

MOSES KOTANE LOCAL MUNICIPALITY PERFORMANCE AGREEMENT

2019/2020



Made and entered into by and between:

Mr Mokopne Vaaltyn Letsoalo in his capacity as the **Municipal Manager**
Moses Kotane Local Municipality (the “Employer”)

and

Ms Gabonewe Ridah Madikela in her capacity as the **HOD Local Economic**
Development
(the “Employee”)

(Collectively referred to as the “Parties”)

For the Financial Year: July 2019 – June 2020

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TABLE OF CONTENTS

Introduction	3
Purpose of this Agreement	4
Commencement and Duration	4
Performance Objectives	5
Performance Management System	6
Evaluating Performance	9
Schedule of Performance Reviews	12
Developmental Requirements	13
Obligations of the Employer	13
Consultation	13
Management of Evaluation Outcomes	14
Dispute Resolution	16
General	17
Signatures	17
Service Delivery & Budget Implementation Plan	18
Annexure A (Departmental Initiative Programmes and Targets)	

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PERFORMANCE AGREEMENT

Entered into by and between:

The **Moses Kotane Local Municipality** herein represented by **Mr Mokopane Vaaltyn Letsoalo** in his capacity as the Municipal Manager (hereinafter referred to as the **Employer and Supervisor**).

and

Ms Gabonewe Ridah Madikela in her capacity as the HOD: Local Economic Development and as the employee of **Moses Kotane Local Municipality** (hereinafter referred to as the **Employee**).

Whereby it is agreed by the parties as follows:

1. INTRODUCTION

- 1.1 The Municipal Council has appointed the employee to as Head of Department Local Economic Development in terms of section 56(1)(c) of the Municipal Systems Act as amended for the period commencing 01 July 2018 and ending 31 August 2024.
- 1.2 Section 57(1)(b) of the Municipal Systems Act 32 of 2000, requires the parties to conclude an annual performance Agreement in terms of section 57(2)(a) of the same act.
- 1.3 Parties wish to ensure that they agree on goals to be achieved, and secure the commitment of the Employee reporting to the Employer, to a set of outcomes that will secure local government policy goals.
- 1.4 Parties wish to ensure that there is compliance with Sections 57(4A) 57(4B) and 57(5) of the Municipal Systems Act.

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2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to –

- 2.1. Comply with the provisions of Section 57(1)(b), (4B) and (5) of the Municipal Systems Act 32 of 2000.
- 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, which is attached herewith as annexure "A";
- 2.4. monitor and measure performance against set targeted outputs and establish a transparent and accountable working relationship;
- 2.5. use the Performance Agreement and Performance Plan as the basis for assessing the suitability of the Employee for permanent employment and/or to assess whether the Employee has met the performance expectations applicable to the job;
- 2.6. appropriately reward the Employee in accordance with the Employer's performance management policy in the event of outstanding performance; an
- 2.7. give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining equitable and improved service delivery through a performance management system.

3. COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the 01 July 2019 and will remain in force until 30 June 2020, irrespective of the date of signatures by the parties, where after a new Performance Agreement, Performance Plan and Personal Development Plan may be concluded in the next quarter.

- 3.2 The parties will review the provisions of this Agreement during October 2019 and will conclude a new Performance Agreement and Performance Plan that replaces this Agreement once a quarter by not later than the beginning of each successive quarter.
- 3.3 The payment of performance bonus is determined by the performance score obtained during the annual performance evaluation and subject to approval of the annual performance evaluation report by Council.
- 3.4 This agreement will terminate on the termination of the Employee's contract of employment for any reason.
- 3.5 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon.
- 3.6 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 Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan and the Budget of the Employer, and shall 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.

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- 4.4 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.

