



# PERFORMANCE AGREEMENT

For Section 56 Employees

MADE AND ENTERED INTO BY AND BETWEEN:

**SEDIBENG DISTRICT MUNICIPALITY**

**STANLEY KHANYILE**

(MUNICIPAL MANAGER)

AND

**MOTSWALEDI MAKHUTLE**

(EXECUTIVE DIRECTOR)

**FOR THE FINANCIAL YEAR: 01 JULY 2018 TO 30 JUNE 2019**

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## PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

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

and

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

WHEREBY IT IS AGREED AS FOLLOWS:

### 1. INTRODUCTION

- 1.1 The **Employer** has entered into a contract of employment with the **Employee** in terms of Section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The **Employer** and the **Employee** are hereinafter referred to as "the Parties".
- 1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual performance agreement.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the **Employee** to a set of outcomes that will secure local government policy goals.
- 1.4 The parties wish to ensure that there is compliance with Sections 57(4A), 57(4B) and 57(5) of the Systems Act.

### 2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to -

- 2.1 Comply with the provisions of Section 57(1)(b), 57(4A), 57(4B) and 57(5) of the Act as well as the employment contract entered into between the parties;
- 2.2 Specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality;
- 2.3 Specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;
- 2.4 Monitor and measure performance against set targeted outputs;

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- 2.5 Use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his job; In the event of outstanding performance, to appropriately reward the employee; and
- 2.6 Give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

### 3. COMMENCEMENT AND DURATION

- a) This Agreement will commence on the 01 July 2018 and will remain in force until 30 June 2019 thereafter a new Performance Agreement, Performance Plan and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof.
- b) The parties will review the provisions of this Agreement during June each year. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by not later than the beginning of each successive financial year.
- c) This Agreement will terminate on the termination of the **Employee's** contract of employment.
- d) The content of this Agreement may be revised at any time during the above-mentioned period to determine the applicability of the matters agreed upon.
- e) If at any time during the validity of this Agreement the work environment alters (whether as a result of government or Council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

### 4. PERFORMANCE OBJECTIVES

#### 4.1 The Performance Plan (Annexure A) sets out-

- 4.1.1 The performance objectives and targets that must be met by the **Employee**; and
- 4.1.2 The time frames within which those performance objectives and targets must be met.

#### 4.2 The performance objectives and targets reflected in the Performance Plan (Annexure A) are set by the **Employer** in consultation with the **Employee** and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the **Employer**, and shall include key objectives; key performance indicators; target dates and weightings.

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

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**5. PERFORMANCE MANAGEMENT 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 (2) components, both of which shall be contained in the Performance Agreement.

5.5.1 The Employee must be assessed against all three components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Core Competency Requirements (CCR) respectively.

5.5.2 Each area of assessment will be weighted and will contribute a specific part to the total score.

5.5.3 Main areas of work will account for 60%, Risk Management will account for 10%, Implementation of Audit Recommendations and / or Management Audit Action Plans will account for 10% and CCRs will account for 20% of the final assessment.

5.6 The Employee’s assessment will be based on his performance in terms of the outputs / outcomes (performance indicators) identified as per attached Performance Plan (Annexure A) and the weightings agreed to between the Employer and Employee:

5.7 In the case of managers directly accountable to the Municipal Manager, the weighting of key performance areas related to the functional area of the relevant manager must be subject to negotiation between the Municipal Manager and the relevant manager.

5.8 The CCRs will make up the other 20% of the Employee’s assessment score. CCRs that are deemed to be most critical for the Employee’s specific job should be selected (✓) from the list below as agreed to between the Employer and Employee.

