

# PERFORMANCE AGREEMENT

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## **PERFORMANCE AGREEMENT**

(Managers directly accountable to the Municipal Manager)

MADE AND ENTERED INTO BY AND BETWEEN:

**SEKHUKHUNE DISTRICT MUNICIPALITY**

AS REPRESENTED BY THE MUNICIPAL MANAGER:

**MS MAPULE MOKOKO**

AND

**DIRECTOR : INFRASTRUCTURE AND WATER SERVICES  
MR MTSHALI B**

**THE EMPLOYEE OF THE MUNICIPALITY**

FOR THE

**FINANCIAL YEAR 2015 – 2016**

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## PERFORMANCE AGREEMENT

### ENTERED INTO BY AND BETWEEN:

The Sekhukhune District Municipality herein represented by **Ms. Mapule Felicity Mokoko** in her capacity as Municipal Manager (hereinafter referred to as the **Employer** or Supervisor)

And

**Mr. Mtshali B**

Employee of the Municipality (hereinafter referred to as the Director; Infrastructure and Water Services)

### WHEREBY IT IS AGREED AS FOLLOWS:

#### 1. INTRODUCTION

- 1.1. Chapter 6, Section 38 (b) of the Systems Act, requires the municipality to promote a culture of performance among its political structures, political office bearers and councilors and in its administration.
- 1.2. The resolutions by Council 27 August 2013 (OC27/08/13), recommended that a culture of performance be inculcated in the municipality by ensuring that all employees sign performance agreements and performance commitments.
- 1.3. When assessing the institutional performance of SDM, the Audit Committee also made a recommendation that all officials other than section 56 must enter into performance agreements and commitments in order to promote a culture of performance

#### 2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to -

- 2.1 Comply with the provisions of Section 38 (b) of the Systems Act;
- 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 scorecard, which forms an Annexure B of 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 Performance Agreement commenced on the 1<sup>st</sup> July 2015 and will remain in force until 30 June 2016 thereafter a new Performance Agreement, scorecard, Personal Development Plan and Financial Disclosure shall be concluded between the parties for the next financial year or any portion thereof.
- 3.2 The parties will review the provisions of this Agreement during June each year. The parties will conclude a new Performance Agreement and scorecard that replaces this Agreement at least once a year by not later than 30 days after the beginning of each successive financial year.
- 3.3 This Agreement will terminate on the termination of the **Employee's** contract of employment for any reason.
- 3.4 The content of this Agreement, may be revised at 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 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 scorecard (Annexure A) sets out-
  - 4.1.1 The performance objectives and targets that must be met by the **Employee**; and
  - 4.1.2 The time frames within which those performance objectives and targets must be met.
- 4.2 The performance objectives and targets reflected in Annexure B are set by the **Employer** in consultation with the **Employee** and are based on the Integrated Development Plan (IDP), 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, as follows:
  - 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.
- 4.3 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 (IDP).

### **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** 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.
- 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 attached scorecard (**Annexure A**), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the **Employer** and **Employee**:

Key Performance Areas (KPA's)	Weighting
Basic Service Delivery	30
Municipal Institutional Development and Transformation	20
Local Economic Development (LED)	10
Municipal Financial Viability and Management	20
Good Governance and Public Participation	10
Spatial Rationale	10
<b>Total</b>	<b>100%</b>

- 5.7 The CCRs will make up the other 20% of the **Employee's** assessment score. CCR's which are deemed to be most critical for the **Employee's** specific job, should be selected (✓) from the list below as agreed to between the **Employer** and **Employee**. Three of the CCRs are compulsory for all section 56 managers and additional two shall be selected from the core occupational competencies.

CORE COMPETENCY REQUIREMENTS (CCR) FOR EMPLOYEES		
CORE MANAGERIAL COMPETENCIES (CMC)	✓	WEIGHT
Strategic Capability and Leadership		
Programme and Project Management		20
Financial Management(Compulsory)	compulsory	20
Change Management		
Knowledge Management		
Service Delivery Innovation		
Problem Solving and Analysis(Compulsory)		
People Management and Empowerment(Compulsory)	compulsory	20
Client Orientation and Customer Focus	compulsory	20
Communication		
Honesty and Integrity		
CORE OCCUPATIONAL COMPETENCIES (COC)		
Competence in Self Management		
Interpretation of and implementation within the legislative and national policy frameworks		
Knowledge of Performance Management and Reporting		