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 standards that will be included in the performance management system as applicable to the Employee.
- 5.4 The Employee agrees to participate in the performance management and development system that the Employer adopts.
- 5.5 The Employee undertakes to actively focus towards the promotion and implementation of the Key Performance Areas (including special projects relevant to the employee's responsibilities) within the local government framework.
- 5.6 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. 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 (CCR's) respectively:
- 5.6.1 Each area of assessment will be weighted and will contribute a specific part to the total score.
- 5.6.2 Key Performance Areas covering the main areas of work will account for 80% and will account for 20% of Core Management Competencies the final assessment.

5.7 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), which are linked to the Key Performance Areas, which 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	10
Municipal Institutional Development and Transformation	10
Local Economic Development (LED)	50
Municipal Financial Viability and Management	15
Good Governance and Public Participation	15
Total	100%

5.8 The Core Competency Requirements will make up the other 20% of the Employee's assessment score. The following Core Competency Requirements are deemed to be most critical for the Employee's specific job as selected from the list below and agreed to between the Employer and Employee :

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CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES		
Core Managerial Competencies (CMC)	✓	Weight
Strategic Capability	✓	10
Programme and Project Management	✓	10
Financial Management	✓	10
Change Management	✓	5
Knowledge Management	✓	5
Service Delivery Innovation	✓	5
Problem Solving and Analytical Thinking	✓	5
People and Diversity Management	✓	10
Client Orientation and Customer Focus	✓	5
Communication	✓	5
Accountability and Ethical Conduct	✓	10
Policy conceptualization and implementation	✓	5
Mediation skills	-	-
Advanced negotiation skills	✓	5
Advanced influencing skills	-	-
Partnership and Stakeholder Relations	✓	5
Supply Chain Management	✓	5
Total	✓	100%

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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 discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.
- 6.4 The annual performance appraisal will involve:
 - 6.4.1 Assessment of the achievement of results as outlined in the performance plan:
 - 6.4.1.1 Each Key Performance Area 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.
 - 6.4.1.2 An indicative rating on the five-point scale should be provided for each Key Performance Area.
 - 6.4.1.3 The applicable assessment rating calculator must then be used to add the scores and calculate a final Key Performance Area score.
 - 6.4.2 Assessment of the Core Competency Requirements (CCRs):
 - 6.4.2.1 Each CCRs should be assessed according to the extent to which the specified standards have been met.

6.4.2.2 An indicative rating on the five-point scale should be provided for each Core Management Competencies.

6.4.2.3 This rating should be multiplied by the weighting given to each Core Management Competencies during the contracting process, to provide a score.

6.4.2.4 The applicable assessment rating calculator must then be used to add the scores and calculate a final Core Management Competencies score.

6.4.3 Overall rating:

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

6.4.3.2 Assessment of Employee's performance will be based on the following rating scale for KPA's and CMC's:

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					

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Level	Terminology	Description	Rating				
			1	2	3	4	5
		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.					
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.					

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6.5 For purposes of evaluating the performance of the Employee, an evaluation panel constituted by the following persons will be established:

- 6.5.1 The Mayor;
- 6.5.2 Chairperson of the Audit Committee;
- 6.5.3 Member of the Executive Committee; and
- 6.5.4 Mayor or Municipal Manager from another Municipality.
- 6.5.5 Ward Committee Member as nominated by the Mayor
- 6.5.6 Head of Department: Corporate Services (as secretary).

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 periods with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

- 7.1.1 First quarter: Second week of October 2019.
- 7.1.2 Second quarter: Third week of January 2020.
- 7.1.3 Third quarter: Second week of April 2020.
- 7.1.4 Fourth quarter & Annual review: End of August 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.

7.6 Record/results of quarterly, mid-year and annual assessment/reviews and changes made to the performance agreement as a result of such evaluations will be documented and form part of the annual performance evaluation report.

8. DEVELOPMENTAL REQUIREMENTS

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

9. OBLIGATIONS OF THE EMPLOYER

The Employer shall –

- 9.1 create enabling environment for effective performance by the employee;
- 9.2 provide access to skills development and capacity building opportunities;
- 9.3 work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on his/her performance;
- 9.4 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
- 9.5 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.