5.9 Organisational Performance Weighting:

KEY PERFORMANCE AREAS WEIGHTING	ABSOLUTUE WEIGHTING	WEIGHTED AVERAGE
Basic Service Delivery	20%	80%
Municipal Transformation and Institutional Development	10%	
Good Governance and Public Participation	30%	
Municipal Financial Viability and Management	20%	
Local Economic Development	20%	
<b>TOTAL</b>	<b>100%</b>	

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CORE COMPETENCY REQUIREMENTS WEIGHTING			
		Split per CCR	20%
Financial Management	√	20%	
Strategic Capability and Leadership	√	20%	
People Management and Empowerment	√	20%	
Client Orientation and Customer Focus	√	10%	
Service Delivery Innovations	√	20%	
Communications	√	10%	
<b>TOTAL</b>		<b>100%</b>	
<b>OVERALL WEIGHTINGS</b>			100%

## 6. EVALUATING PERFORMANCE

6.1 The Performance Plan (Annexure A) to this Agreement sets out – :

- 6.1.1 The standards and procedures for evaluating the Employee's performance; and
- 6.1.2 The intervals for the evaluation of the Employee's performance.

6.2 Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force.

6.3 Personal growth and development needs identified during any performance review discussions should be documented in a Personal Development Plan as well as the actions agreed to and implementation should take place within the set timeframes.

6.4 The Employee's performance will be measured in terms of contributions to the goals, strategies and performance indicators set out in the Employer's IDP.

6.5 The annual performance appraisal will involve:

6.5.1 Assessment of the achievement of results as outlined in the performance plan (SDBIP):

- (a) Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA.
- (b) An indicative rating on the five-point scale should be provided for each KPA as described in 6.10 below.
- (c) The applicable assessment rating calculator (refer to paragraph 6.5.3 below) must then be used to add the scores and calculate a final KPA score

6.5.2 Assessment of the CCRs

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

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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.

6.6 The assessment of the performance of the Employee will be based on the following rating scale for KPA's and CCRs: as included in the Performance Plan (Annexure A)

6.7 For purposes of evaluating the annual performance of managers directly accountable to the municipal manager, an evaluation panel constituted of the following persons must be established -

6.7.1 Municipal Manager

6.7.2 Chairperson of the Audit Committee or the Deputy Chairperson if the Chairperson is absent

6.7.3 Member of the mayoral or executive committee or in respect of a plenary type municipality, another member of council;

6.7.4 Municipal Manager from another municipality or a representative.

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

7. SCHEDULE FOR PERFORMANCE REVIEWS

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

Quarter	Review Period	Review to be completed by
1	July – September 2018	October 2018 (Informal)
2	October – December 2018	February 2019
3	January to March 2019	April 2019 (Informal)
4	April – June 2019	August 2019

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.

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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 in the Performance Plan (Annexure A)

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

## 10. CONSULTATION

10.1 The Employer agree to consult the Employee timeously where the exercising of the powers will have amongst others –

- 10.1.1 A direct effect on the performance of any of the Employee's functions;
- 10.1.2 Commit the Employee to implement or to give effect to a decision made by the employer; and;
- 10.1.3 A substantial financial effect on the Employer.

10.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 10.1 as soon as practicable to enable the Employee to take any necessary action without delay.

## 11. MANAGEMENT OF EVALUATION OUTCOMES

11.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

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11.2 A performance bonus of from 5% to 14% of the all-inclusive annual remuneration package maybe paid to the Employee in recognition of outstanding performance to calculated as follows:

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

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 performance; and

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 unfitnes or incapacity to carry out his 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 In the case of managers directly accountable to the municipal manager, a member of the municipal council, provided that such member was not part of the evaluation panel provided for in sub-regulation 27(4)(e) of the Municipal Performance Regulations, 2006, within thirty (30) days of receipt of a formal dispute from the employee; whose decision shall be final and binding on both parties.

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

## 13. GENERAL

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

13.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

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This done and signed at... VEREENICHTING... on the... 02... day of... 07... 2018

AS WITNESSES:

1. M. A. [Signature]

2. [Signature]

AS WITNESSES:

1. [Signature]

2. [Signature]

[Signature]

EXECUTIVE DIRECTOR

[Signature]

MUNICIPAL MANAGER

**ANNEXURE A**



**PERFORMANCE PLAN**

**EXECUTIVE DIRECTOR CORPORATE SERVICES**

**2018/19 FINANCIAL YEAR**

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## 1. PURPOSE

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

## 2. KEY RESPONSIBILITIES OF THE EXECUTIVE DIRECTOR: CORPORATE SERVICES

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

Furthermore, each Executive Director is further expected to oversee the implementation of the IDP projects as outlined in Chapter 4 of the Sedibeng District Municipality Integrated Development Plan 2018/2019