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CORE COMPETENCY REQUIREMENTS (CCR) FOR EMPLOYEES		
CORE MANAGERIAL COMPETENCIES (CMC)	✓	WEIGHT
Knowledge of global and South African specific political, social and economic contexts		
Competence in policy conceptualisation, analysis and implementation		
Knowledge of more than one functional municipal field / discipline		
Skills in Mediation		
Skills in Governance		
Competence as required by other national line sector departments		20
Exceptional and dynamic creativity to improve the functioning of the municipality		
Total percentage	-	100%

## 6. EVALUATING PERFORMANCE

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

## 7. PERFORMANCE APPRAISALS

The Annual Performance Appraisals will involve:

### 7.1 Assessment of the achievement of results as outlined in the performance plan:

- (a) Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA.
- (b) An indicative rating on the five-point scale should be provided for each KPA.
- (c) The applicable assessment rating calculator must then be used to add the scores and calculate a final KPA score.

### 7.2 Assessment of the CCRs

- (a) Each CCR should be assessed according to the extent to which the specified standards have been met.
- (b) An indicative rating on the five-point scale should be provided for each CCR.
- (c) This rating should be multiplied by the weighting given to each CCR during the contracting process, to provide a score.

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

### 7.3 Overall rating

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

### 7.4. Rating Scale

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

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.					
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.					
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.					
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.					
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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## 7.5. EVALUATION PANEL

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

- a. Municipal Manager;
- b. Chairperson of the Performance Audit Committee and/or the Audit Committee Member;
- c. Member of the Mayoral or Executive Committee;
- d. Municipal Manager from another municipality;
- e. Member of a Ward Committee as nominated by the Executive mayor (only applicable to municipal manager)
- f. PMS (as Secretariat)

## 8. SCHEDULE FOR PERFORMANCE REVIEWS

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

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

- 8.2 The **Employer** shall keep a record of the mid-year review and annual assessment meetings.
- 8.3 Performance feedback shall be based on the **Employer's** assessment of the **Employee's** performance.
- 8.4 The **Employer** will be entitled to review and make reasonable changes to the provisions of Annexure "B" from time to time for operational reasons. The **Employee** will be fully consulted before any such change is made.
- 8.5 The **Employer** may amend the provisions of Annexure A whenever the performance management system is adopted, implemented and / or amended as the case may be. In that case the **Employee** will be fully consulted before any such change is made.

## 9. DEVELOPMENTAL REQUIREMENTS

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

## 10. OBLIGATIONS OF THE EMPLOYER

- 10.1 The Employer shall –
- 10.1.1 Create an enabling environment to facilitate effective performance by the employee;
  - 10.1.2 Provide access to skills development and capacity building opportunities;
  - 10.1.3 Work collaboratively with the **Employee** to solve problems and generate solutions to common problems that may impact on the performance of the **Employee**;
  - 10.1.4 On the request of the **Employee**, delegate powers reasonably required by the **Employee** to enable him / her to meet the performance objectives and targets established in terms of this Agreement; and

- 10.1.5 Make available to the **Employee** such resources as the **Employee** may reasonably require from time to time to assist him / her to meet the performance objectives and targets established in terms of this Agreement.

## **11. CONSULTATION**

- 11.1 The **Employer** agrees to consult the **Employee** timeously where the exercising of the powers will have amongst others –
- 11.1.1 A direct effect on the performance of any of the **Employee's** functions;
- 11.1.2 Commit the **Employee** to implement or to give effect to a decision made by the **Employer**; and
- 11.1.3. A substantial financial effect on the **Employer**.
- 11.2 The **Employer** agrees to inform the **Employee** of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 11.1 as soon as is practicable to enable the **Employee** to take any necessary action without delay.

## **12. MANAGEMENT OF EVALUATION OUTCOMES**

- 12.1 In the case of unacceptable performance, the **Employer** shall –
- 12.1.1 Provide systematic remedial or developmental support to assist the **Employee** to improve his or her performance; and
- 12.1.2 After appropriate performance counselling and having provided the necessary guidance and/or support as well as reasonable time for improvement in performance, the **Employer** may consider steps to terminate the contract of employment of the **Employee** on grounds of unfitness or incapacity to carry out his or her duties.