10. CONSULTATION

- 10.1 The Employer agrees 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, performance objectives and targets;
 - 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 when exercising powers contemplated in 10.1 above 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 After the annual performance evaluation in terms of this performance agreement has been completed, the performance bonus ranging from 5% to 14% of the all-inclusive remuneration package may be paid to the Employee in recognition of outstanding performance.
- 11.3 In determining the performance bonus the relevant percentage will be based on the overall rating, calculated by using the applicable assessment rating calculator: provided that:
- 11.3.1 a score of 130% to 149% will be awarded a performance bonus in the range between 5% to 9%); and
- 11.3.2 a score of 150% and above will be awarded a performance bonus in range between 10% to 14%.
- 11.4 The above mentioned performance bonus will be awarded based on the following scheme:

Level of performance	Description	Allocated Total Score	Bonus % of the Total Package
5.0	Outstanding Performance	Above 150%	10% - 14%
4.0	Performance significantly above expectations	130 – 149%	5% - 9%
3.0	Fully effective (meets the standard)	100 – 129%	0%
2.0	Performance not fully effective	50 – 99%	0%
1.0	Unacceptable Performance	1 – 49%	

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- 11.5 The Employee will be eligible for progression to the next higher remuneration package, within the relevant remuneration band, after completion of at least twelve months (12) service at the current remuneration package on 30 June (end of financial year) subject to a fully effective assessment (performance meets the standards: 100% - 129%).
- 11.6 In the case of unacceptable performance, the Employer shall –
- 11.6.1 give notice to the Employee to attend a meeting with the Employer and the Employee will have the opportunity to satisfy the Employer of the measures being taken to ensure that the Employee's performance becomes satisfactory by a particular date.
 - 11.6.2 provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and
 - 11.6.3 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.
- 11.7 Nothing contained in this Agreement in any way limits the right of the Employer to terminate the Employee's contract of employment for any other breach by the Employee of his obligations to the Employer or for any other valid reason in law.

12. DISPUTE RESOLUTION

- 12.1 If the Employee is dissatisfied with any decision or action of the Employer in terms of this Agreement, or where a dispute arises about the nature of this performance agreement, whether it relates to key responsibilities, priorities, methods of assessment or as to the extent to which the Employee has achieved the performance objectives and targets established in terms of this Agreement:
- 12.1.1 the Employee may meet with the Employer with a view to resolving the issue. The Employer will record the outcome of the meeting in writing.

- 12.1.2 In the event the employee remains dissatisfied with the outcome of the meeting, the dispute shall be mediated by the Mayor within thirty (30) days of receipt of a formal dispute from the Employee.
- 12.2 In the event that the meeting and mediation process contemplated in clause 12.1 above fails, dispute resolution mechanisms or processes provided for in clause 19.3 of the Contract of Employment shall apply.
- 12.3 The outcome of any meeting and the decisions of the Employer, mediation or arbitration with regard to any dispute in terms of the performance agreement must form part of the report of the annual review to Council.

13. GENERAL

- 13.1 The contents of this agreement and the outcome of any review conducted thereof in terms of Annexure A will not be confidential and may be made available to the public by the Employer as part of the municipal annual report in terms of the Municipal Finance Management Act 56 of 2003 and Municipal Systems Act 32 of 2000.
- 13.2 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.

THUS SIGNED AT Mogwawe ON THIS 30 DAY OF July 2019

As witnesses:

<p>1. <u>[Signature]</u></p> <p>2. <u>[Signature]</u></p>	<p><u>[Signature]</u></p> <p>HEAD OF DEPARTMENT</p>
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As witnesses:

<p>1. <u>J Malinga</u></p> <p>2. <u>[Signature]</u></p>	<p><u>[Signature]</u></p> <p>MUNICIPAL MANAGER</p>
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LED									
To Create An Enabling Environment For Social Development And Economic Growth									
Strategic Objective	Item number	KPA	Key Performance indicator	Annual Targets	2019/2020 Baseline	Quarter	Quarterly Targets	Annual Budget	Portfolio of Evidence
	LED 1		LED strategy reviewed and approved by council	LED strategy adopted by June 2020	2011 LED strategy	1	Development of Terms of Reference, specifications and submission to SCM	R 300 000	Close-out report and final LED Strategy document
	LED 2		Development of Arts and Culture Masterplan	Developed Arts and Culture Masterplan by end June 2020	Provincial & National policy guideline	2	Procurement processes and appointment of a Service provider		
	LED 3		Development of Rural Development Commonage Policy	Developed Rural Development Commonage Policy by end June 2020	Rural Development Plan (National)	3	Draft Arts and culture masterplan	R 300 000	Close-out report and final masterplan
	LED 4		Number of Mogwase traders' stalls (No. 31) constructed	33 Mogwase traders stalls in Mogwase formalised by June 2020	Feasibility study and approved plan	4	Approval of the masterplan by Council	Operational	Commonage Policy / MOU / Lease agreements
	LED 5		Number of Jobs created through EPWP Projects and capital projects	1 031 Job opportunities created through EPWP by June 2020 and capital projects	57 Job opportunities created	1	Stakeholder engagement		
						2	Draft Rural Development Commonage Policy		
						3	Approval of the Rural Development Commonage Policy by Council		
						4	Implementation of the policy		
						1	50% constructed		
						2	100% constructed		
						3			
						4			
						1	72 Jobs		
						2	319 Jobs		
						3	320 Jobs		
						4	320 Jobs		
								R 2 590 253	Completion certificate
									Beneficiaries' list and contracts/ EPWP system reports
								R 1 600 000	

LED									
To Create An Enabling Environment For Social Development And Economic Growth									
Strategic Objective	Item number	KPA	Key Performance indicator	Annual Targets	2019/2020 Baseline	Quarter	Quarterly Targets	Annual Budget	Portfolio of Evidence
			Number of jobs created through municipality's local economic development initiatives	1 114 Jobs created by June 2020	1 100 jobs	1	1 100 jobs created through CWP	External funding e.g. COGTA & OPEX & DRDLR	Beneficiaries' list and contracts/ monthly reports
	LED 6					2	10 jobs created (dam desilting)		
						3	4 jobs created (NARYSEC)		
						4	-		
			Number of farmers primary cooperatives established in support to Agri-park program	11 farmers institutions established by June 2020	10 farmers clusters established	1	Registration of 5 farmers' cooperatives.	Operational	Copy of cooperative registration certificate
	LED 7					2	Registration of 5 farmers' cooperatives.		
						3	Registration of 1 secondary cooperative.		
						4	-		
			Number of LED projects financially supported	10 local projects financially supported	10 projects	1	Development of specifications and Procurement processes	R 2 000 000	Fully comprehensive Report
	LED 8					2	4 Implementation of projects' support		
						3	4 Implementation of projects' support		
						4	2 Monitoring and evaluation and handover		
			Number of co-operative capacitated	10 Co-operatives by end June 2020	10 Co-operative	1	2 co-operatives	Operational	Full comprehensive report / attendance register
	LED 9					2	3 co-operatives		
						3	3 co-operatives		
						4	2 co-operatives		
			Number of SMEs capacitated	160 SMEs by end June 2020	60 SMEs capacitated	1	40 SMEs	Operational	Comprehensive report / attendance register
	LED 10					2	40 SMEs		
						3	40 SMEs		
						4	40 SMEs		
			Number Stakeholders/ sectorial engagement facilitated	16 stakeholders engagement facilitated	8 meetings	1	4 Agriculture, mining, tourism. Arts & culture	Operational	Comprehensive report / attendance register
	LED 11					2	4 Agriculture, mining, tourism. Arts & culture		
						3	4 Agriculture, mining, tourism. Arts & culture		
						4	4 Agriculture, mining, tourism. Arts & culture		