## 3. THE SCORECARD OF THE EXECUTIVE DIRECTOR CORPORATES SERVICES.

The scorecard if made up of the following:

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

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SEDIBENG DISTRICT MUNICIPALITY														
CORPORATE SERVICES - CUSTODIAN: EXECUTIVE DIRECTOR CORPORATE SERVICES														
RELEASING HUMAN POTENTIAL														
SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) FOR THE YEAR ENDING 30 JUNE 2019														
Priority Area	IDP Strategy	IDP Objective	Objective No.	Key Performance Indicator (KPI)	KPI No.	Baseline	Budget Amount	Funding Source	Annual Target	Quarter One(1)	Quarter Two (2)	Quarter Three (3)	Quarter Four (4)	POE Required
<b>INFORMATION TECHNOLOGY</b>														
ICT Steering Committee	Ensure functionality of the ICT Steering Committee	To provide oversight to ICT operations	11	Percentage (%) of implementation of resolutions ICT Steering Committee	1.1	Previous reports of ICT Steering Committee meetings are available	26 055 864	OPEX	Develop a resolution tracking tool for ICT Steering Committee Meetings and monitor implementation	Develop a resolution tracking tool for ICT Steering Committee Meetings and monitor implementation	Monitor implementation of ICT Committee Resolutions and report	Monitor implementation of ICT Committee Resolutions and report	Monitor implementation of ICT Committee Resolutions and report	Resolution register, minutes and attendance register
Optic Fibre Project	To maintain and monitor Optic Fibre functionality	To ensure effective coverage of optic fibre	12	Number of functional Wi-Fi Hotspots covered by the Optic Fibre.	12.2	Previous report on the Optic Fibre Usage and Maintenance			Monitor the usage and maintenance of optic fibre in the region and report Quarterly	Monitor the usage and maintenance of optic fibre in the region and report	Monitor the usage and maintenance of optic fibre in the region and report	Monitor the usage and maintenance of optic fibre in the region and report	Monitor the usage and maintenance of optic fibre in the region and report	Optic Fibre monitoring report
ICT Shared services	Share ICT services with Local Municipalities	To manage ICT-related shared Service level agreements	13	Number of Local Municipalities utilising Sedibeng's ICT services	13.1	Previous Minutes of the ICT Steering Committee			Monitor implementation of ICT Shared Services and report to ICT Steering Committee	Monitor implementation of ICT Shared Services and report	Monitor implementation of ICT Shared Services and report	Monitor implementation of ICT Shared Services and report	Monitor implementation of ICT Shared Services and report	Shared services report
<b>HUMAN RESOURCES</b>														
Skills Development Plan	To review employees' Skills and development Training Plan and submit Annual Training Report to LGSETA	To ensure effective and competent staff	14	Amount of funds secured for Skills development Plan	14.1	Previously Approved Skills Development and Training Plan	8 440 437	OPEX	Develop Skills Development and Training plan to secure funds for implementation	Develop Skills Development and Training plan to secure funds for implementation	-	-	-	Approved Skills Development and Training Plan
				Number of Non-PDP training programmes provided to employees	14.2	2017/2018 Skills Development Training Plan		SETAs	Provide Non-PDP Programmed to employees	Provide training non PDP training to 20 employees	Provide training non PDP training to 20 employees	Provide training non PDP training to 20 employees	Provide training non PDP training to 20 employees	Skills Development and Training Reports and attendance registers
CPMD Course				Number of Senior and Middle management received CPMD training	14.3	15 employees attained CPMD qualification		SETAs and other grants	Provide training for four (4) Senior and Middle Management members on CPMD	Enroll two (2) managers on CPMD Programme	-	Enroll two (2) managers on CPMD Programme	-	Skills Development and Training Reports and enrolment letters
Local Labour Forum	To conduct monthly LLF meetings to deliberate on issues affecting employees and management	To promote good labour relations	15	Percentage of implementation of LLF meetings resolutions	15.1	Collective Agreement is available		OPEX	Develop a resolution tracking tool for LLF and monitor implementation	Develop a resolution tracking tool for LLF and monitor implementation	Monitor implementation of LLF resolutions and report	Monitor implementation of LLF resolutions and report	Monitor implementation of LLF resolutions and report	Updated LLF Resolution Register
