

# PERFORMANCE AGREEMENT



MADE AND ENTERED INTO BY AND  
BETWEEN:

**GREATER GIYANI LOCAL MUNICIPALITY  
AS REPRESENTED BY THE  
MALULEKE RISIMATI HITLER**

**AND**

**Director Corporate and Shared Services  
SHIVITI MASENYANI THOMAS**

**FINANCIAL YEAR:  
1 July 2017- 30 June 2018**

M. F. [Signature]

## 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), (4A), (4B) and (5) of the Act as well as the employment contract entered into between the parties.
- 2.2. Specify objectives in terms of the key performance indicators 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.
- 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 1 July 2017 and will remain in force until 30 June 2018 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.
- 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 one month 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.

M. T. 

#### **4. Performance Objectives**

- 4.1. The Performance Plan (Annexure A) sets out-
- 4.2. Key Performance Areas that the employee should focus on.
- 4.3. Core competencies required from employees.
- 4.4. The performance objectives, key performance indicators and targets that must be met by the Employee.
- 4.5. The time frames within which those performance objectives and targets must be met.
- 4.6. The performance objectives, key performance indicators and targets reflected in 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 strategic objectives; key performance indicators; targets; projects and activities that may include dates and weightings. A description of these elements follows:
  - 4.6.1. The strategic objectives describe the strategic intent of the organization that needs to be achieved.
  - 4.6.2. The strategic performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved.
  - 4.6.3. The target dates describe the timeframe in which the work must be achieved.
  - 4.6.4. The weightings show the relative importance of the key performance areas, key objectives, and key performance indicators to each other.

#### **5. Performance Management System**

- 5.1. The Employee agrees to participate in the performance management system that the Employer adopts or introduces for the Employee, 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 KPA's (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, Key Performance Areas and core Competency Requirements, both of which shall be contained in the Performance Agreement.
- 5.6. 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 (CCRs) respectively.
- 5.7. KPA's covering the main areas of work will account for 80% and CCRs will account for 20% of the final assessment.
- 5.8. Each area of assessment will be weighted and will contribute a specific part to the total score.
- 5.9. The Employee's assessment will be based on his / her performance in terms of the key performance indicator outputs / outcomes 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:

M. T. ~~JKM~~

Key Performance Areas (KPAs)	Weighting
Spatial Rational	0%
Institutional Development and Transformation	54%
Infrastructure Development and Basic Service Delivery	0%
Local Economic Development	0%
Financial Viability	13%
Good Governance and Public Participation	33%
Total	100%


- 5.10. Manager's responsibilities are also directed in terms of the abovementioned key performance areas. In the case of managers directly accountable to the Municipal Manager, other key performance areas related to the functional area of the relevant manager can be added subject to negotiation between the municipal manager and the relevant manager.
- 5.11. The CCRs will make up the other 20% of the Employee's assessment score. CCRs that are deemed to be most critical for the Employee's specific job should be selected (✓) from the list below as agreed to between the Employer and Employee. Three of the CCRs are compulsory for Municipal Managers:

CORE MANAGERIAL COMPETENCIES (CMC)	INDICATE CHOICE (X)	WEIGHTING
Programme and Project Management		20%
Financial Management	Compulsory	15%
Knowledge Management		15
People Management and empowerment	Compulsory	20%
Client Orientation and Customer focus	Compulsory	15%
Communication		15%
<b>Total percentage</b>		<b>100%</b>

## 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.
  - 6.1.2. The intervals for the evaluation of the Employee's performance.
  - 6.1.3. 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.
- 6.2. 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

*The performance contract does not supersede the employment contract*

M. J. 

must take place within set time frames 6.4 The Employee's performance will be measured in terms of contributions to the strategic objectives and strategies set out in the Employer's IDP.

6.3. The Annual performance appraisal will involve:

6.3.1. 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) Values are supplied for KPI's and Activities under each KPA as part of the Institutional Assessment. Based on the Target for an activity or KPI, over or under performance are calculated and converted to the 1-5 point scale automatically. These scores are carried over to the applicable employee's performance plan. During assessment, the employee has a chance to submit evidence of performance where a disagreement.
- (c) The applicable assessment ratings and scores will calculate a final KPA score.

6.3.2. 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.

6.4. Overall rating:

An overall rating is calculated by using the applicable assessment rating calculator. Such overall rating represents the outcomes of the various weighted ratings contained in the performance Plan which represents the outcome of the performance appraisal.

6.5. The assessment of the performance of the Employee will be based on the rating scale for KPA's and CCRs as outlined in 5.10 and 5.11

6.6. For the purpose of evaluating the performance of the section 57 manager reporting to the municipal manager, an evaluation panel constituted of the following persons must be established-

6.6.1. Municipal Manager

6.6.2. Chairperson of the Audit committee or His/her delegate

6.6.3. Member of the Mayoral committee

6.6.4. Municipal Manager from another municipality

6.6.5. The manager responsible for human resources or performance management system of the municipality must provide secretariat services to the evaluation panels referred to in sub regulations (d) and (e).

## 7. Schedule for Performance Reviews

7.1. the performance of each Employee in relation to his / her Performance Agreement shall be reviewed within the month following the quarters as indicated with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

<b>First quarter</b>	:	July 2017- September 2017
<b>Second quarter</b>	:	October 2017 - December 2017
<b>Third quarter</b>	:	January 2018- March 2018

*The performance contract does not supersede the employment contract*

M. T. 

**Fourth quarter** : April 2018 – June 2018

- 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.

#### **8. Developmental Requirements**

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

#### **9. Obligations of the Employer**


- 9.1. The Employer shall:
  - (a) Create an enabling environment to facilitate effective performance by the employee.
  - (b) Provide access to skills development and capacity building opportunities.
  - (c) Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee.
  - (d) 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.
  - (e) Make available to the Employee such resources as the Employee may reasonably require from time to time assisting 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 -
  - (a) A direct effect on the performance of any of the Employee's functions.
  - (b) Commit the Employee to implement or to give effect to a decision made by the Employer.
  - (c) A substantial financial effect on the Employer.
  - (d) The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated 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 between 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:

M. T. 

% Rating Over Performance % Bonus	%
130 - 133.8	5%
133.9 - 137.6	6%
137.7 - 141.4	7%
141.5 - 145.2	8%
145.3 - 149	9%
150 - 153.4	10%
153.5 - 156.8	11%
156.9 - 160.2	12%
160.2 - 163.6	13%
163.7 - 167	14%

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.

11.3.2. After appropriate performance counseling 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 -

(a) 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.

## 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.

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 done and signed at GUYANA on this the 27 day of JULY 2017

EMPLOYEE

ACTING MUNICIPAL MANAGER

*The performance contract does not supersede the employment contract*