rating calculator must then be used to add the scores and calculate a final CCR score.

Overall Rating

- (i) An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcome of the performance appraisals.
- (ii) The assessment of the performance of the employee will be based on the following rating scale for KPA's and CCR's (i.e the following table will be used in determining the payment of the reward):

PERFORMANCE APPRAISAL OF KPAs AND CCRs				
LEVEL	DESCRIPTION	RATING	ASSESSMENT SCORE	PERFORMANCE BONUS RATIOS
Level 5: Outstanding Performance	Performance far exceeds the standard expected for the job in all areas of the manager. The manager has achieved exceptional results against all performance criteria and indicators specified in the Performance Plan and maintained this in all areas of responsibility throughout the year.	5	75 – 100	Maximum bonus allowed i/o. Regulations is between 10% and 14% of person's inclusive annual remuneration package  The % as determined per Council Resolution is as follows: 75 – 76% =10% 77 – 78% =11% 79 – 80% =12% 81 – 84% =13% 85 – 100% = 14%

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Level 1: Unacceptable performance	Performance does not meet the standard required for the job. The manager has not met one or more fundamental requirements and/or is achieving results that are well below the performance criteria and indicators in a number of significant areas of responsibility. The manager has failed to demonstrate the commitment or ability to bring performance up to the level expected despite efforts to encourage improvement.	1	Less than 30	No bonus
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## 6.5 Reward for Performance

- 6.5.1 The performance bonus will be determined by the Municipal Council based on affordability and the stipulations of the Performance Agreement.
- 6.5.2 A merit reward for performance in addition to the annual reviewed remuneration will be considered by the Council not later than September under the following conditions:
- a) The payment of the reward will be based on the period under review and result of the performance score;
  - b) The amount of the reward will not exceed 14% of the Employee's total remuneration, but will be subjected to affordability to the Municipality; and
  - c) The performance score will be obtained by using the performance plan.
  - d) Where external factors have a negative influence on the result of the performance as scrutinized and recommended by the Performance Audit Committee, the Municipality may grant a reward (see Regulation Number 29089 of 01 August 2006);
  - e) The reward if granted, will be paid annually after the compilation of the financial statements and after finalisation of the performance appraisal;
  - f) The final outcome of the performance appraisal will determine the reward;
- 6.6 For purpose of evaluating the annual performance of the Manager Directly Accountable to the Municipal Manager, an Evaluation Panel constituted of the following persons may be established –
- (i) Municipal Manager;
  - (ii) Chairperson or the relevant member of the Audit Committee;
  - (iii) The Member of the Executive Committee; and
  - (iv) Municipal Manager from another Municipality.
- 6.7 The manager responsible for performance management of the municipality or delegated assignee must provide secretariat services to the Evaluation Panel referred to above.

- 8.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in paragraph 8.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

## 9. MANAGEMENT OF EVALUATION OUTCOMES

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

- 9.2 A performance bonus ranging from 5% to 14% of the all-inclusive remuneration package may be paid to an employee in recognition of outstanding performance. In determining the performance bonus the relevant percentage is based on an overall rating, calculated by using the applicable assessment rating calculator; provided that:

- a score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%; and
- a score of 150% and above is awarded a performance bonus ranging from 10% to 14%.

- 9.3 In the case of unacceptable performance, the Employer shall:

- 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 and reasonable time for improvement in performance, and performance does not improve, the Employer may, subject to compliance with applicable labour legislation, be entitled by notice in writing to the Employee to terminate the Employee's employment in accordance with the notice period set out in the Employee's contract of employment.

## 10. DISPUTES RESOLUTION

- 10.1 Any disputes 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 be mediated by the Mayor within thirty days (30) of receipt of a formal dispute from the employee whose decision shall be final and binding on both parties.
- 10.2 Any disputes about the outcome of the Employee's performance evaluation must be mediated by a member of the municipal council, provided that such member was not part of the Evaluation Panel provided for in sub-regulation 27(4), within thirty (30) days of receipt of a formal dispute from the employee.
- 10.3 Nothing contained in this Agreement in any way limits the right of the Employer to terminate the Employee's Contract of Employment with or without notice for any other breach by the Employee of his obligations to the Municipality or for any other valid reason in law.



