

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

MAKANA LOCAL MUNICIPALITY AS REPRESENTED BY

NAME: Mr M. A. MENE (HEREIN REFERRED TO AS THE 'EMPLOYER')

AND

NAME: MR G. GOLIATH (HEREIN REFERRED TO AS THE 'EMPLOYEE')

FOR THE FINANCIAL YEAR: 1ST JULY 2020 – 30th JUNE 2021

4

MK

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.
- 1.5 The parties shall endeavour to discharge all duties in this Performance Agreement including those responsibilities attached to them in terms of Council delegation.

2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to -

- comply with the provisions of Section 57(1)(b), (4A), (4B) and (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;
- 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;
- 2.6 in the event of outstanding performance, to appropriately reward the employee; and
- 2.7 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

3.1 This Agreement will commence on the 1st July 2020 and will remain in force until 30th June 2021 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.

Mr. L

- 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.
- This Agreement will terminate on the termination of the Employee's contract of 3.3 employment for any reason.
- The content of this Agreement may be revised at any time during the above-3.4 mentioned period to determine the applicability of the matters agreed upon as per the agreement of the parties.
- If at any time during the validity of this Agreement the work environment alters 3.5 (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.

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**:
 - 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 are 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 and means of verification 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.
- 4.3 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.

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.

NX

- 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 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 (KPAs) and the Core Competency Requirements (CCRs) respectively.
 - 5.5.2 Each area of assessment will be weighted and will contribute a specific part to the total score.
 - 5.5.3 KPAs covering the main areas of work will account for 80% and CCRs will account for 20% of the final assessment.
- 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 KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee:

REF	KEY PERFORMANCE AREAS (KPA'S)	WEIGHTING				
KPA 01	Basic Service Delivery and Infrastructure Development	120/2				
KPA 02	Community and Social Development	0				
KPA 03	Local Economic Development	0				
KPA 04	Institutional Development and Financial Management	7606				
KPA 05	Good Governance and Public Participation	1506				
KPA 06	8					
TOTAL		100				
KPA WEIGHT		80%				

- 5.7 In the case of managers directly accountable to the municipal manager, 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.
- The competencies will make up the other 20% of the **Employee**'s assessment score. A person appointed as a senior manager must have the competencies as set out below. There is no hierarchical connotation to the structure and all competencies are essential to the role of a senior manager to influence high performance. All competencies must therefore be considered as measurable and critical in assessing the level of a senior manager's performance.

LEAD	NG COMPETENCIES	WEIGHT			
01	Strategic Direction and Leadership	8.33%			
02	People Management	8.33%			
03	Program and Project Management	8.33%			
04	Financial Management	8.33%			
05	Change Leadership	8.33%			

06	Governance Leadership	8.33%				
CORE	COMPETENCIES					
07	Moral Competence	8.33%				
08	Planning and Organising	8.33%				
09	Analysis and Innovation	8.33%				
10	Knowledge and Information Management	8.33%				
11	Communication	8.33%				
12	Results and Quality Focus	8.33%				
TOTAL		100				
WEIGH	-IT	20%				

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 frame. Annexure B Performance Development
- 6.4 The **Employee**'s performance will be measured in terms of contributions to the goals and strategies set out in the **Employer**'s IDP.
- 6.5 The annual performance appraisal will involve: (Annexure C, CCR Framework)
 - 6.5.1 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 (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.

Mr.

4

(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.

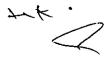
6.5.3 Overall rating

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

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

Category	Level	Explanation							
KPI's Not Met/ unacceptable performance	1	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.							
KPI's Almost Met/ Not fully effective	2	Performance is below the standard required for the job in key areas. Performance meets so9me 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.							
KIP's Met / Fully effective	3	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.							
KPI's Well Met/ Performance significantly above expectations	4	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.							
KPI's Extremely Well Met/ Outstanding 5 Performance		Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above full 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.							

- 6.7 For purposes of evaluating the annual performance of Municipal Managers, an evaluation panel constituted of the following persons must be established -
 - 6.8.1 Executive Mayor
 - 6.8.2 Chairperson of the audit committee
 - 6.8.3 Executive/ Mayor of another Municipality;
 - 6.8.4 Municipal manager from another municipality.



6.8 The manager responsible for human resources or any Manager appointed of the municipality must provide secretariat services to the evaluation panels referred to in sub-regulations (6.7).

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.