## **13. DISPUTE RESOLUTION**

- 13.1 Any disputes about the nature of the **Employee's** performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/ or any other matter provided for, shall be mediated by –
- 13.1.1 The Executive Mayor within thirty (30) days of receipt of a formal dispute from the **Employee**; or
- 13.1.2 Any other person appointed by the Executive Mayor.
- 13.1.3 In the case of Managers directly accountable to the Municipal Manager, a Member of the Mayoral Council, provided that such member was not part of the evaluation panel provided for in sub-regulation 27(4)(e) of the Municipal Performance Regulations, 2006, within thirty (30) days of receipt of a formal dispute from the employee;

Whose decision shall be final and binding on both parties.

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

## **14. GENERAL**


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

- 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.
- 13.3 The performance assessment results of the section 56 manager must be submitted to the municipal manager as the responsible person, within fourteen (14) days after the conclusion of the assessment.

Thus done and signed at Groblersdal on this the 30<sup>th</sup> day of July 2015.

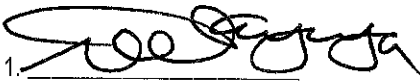
AS WITNESSES:


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MR. MTSHALI B  
DIRECTOR: INFRA. AND WATER SERVICES

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AS WITNESSES:

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MS MAPULE MOKOKO  
MUNICIPAL MANAGER

2. \_\_\_\_\_

# SCORECARD

HIGH LEVEL PERFORMANCE SCORE CARD DIRECTOR INFRASTRUCTURE & WATER SERVICES 2015/2016 FINANCIAL YEAR											
Weighting	sub weighting	Objective	Project	Indicator	Target	Q1	Q2	Q3	Q4	Evidence	Impact
10		To undertake initiatives that facilitates Water Services Planning	Planning	Percentage initiatives undertaken to promote Water Services Planning	100% Initiatives undertaken to promote water services planning *Operations and Maintenance Management Plan and systems developed 25% *Water services Development, Water and Sanitation Services Backlog Plan 25%, Sanitation Master Plan developed 50%	100%	100%	100%	100%	reports	Improves efficiency & effectiveness of our teams & increases consumers confidence
10		To submit for approval seven (7) technical reports by March 2016	Planning	Number of Technical reports submitted for approval	7 Technical reports submitted for approval *Lebalele south (5) *Madiabong (1) Masakaneng (1)	0%	*Lebalele south villages (5)	7 *Madiabong *Masakaneng	0	Technical reports	Improved Living standards.
5		To complete 100% feasibility study and preliminary design by March 2016	Planning	Percentage feasibility study and preliminary design completed	100% feasibility study and preliminary design completed *Feasibility study Groblersdal, Apel and Marble Hall towns 60% Preliminary design 40%	0%	60% *Feasibility study Groblersdal, Apel and Marble Hall towns	100% *Preliminary design	0%	Reports and designs	Improved Living standards.
20		To complete 100% water related projects by June 2016	Project Management	Percentage water related projects completed	100% water related projects completed, * Zaalplaas Village Reticulation Phase 2 (Jeije) - CO 10%, * Carbonatites to Zaalplaas BWS (Holnek) - CO 10%, * Completion of testing of Nebo PH1A (GaMalekana to Jane Furse Bulk line) 20%, * Nkadimeng Phase 9E 10%, * Nkadimeng Phase 9C 10%, * Contract 20- Ga - Ntabeleng, Meropa and Lerajana Reservoirs 10%, * Ga-Nkwana BWS 10%, * Moutse BWS Phase 1,2,3,4,5,6,7-12,13,14,15 10%, * Moolhoek BWS - Phase 4BA 5 MI reservoir in Burgersfort 10%	100%	100%	100%	100%	Monthly reports and practical completion certificates	Improved Living standards.

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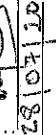
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5	To resolve reported water and sanitation incidents within 14 days	Operation and maintenance	percentage water and sanitation reported incidents within 14 days	90% registered water and sanitation incidents resolved within 14 days	65% registered water and sanitation incidents resolved within 14 days	75% registered water and sanitation incidents resolved within 14 days	80% registered water and sanitation incidents resolved within 14 days	90% registered water and sanitation incidents resolved within 14 days	Incident's Report	Improved service delivery
5	To provide diesel consistently	Operation and maintenance	No litres of annual diesel volume supplied.	80 000L of diesel supplied annually.	20 000L of diesel supplied annually.	40 000L of diesel supplied annually.	60 000L of diesel supplied annually.	80 000L of diesel supplied annually.	Reports	Improved service delivery
5	To provide petrol consistently	Operation and maintenance	No litres of annual petrol volume supplied.	5 000L of petrol supplied annually.	1 250L petrol volume supplied.	2 500L of annual petrol volume supplied.	3 750L of annual petrol volume supplied.	5 000L of annual petrol volume supplied.	Reports	Improved service delivery
20	To undertake initiatives that facilitates Water Services Planning	Regulations & Governance	Percentage initiatives undertaken to promote Water Services Regulations and Governance	100% initiatives undertaken to promote water services Regulations & Governance* Water Services Tariff Structure Determination Policy 20%, *Project Management Protocol 20%, *Water Safety & Waste Water Abatement plans 20%, *Full SANS Water Quality Analysis 20%, *Water Cost Recovery System 10%, * Water Quality Reports to Council 10%	100%	100%	100%	100%	monthly reports	Improved Living standards.

