

PERFORMANCE AGREEMENT

For Section 56 Employees

MADE AND ENTERED INTO BY AND BETWEEN:

SEDIBENG DISTRICT MUNICIPALITY

STANLEY KHANYILE

(MUNICIPAL MANAGER)

AND

MAKHUTLE MOTSWALEDI

(EXECUTIVE DIRECTOR: CORPORATE SERVICES)

FOR THE PERIOD: 01 JULY 2019 TO 30 JUNE 2020

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PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

The Sedibeng District Municipality herein represented by Stanley Khanyile in his capacity as Municipal Manager (hereinafter referred to as the **Employer**)

and

Makhutle Motswaledi Employee of the Municipality (hereinafter referred to as the Employee).

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

- 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 goals.
- 1.4 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 -

- 2.1 Comply with the provisions of Section 57(1)(b), 57(4A), 57 (4B) and 57(5) of the Act as well as the employment contract entered into between the parties;
- 2.2 Specify objectives 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 municipality;
- 2.3 Specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;
- 2.4 Monitor and measure performance against set targeted outputs;

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- 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; In the event of outstanding performance, to appropriately reward the employee; and
- 2.6 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

- a) This Agreement will commence on the 01 July 2019 and will remain in force until 30 June 2020 thereafter a new Performance Agreement, Performance Plan and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof.
- b) 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.
- c) This Agreement will terminate on the termination of the **Employee**'s contract of employment.
- d) 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.
- e) 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.

4. PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan (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 the Performance Plan (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 weightings.
 - 4.2.1 The key objectives describe the main tasks that need to be done.
 - 4.2.2 The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved.
 - 4.2.3 The target dates describe the timeframe in which the work must be achieved.
 - 4.2.4 The weightings show the relative importance of the key objectives to each other.
 - 4.2.5 The **Employee**'s performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the **Employer**'s Integrated Development Plan.

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5. PERFORMANCE MANAGEMENT SYSYTEM

- 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 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 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** shall be assessed shall consist of two (2) components, both of which shall be contained in the Performance Agreement.
 - The **Employee** must be assessed against all three components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Core Competency Requirements (CCR) respectively.
 - 5.5.2 Each area of assessment will be weighted and will contribute a specific part to the total score.
 - 5.5.3 Main areas of work will account for 60%, Risk Management will account for 10%, Implementation of Audit Recommendations and / or Management Audit Action Plans will account for and CCRs will account for 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 (Annexure A). and the weightings agreed to between the Employer and Employee:
- 5.7 In the case of managers directly accountable to the Municipal Manager, the weighting of key performance areas related to the functional area of the relevant manager must be subject to negotiation between the Municipal Manager and the relevant manager.
- 5.8 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 $(\sqrt{\ })$ from the list below as agreed to between the **Employer** and **Employee**.
- 5.9 Performance Weighting:

KEY PERFORMANCE AREAS WEIGHTING	ABSOLUTUE	WEIGHTED	
		WEIGHTING	AVERAGE
Basic Service Delivery		20%	80%
Municipal Transformation and Institutional Development		10%	
Good Governance and Public Participation		30%	1
Municipal Financial Viability and Management		20%	1
Local Economic Development		20%	
TOTAL		100%	
CORE COMPETENCY REQUIREMENTS WEIGHTING			_

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		Split per CCR	20%		
Financial Management	$\sqrt{}$	20%			
Strategic Capability and Leadership	$\sqrt{}$	20%			
People Management and Empowerment	√	20%			
Client Orientation and Customer Focus	$\sqrt{}$	10%			
Service Delivery Innovations	√	20%			
Communications	√	10%			
TOTAL					
OVERALL WEIGHTINGS					

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; and
 - 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 discussions should be documented in a Personal Development Plan as well as the actions agreed to and implementation should take place within the set timeframes.
- 6.4 The Employee's performance will be measured in terms of contributions to the goals, strategies and performance indicators set out in the Employer's IDP.
- 6.5 The annual performance appraisal will involve:
 - 6.5.1 Assessment of the achievement of results as outlined in the performance plan (SDBIP):
 - (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 as described in 6.10 below.
 - (c) The applicable assessment rating calculator (refer to paragraph 6.5.3 below) must then be used to add the scores and 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 multiplied by the weighting given to each CCR during the contracting process, to provide a score.
 - 6.5.3 Overall rating