QUARTERS	REVIEW	PERIOD	TIMEFRAME
First Quarter Informal Reviews: Ju		July – September	Before end October 2019
Second Quarter	Formal Review:	September – December	Before end January 2020
Third Quarter:	Informal Review	January – March	Before end April 2020
Fourth Quarter:	Formal Review	April – June	Before end July 2020

- 7.2 The **Employer** shall keep a record of all fourth quarter reviews 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.

8. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing developmental gaps is will developed **Employee** in consultation with Employer.

9. OBLIGATIONS OF THE EMPLOYER

- 9.1 The 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/her to meet the performance objectives and targets established in terms of this Agreement.

 \ll

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;
 - 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 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 5% to 14% of the all-inclusive annual remuneration package may be paid to the **Employee** in recognition of outstanding performance to be constituted as follows:
 - 11.2.1 A score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%; and
 - 11.2.2 A score of 150% and above is awarded a performance bonus ranging from 10% to 14%.

Range	Bonus
130.00% - 133.89%	5%
133.90% -137.69%	6%
137.70% - 141.49%	7%
141.50% - 145.29%	8%
145.30% - 149.99%	9%
150.00% - 153.49%	10%
153.50% - 156.89%	11%
156.90% - 160.29%	12%
160.30% ~ 163.69%	13%
163.70% +	14%

- 11.2.3 A pro rata bonus will be payable to the Employee based on the amount of full months employed, in the event that the evaluation period is not for a full financial year subject to the following: -.
 - 11.2.3.1 That the evaluation period be no less than 6 months
 - 11.2.3.2 That the employee be employed on the last day of the financial year and undergo a review during the agreed review period.
- 11.3 In the case of unacceptable performance, the Employer shall -
 - 11.3.1 Provide systematic remedial or developmental support to assist the **Employee** to improve his or her performance; and

MA.

11.3.2 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 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**.
- 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.
- 13.3 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.

Mx.

4

Thus done and signed at	on this the 3 day of 9 2020
AS WITNESSES:	
1. M. Chya	EMPLOYEE
2	
AS WITNESSES:	()
1	MUNICIPAL MANAGER

ANNEXURE A

Performance Plan for G. Golisth: Chief Financial Officer Financial Year 2020/2021