<b>COUNCIL SECRETARIAT SERVICES</b>														
Method used to record, minute and file Council sitting activities	Provide secretariat services to council and its committees	Provide administrative support to council and its committees	16	Number of updated council resolution registers	16.1	A new target	12 853 688	OPEX	Update council resolution register and monitor implementation	Update 1 council resolution register and monitor implementation	Update 1 council resolution register and monitor implementation	Update 1 council resolution register and monitor implementation	Update 1 council resolution register and monitor implementation	Updated Council Resolution Register
<b>FACILITIES</b>														
General Repairs and Maintenance Plan	Develop and maintain high quality municipal facilities	To review and implement General Repairs and Maintenance Plan	17	Number of Municipal Buildings and sites Repaired and Maintained	17.1	2017/18 Repairs and Maintenance Reports	30 516 139	OPEX	Develop one (1) council approved General Maintenance & Repairs Process Plan	Develop one (1) council approved General Maintenance & Repairs Process Plan	-	-	-	Approved Repairs and Maintenance Plan
								Implement General Repairs and Maintenance Plan and report Quarterly	Implement General Repairs and Maintenance Plan and report	Implement General Repairs and Maintenance Plan and report	Implement General Repairs and Maintenance Plan and report	Implement General Repairs and Maintenance Plan and report	Repairs and Maintenance Reports	
<b>FLEET MANAGEMENT</b>														
Fleet Management	Maintain High Quality Municipal Fleet	To manage and monitor Integrated Fleet Management operations	18	Number of Municipal vehicles managed, serviced and repaired	18.1	Fleet Management reports from the previous financial year	4 228 662	OPEX	Develop one approved Fleet Management Plan	Develop one approved Fleet Management Plan	-	-	-	Approved Fleet Management Plan
									Implement: Fleet management plan and report Quarterly	Implement Fleet management plan and report	Implement Fleet management plan and report	Implement Fleet management plan and report	Implement Fleet management plan and report	Fleet Management Reports
<b>INTERNAL PROTECTION SERVICES</b>														
Internal Protection Services	Provide Protection Services for public, employees and Councilors entering and using the municipality facilities and	To safeguard the council assets, councilors and employees.	19	Number of criminal offenses within the municipality reduced (in relation to safeguarding of assets and employee security)	19.1	10 incidents reported in the previous financial year: (Five (5) break-ins and 5 trespassing)	20 777 780	OPEX	Provide ongoing security services to the municipality and report quarterly	Provide ongoing security services to the municipality and report	Provide ongoing security services to the municipality and report	Provide ongoing security services to the municipality and report	Provide ongoing security services to the municipality and report	Internal Protection Services Reports

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4. PERSONAL DEVELOPMENT PLAN (PDP)

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

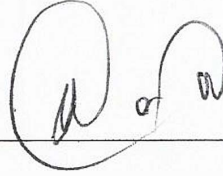
5. CORE COMPETENCY REQUIREMENTS WEIGHTING

		Split per CCR
Financial Management	√	20%
Strategic Capability and Leadership	√	20%
People Management and Empowerment	√	20%
Client Orientation and Customer Focus	√	10%
Service Delivery Innovations	√	20%
Communications	√	10%
<b>TOTAL</b>		<b>100%</b>
<b>OVERALL WEIGHTINGS</b>		

6. ACCEPTANCE OF THE PLAN

This Performance Plan is hereby accepted by;

Mr Motswaledi Makhutle  
Executive Director Corporate Services



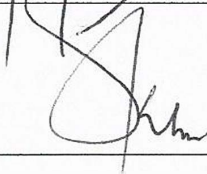
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Date:

02/07/2018

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and Signed by Mr S Khanyile  
Municipal Manager



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Date:

02/07/2018

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