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An overall rating is calculated by using the applicable assessment-rating calculator such overall rating 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: as included in the Performance Plan (Annexure A)
- 6.7 For purposes of evaluating the annual performance of managers directly accountable to the municipal manager, an evaluation panel constituted of the following persons must be established -
 - 6.7.1 Municipal Manager

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- 6.7.2 Chairperson of the Audit Committee or the Deputy Chairperson if the Chairperson is absent
- 6.7.3 Member of the mayoral or executive committee or in respect of a plenary type municipality, another member of council:
- 6.7.4 Municipal Manager from another municipality

Manager responsible for Human Resources of the municipality must provide secretariat services to the evaluation panel

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 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:

Quarter	Review Period	Review to be completed by		
1 July – September 2019		October 2019 (Informal)		
2 October – December 2019		February 2020		
3 January to March 2020		April 2020 (Informal)		
4	April – June 2020	November 2020		

- 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 provisions of Annexure "A" from time to time for operational reasons. The Employee will be fully consulted before any such change is made.
- 7.5 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.

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8. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing developmental gaps is attached as in the Performance Plan (Annexure A)

9. OBLIGATIONS OF THE EMPLOYER

- 9.1The 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 generate solutions to common problems that may impact on the performance of the Employee;
 - 9.1.4 On the request of the Employee delegate such powers reasonably required by the Employee to enable him/her to meet the performance objectives and targets established in terms of this Agreement; and
 - 9.1.5 Make available to the Employee such resources 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.

10. CONSULTATION

- 10.1 The Employer agree to consult the Employee timeously where the exercising of the powers will have amongst others
 - 10.1.1 A direct effect on the performance of any of the Employee's functions;
 - 10.1.2 Commit the Employee to implement or to give effect to a decision made by the employer; and;
 - 10.1.3 A substantial financial effect on the Employer.
- 10.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 10.1 as soon as 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 from 5% to 14% of the all-inclusive annual remuneration package may be paid to the Employee (subject to budget availability) in recognition of outstanding performance to calculated as follows:

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Score	Performance Rating Bonus %							
5	Score above 90%	Outstanding Performance	10% - 14% of total					
			package					
4	Score from 80% and 90%	Significantly above expectation	5%-9% of total package					
3	Score from 70% - 80%	Fully Effective	0%					
2	Score below 70%	Ineffective and Unacceptable	0% bonus and remedial					
		Performance	action required					

- 11.4 In the case of unacceptable performance, the Employer shall -:
 - 11.4.1 Provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and
 - 11.4.2 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.

12. DISPUTE RESOLUTION

- 12.1 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
 - 12.1.1 The MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the Employee; or
 - 12.1.2 Any other person appointed by the MEC.
 - 12.1.3 In the case of managers directly accountable to the municipal manager, a member of the municipal 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.
- 12.2 In the event that the mediation process contemplated above fails, clause 20.3 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 to the public by the Employer.

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- 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.
- 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 and to the Mayoral Committee of Sedibeng District Municipality within thirty (30) days after the conclusion of the assessment.

This done and signed at_	Vereeniging	on the 3th day of _	June	2019
This done and signed at_	J.	on theo day of _		2019

AS WITNESSES:

1.

EXECUTIVE DIRECTOR
M. MOTSWALEDI

2. M.A. NK

AS WITNESSES:

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MUNICIPAL MANAGER

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Performance Agreement

ANNEXURE A



PERFORMANCE PLAN

EXECUTIVE DIRECTOR CORPORATE SERVICES

2018/19 FINANCIAL YEAR

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1. PURPOSE

The Performance Plan defines the council's expectation of the Executive Director: Corporate Services' performance agreement to which this document is attached and of the Municipal Systems Act (MSA) which provides that the performance objectives and targets must be based on the Integrated Development Plan of the municipality.