KPA4: Institutional Devolopment and Financial Management	KPA 5: Bood Governance and Public Participation	KPA 4: Institutional Development and Financial Munagement	KPA 4: Institutional Development and Financial Management	KPA 5: Good Governance and Public Participation	KPA4: Institutional Development and Financial kinagement	KPA.4: Institutional Development and Financial Management	KPA 4: Institutional Development and Financial Management	KPA.4. Institutional Development and Financial Management	KPA t. Basic Service Delivery and infrastructure Development	KPA 4: fratitutional Development and Financial Management	KPA 4: Institutional Development and Financial Management	NPA 4: Institutional Development and Financial Management	KPA 4 Institutional Development and Financial Management	KPA 4 - kratitutional Development and Financial favorgement	XPA 4: Institutional Development and Financial Management	KPA 4: Institutional Development and Financial Management	KPA 1: Basic Service Delivery and Infrastructure Devotopment	KPA 1 Basic Service Delivery and Intrastructure Development	Municipal NZ	
										av.d							ery and			!
46 Enhance administration and Council oversight	31. To ensure effective management of staff through internal controls such as policies.	38. A financially wable and sustainable Markeipathy 2022	35. Effective and efficient administration and ensure effective integrated planning	45. Erhance risk management	38. A financially viable and sustainable Markidpality 2022	39. Capacity building and attective financial management	20. To create an efficient, effective and accountable administration	38. A financially viable and sustainable Manicipality 2022	14. Increase % of bouseholds with access to free basic service	39. Capacity building and offective financial management	37. Effective management of legal services and properties	39. Capscity building and effective financial management	39. Capacity building and affective financial management	37. Effective management of legal services and properties	39. Capacity building and effective financial tearragement	37. Effective management of legal acroices and properties	14. Increase % of households with occess to free basic service	14. Increase % of households with access to then basic service	SHIEBE Ubjective	
4_6_46_20_F	6_8_31_10_F	4_0_38_18_F	4_0_35_17_F	5_8_45_16_F	4_7_30_15_6	4_7_30_12_F	4_7_29_11_F	4_7_36_7_F	1_10_14_1_F	4_7_30_32	4_6_37_31	4.7_38_30	4 7 30 20	4_6_37_28	4_7_39_27	4_6_37_20	1_10_14_14	1_10_14_13	API Ref.	
20 Number of management meetings held (formal and minuted) (FS)	10. Overtime hours paid (FS)	 Its Insgular, Fruitless and Wasteful and Unsufforised Expenditural Total Operating Expenditure (ES) 	 Percentage of indicators updated within the prescribed turnsround time (FS) 	 Number of updates to the risk register (FS) 	15. Percentage of budget spent (FS)	 Number of interns provided with a working opportunity 	 Number of AFS submitted by the deadline date 	7. Remuneration (Employee Related Costs and Councilors Remuneration) as % of Total Operating Expenditure)	Number of households receiving has basic water	32. Integular, Fruitless and Wastelst and Unsultonised Expendium/ Total Operating Expenditure	31. Debt aavonage	30. Cost Coverage	29 Curent Ratio	28. Service Distribra to Roversio	27. Greditors Payment Pariod	20. Collection State	14. Households receiving Free Basic Electricity as a perceitage of all households with electricity convections	 The percentage of fedigent households with access to free basic services 	Key Performance Indicator	
																			Weighling	
New indicator	New indicator	New Indicator	New Indicator	New Indicator		New Indicator	New indicator	New indicator	цп	157%	53,84	0,42 months	0.43	\$12 %	327	24 25	0.42%	20.50%	Bassine	
Attendance Registers Mnufos of meetings	Attendance Registers Nanaofi printerita	Annual Financial Statements, supported by figures as per the Ramont financial system	Audit Log from Marsoft Performance Assist	Updated risk register Attendance registers	Budget Expenditus Report	Contracts	Preof of submission AFS	Expenditure Reports	Indigent Report extracted from Murssoft Financial System	Annual Financial Statementa, supported by figures as per the Manach financial system	Agrassi Financial Statements, supported by figures as per the Mansoft financial system	Annual Financial Statements, supported by Sgares as per the Manacit financial system.	Avaust Financial Statements, supported by Egures as per the Munsolt financial system	Arrued Financial Statements, supported by Egures as per the filancet financial system	AFS and Section 71 in- Year Northly & Quarterly Budget Statement	Mantish Doblers Report automitted to the FAME Portfolio Committee compiled from ManSott Financial System for each resorth	Annual Financial Statements, supported by figures as per the IAmsoft financial system	Aroust Financial Statements, supported by figures as per the Mansoft financial system	Source of Evidence	
12	192	\$20	100%	•	100%	١	لر د		385	5.0	40		1	100%	8	\$ park	0.42%	20,55%	Annual larget	
N'A	por year per employee	Α'n	NIA	AWA	NA	AN	NA	NIA	VN	WA	A/M	NIA	NIA	NA	NIA	NVA.	ΑΉ	YRN	Dascription	Tarriot
3	å	5,0	100%		25%	AUA .	A/A	(w ^{w.8} /5	OD	157%	ŧ	1	0.5	7,054	300	\$0%	%27.8	20.00%	Yarget	Guarter 1 (September 2020)
N/A	par year per emplayee	WA.	N/A	Š	N/A	N'A	N/A	tVA	N/A	₩A	NJA	NJA	N/A	ΑM	WR	NA.	VIN	NA	Target Description	ember 2020)
J	#8	ž	100%	-	50%	ΑW	'	ું જીય)	4300	150%	\$	ı	0,6	140%	200	\$00%	9.42%	20.65%	Target	Quarter 2 (De
NW	per year per employee	ΑÜ	N/A	N/A	NΑ	A.S.	₹.	VIIIA	N.N	N/A	N/A	МА	VIIA	N.Y	N/A	¥¥,	A24	NA	Target Description	Quarter 2 (December 2020)
3	å	2%	100%		75%	N.	N/A	ا (کلی ^{ہ ہ} ار	4300	100%	£	•	q.è	120%	100	70%	9.42%	20.66%	Target	Quarter 3 (k
Ν'n	pet year por	κ'n	N/R	AUA	NW	N.	*	NZA	NA	WA	NA	NVA	ΑM	Α'n	N/A	VIR	A/N	NJA	Target Description	Quarter 3 (March 2021)
3	â	ů,	100%		100%	•	#UA	40%	05.7	0%	ŧ	<u>.</u>	,	7,001	26	85.5°	9,42%	20.69%	Target	Quarter 4
NN	por year per employae	ΝΆ	ΑW	N.A.	ΝW	š	Š	N/A	AWA	N/A	WA	NA	NVA	NA	, Ave	\$	ViiN	NIA	Yarget Description	Quarter 4 (June 2021)

MK.