1. ANNEXURE A: PERFORMANCE PLAN

KPA 4 -- BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Strategic objectives: To provide for basic services delivery and sustainable infrastructural development

Programme	Key performance indicator	Magnitude	Budget Source	Audited baseline 2017/18	Annual target	2019/2020				Evidence
						1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	
Waste management	% of households with access to a minimum level of basic waste removal by 30 June 2020 (once per week) (GKPI)	5	Opex	9%	9% (6299 from billing report over the 66 330 from the IDP of the total Household)	9%	9%	9%	9%	Service reconciliation report
Education/ Libraries	Number of initiatives held to promote library facilities by 30 June 2020	10	n/a	4	4	1	2	3	4	Attendance and register Reports
Environmental management	Number of environmental awareness conducted by 30 June 2020	10	Opex	4	4	1	2	3	4	Attendance and register Reports
Disaster management	Number of disaster awareness campaigns conducted by 30 June 2020	15	Opex	4	4	1	2	3	4	Attendance and register Reports
Safety and security	Number of community safety forum meetings held by 30 June 2020	10	n/a	new	4	1	2	3	4	Reports and attendance register

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Ward No.	Project	Key performance indicator	Weighting	Original Budget R 000's 2017-18	Audited Baseline 2016/17	Annual target	1st quarter	2nd quarter	3rd quarter	4th Quarter	Evidence
n/a	Lawn mowers and other equipment	% procurement of Lawn mowers and other equipment	5	522 000	new	100% Procurement of lawn mowers and other equipment	25% Development of Specifications and placing of Advertisement	n/a	50% Appointment of service provider	100% Procurement of Lawn mowers and other equipment	Q1 Copy of Advert Q3 appointment letter Q4 Delivery note
n/a	Trailers	% procurement of trailers	5	130 000	new	% Procurement of Trailers	25% Development of Specifications and placing of Advertisement	n/a	50% Appointment of service provider	100% Procurement of Trailers	Q1 Copy of Advert Q3 appointment letter Q4 Delivery note
n/a	Tractor, tractor trailer and slasher	% procurement of Tractor,	5	478 000	new	% Procurement of Tractor,	25% Development of Specification	n/a	50% Appointment of service provider	100% Procurement of Tractor,	Q1 Copy of Advert

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**KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

**Strategic objectives: To enhance good governance and public participation**

Programme	Key performance indicator	Weighting	Budget Source	Audited baseline 2017/18	Annual target	2019/2020				Evidence
						1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	
Audit	Obtain an Unqualified Auditor General opinion for the 2018/19 financial year	5	n/a	Unqualified Audit Opinion	Unqualified and Audit Opinion	n/a	Unqualified Opinion	n/a	n/a	AGSA audit report
Audit	% of Auditor General matters resolved as per the approved audit action plan by 30 June 2020	5	n/a	82%	100%	n/a	n/a	50%	100%	Audit action plan
Audit	% of Internal Audit Findings resolved per quarter as per the Audit Plan	5	n/a	new	100%	25%	65%	75%	100%	Quarterly IA status reports
Risk management	% execution of identified risk management plan within prescribed timeframes per quarter	5	n/a	100%	100%	50%	75%	85%	100%	Quarterly Risk assessment reports

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3. SCORING GUIDE AGAINST THE KPI WEIGHTING

<b>Weighting</b>	<b>Performance Levels as per PMS Framework</b>				
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>1</b>	<b>0.2</b>	<b>0.4</b>	<b>0.6</b>	<b>0.8</b>	<b>1</b>
<b>2</b>	<b>0.4</b>	<b>0.8</b>	<b>1.2</b>	<b>1.6</b>	<b>2</b>
<b>3</b>	<b>0.6</b>	<b>1.2</b>	<b>1.8</b>	<b>2.4</b>	<b>3</b>
<b>4</b>	<b>0.8</b>	<b>1.6</b>	<b>2.4</b>	<b>3.2</b>	<b>4</b>
<b>5</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>6</b>	<b>1.2</b>	<b>2.4</b>	<b>3.6</b>	<b>4.8</b>	<b>6</b>
<b>7</b>	<b>1.4</b>	<b>2.8</b>	<b>4.2</b>	<b>5.6</b>	<b>7</b>
<b>8</b>	<b>1.6</b>	<b>3.2</b>	<b>4.8</b>	<b>6.4</b>	<b>8</b>
<b>10</b>	<b>2</b>	<b>4</b>	<b>6</b>	<b>8</b>	<b>10</b>
<b>11</b>	<b>2.2</b>	<b>4.4</b>	<b>6.6</b>	<b>8.8</b>	<b>11</b>
<b>12</b>	<b>2.4</b>	<b>4.8</b>	<b>7.2</b>	<b>9.6</b>	<b>12</b>
<b>13</b>	<b>2.6</b>	<b>5.2</b>	<b>7.8</b>	<b>10.4</b>	<b>13</b>
<b>14</b>	<b>2.8</b>	<b>5.6</b>	<b>8.4</b>	<b>11.2</b>	<b>14</b>