2. KEY RESPONSIBILITIES OF THE EXECUTIVE DIRECTOR: CORPORATE SERVICES

- a) Providing strategic leadership in the Corporate Services Cluster.
- b) To ensure that the administration of the Municipality is running smoothly, that all administrative and legal processes and prescripts are complied with.
- c) To provide sufficient and proper HR functions, appoint the necessary staff and ensure proper training and functioning.
- d) To ensure that the property portfolio of the Municipality is properly administered, maintained and all related matters are being dealt with.
- e) Leading and managing the Secretariat Services so that the Council and its Committee Meetings are provided with an effective committee service, its resolutions are executed and that general council administration operates efficiently
- f) To ensure that a service of high quality, standards and professional is rendered by the Cluster and Directorates within Corporate Services.
- g) Overseeing the implementation of the Labour Relations Act, Basic Conditions of Employment Equity and Skills Development Acts.
- h) To ensure safeguarding of the intellectual property of the municipality through registry and archives services.
- To ensure safeguarding of the municipal assets and safety of all its employees and councillors within the municipal premises through security services.
- j) Provide reliable and effective Information Technology Services to the municipality.
- k) Oversee the management of municipal fleet and facilities.
- Perform any other function delegated by the Accounting Officer in relation to the cluster's roles and responsibilities

Furthermore, each Executive Director is further expected to oversee the implementation of the IDP projects as outlined in Chapter 4 of the Sedibeng District Municipality Integrated Development Plan 2019/20.

3. THE SCORECARD OF THE EXECUTIVE DIRECTOR CORPORATES SERVICES.

The scorecard if made up of the following:

Scoreca	ard item	Weighting
i)	The Service Delivery and Budget Implementation Plan (SDBIP) of the cluster	60%
ii)	Implementation of Audit Recommendations and/ or Management audit action plans for both internal audit and External Audit (relevant to the cluster)	10%
iii)	Risk Management of the cluster	10%
iv)	Core Managerial Competencies	20%
	TOTAL	100%