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10	To construct 20504 VIP Toilets by 30 June 2016	<b>Project Management</b>	Number of VIP Sanitation units constructed	EPLM 3945, ELMML=3945, GTLM= 4154, MKLM = 4565, FTLM= 3895, TOTAL 20504	EPLM 100, ELMML= 100, GTLM= 0, MKLM = 205, FTLM= 95, TOTAL= 500	EPLM 500, ELMML= 500, GTLM= 200, MKLM = 400, FTLM= 197, TOTAL= 400, TO MKL = 198, M = 197, FTLM 8,	EPLM 1672, ELM= 3, LM=1672, GTL= 73, M= 1672, M= 197, MKL = 1977, M = 198, M = 197, FTLM 8,	Monthly reports and Practical completion certificate	Improved living conditions
10	To ensure adherence to governance issues by June 2016	<b>Governance</b>	Percentage governance issues adhered to	100% governance issues adhered to *AG Matters 20% *Internal audit 20% *Risk management 15% *Expenditure management 5% * Council resolutions 20% *IGR 10% *Performance agreements for managers and commitments 10%	100%	100%	100%	*Reports *Reports *Risk reports *expenditure reports *reports *Resolution action plan *minutes and attendance registers *signed performance/commitments	Improved compliance
		<b>BS MTSHALI</b> DIRECTOR INFRASTRUCTURE & WATER SERVICES SIGNED: 			<b>M.F. MOKOKO</b> MUNICIPAL MANAGER SIGNED:  28/07/2015				

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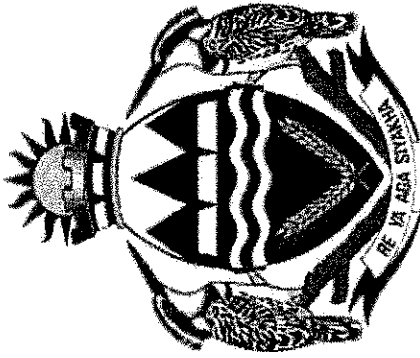
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## Sekhukhune District Municipality

### CORE COMPETENCIES REQUIREMENTS FOR MANAGERS REPORTING DIRECTLY TO THE MUNICIPAL MANAGER

NAME OF INCUMBENT: MR MTSHALI B.

POSITION HELD: Director; INFRA. AND WATER SERVICES

DATE 28/07/2020

SIGNATURE

NAME OF SUPERVISOR: MS MAPULE MOKOKO

POSITION HELD: MUNICIPAL MANAGER

DATE 28/7/2015

SIGNATURE

CORE MANAGERIAL AND OCCUPATIONAL COMPETENCIES			CHOICE	WEIGHT
<b>Core Managerial Competencies</b>				
Strategic Capability and leadership			✓	
Programme and Project Management			✓	20
Financial Management(Compulsory)			✓	20
Change Management			✓	
Knowledge Management				
Service Delivery Innovation			✓	
Problem Solving and Analysis				
People Management and Empowerment(Compulsory)			✓	20
Client Orientation and Customer Focus(Compulsory)			✓	20
Communication				
Honesty and Integrity				
<b>Core Occupational Competencies</b>				
Competence in Self-Management				
Interpretation of and implementation within the legislative and national policy frameworks			✓	
Knowledge of Performance Management and Reporting			✓	
Knowledge of global and South African specific political, social and economic contexts				
Competence in policy conceptualisation, analysis and implementation				
Knowledge of more than one functional municipal field/discipline				
Skills in Mediation				
Skills in Governance				
Competence as required by other national line sector departments			✓	20
Exceptional and dynamic creativity to improve the functioning of the municipality			✓	
<b>TOTAL</b>				100

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