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					CORPO	RATE SERVICES - CU		Control of the Contro		ATE SERVICES				
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Priority Area	IDP Strategy	IDP Objecive	Objecti		KPI No	Baseline	Budget	Funding		AR ENDING 30 JUNE Quarter One(1)		Quarter Three (3)	Quarter Four (4)	POE Required
			ve No:	Indicator (KPI)			Amount	Source						
					KPA	5; MUNICIPAL TRAN				VELOPMENT				
CT Steering	DAY and Class ICT	ITid-	l.a	Number of ICT	11.1	and the same of th	R 22 602	OPEX		lu	Implement three	Insulance three	Implement three	1 updated
Committee	World Class ICT Infrastructure in Suppor of SMART Sedibeng Region	oversight to ICT operations	11	Steering Committee Resolutions Implemented	11.1		343	OPEX	Implement twelve (12) ICT Steering Committee Resolutions	implement three (3) ICT Steering Committee Resolutions	(3) ICT Steering Committee Resolutions	Implement three (3) ICT Steering Committee Resolutions	(3) ICT Steering Committee Resolutions	Resolution registe with POE
Optic Fibre Project	To maintain and monitor Optic Fibre functionality	effective coverage of optic fibre	12	Number of reports on Optic Fibre Functionality	12.2	4 Previous report on the Optic Fibre Functionality			Provide Four (4) reports on Optic Fibre Functionality	Provide One (1) report on Optic Fibre Functionality	Provide One (1) report on Optic Fibre Functionality	Provide One (1) report on Optic Fibre Functionality	Provide One (1) report on Optic Fibre Functionality	Four reports on Optic Fibre Functionality Report
ICT Shared services	Share ICT services with Local Municipalities	To manage ICT- related shared Service level agreements	13	Number of reports on local municipalities utilising Sedibeng ICT services	13.1	ICT Shared servicesn SLA			Provide shared ICT services to two LMs and Report quarterly (4 reports)	Provide shared ICT services to two LMs and Report	Provide shared ICT services to two LMs and Report	Provide shared ICT services to two LMs and Report	Provide shared ICT services to two LMs and Report	Four (4) ICT Shared Services Report and Minutes of the ICT Steering
							HUMAN	RESOURC						
Huuman Resource Strategy	To monitoe implementation of the approved HR Strategy	To ensure effective and competent staff	14	on implementation of Human Resources Strategy	14.1	Approved Human Resources Strategy	R 9 371 168		Implement HR Strategy and report quarterly (4 reports)	Implement HR Strategy and report (1 report)		Implement HR Strategy and report (1 report)	Implement HR Strategy and report (1 report)	4 Report on implementation of HR Strategy
Local Labour Forum	To deliberate on issues affecting employees and	To promote good labour relations	15	Number of LLF meetings resolutions implemented	15.1	2018/19 LLF Resolutions		OPEX		Implement three (3) Local Labout Forum resolutions	Implement three (3) Local Labout Forum resolutions	Implement three (3) Local Labout Forum resolutions	Implement three (3) Local Labout Forum resolutions	Updated LLF Resolution Register with POE
							DUNCIL SECF	507 SE						
to record, minute and file	Provide secretariat services to council and its	Provide administrative support to council and its	16	Number of updated council resolution registers monitored	16.1	2018/19 Council Resolution Register	Internal	OPEX	Update and monitor one (1) council resolution register	Update and monitor one (1) council resolution register	Update and monitor one (1) council resolution	Update and monitor one (1) council resolution register	Update and monitor one (1) council resolution register	1 Updated Counci Resolution Register
								CILITIES						
General Repairs and Maintenance Plan	Develop and maintain high quality municipal facilities	To review and implement General Repairs and Maintenance Plan	17	Maintanance and Repairs plans aprroved	17.1	2018/19 Repairs and Maintenance plan Four (4) 2018/19 Repairs and Maintenance	16 259 174	OPEX	Develop one (1) General Maintenance & Repairs Process Plan Provide four (4) reports on General repairs	Develop one (1) General Maintenance & Repairs Process Plan Provide one (1) report on General repairs and	Provide one (1) report on General repairs	Provide one (1) report on General repairs and	Provide one (1) report on General repairs and	Repairs and Maintanance Plan R4 epairs and Maintanance Reports
	William State Control of the Control			produced		Reports	L		and Maintanance	Maintanance	and	Maintanance	Maintanance	
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Fleet Management	Maintain High Quality Municipal Fleet	To manage and monitor Integrated Fleet Management	18	Number of Fleet Management plans approved	18.1	One (1) Fleet Management reports from the previous financial	4 437 798	OPEX	Develop one approved Fleet Management Plan		_	_	_	Approved Fleet Management Plan
		operations		Number of Fleet Management reports produced	18.2	Four (4) Fleet Management reports from the previous financial			Implement Fleet management plan and report Ouarterly (4	Implement Fleet management plan and report	Implement Fleet management plan and report	Implement Fleet management plan and report	Implement Fleet management plan and report	4 Fleet Management Reports
						IN	ITERNAL PRO	PIECTION :	SERVICES					
Internal Protection Services	Provide Protection Services for public, employees and	To safeguard the council assets, councillors and employees.	19	Number of reports on security services provides	19.1	10 incidents reported in the precious financial year	29 574 782	OPEX	Provide four (4) reports on security services	Provide one (1) report on security services	Provide one (1) report on security services	Provide one (1) report on security services	Provide one (1) report on security services	4 Internal Protection Service (security) Reports
							RECORDS	MANAGEN						
Records Management	Effective management of Council Business	To implement Records Management System	110	Number of records Management reports produced	110.1	Approved Records Management Strategy	Internal	OPEX	Provide 4 Records management reports	Provide one records management report	Provide one records management report	Provide one records management report	Provide one records management report	4 Records Management Reports
Internal Communicatio ns	Effective management of Council Business erformance Pl	To maintain a compliant municipal website	111	Number of website management reports	111.1	12 Compliance reports uploaded in on the website in the previous	Internal	OPEX	ATIONS Monitor municipal website and report quarterly (4	Monitor municpal website and produce 1 report	Monitor municpal website and produce 1 report	Monitor municpal website and produce 1 report	Monitor municpa website and produ <i>@age</i> p3rb	Management

4. PERSONAL DEVELOPMENT PLAN (PDP)

Skills Performance	Gap Type of developmen	t Expected Timeframe	Work opportunity /	Further detail
(in order of priority)	expected		performance area to	(Resource requirements, additional
	(Short Course/ Workshop	-	practise the skill	notes)
	/ Training /Conference			
	etc.)			

5. CORE COMPETENCY REQUIREMENTS WEIGHTING					
	-	Split per CCR			
Financial Management	$\sqrt{}$	20%			
Strategic Capability and Leadership		20%			
People Management and Empowerment	$\sqrt{}$	20%			
Client Orientation and Customer Focus		10%			
Service Delivery Innovations	$\sqrt{}$	20%			
Communications $\sqrt{}$ 10%					
TOTAL 100%					
OVERALL WEIGHTINGS					

6. ACCEPTANE OF THE PLAN

This Performance Plan is hereby accepted by;

Executive Director Corporate Services

Date:

30 | 06 | 2019

and Signed by Mr S. Khanyile

Municipal Manager

Date: 30/06/2019

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