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WHEREBY IT IS AGREED AS FOLLOWS:

employee of the Municipality (hereinafter referred to as the Employee).

MATIMBA EUGEN MALUNGANA

and

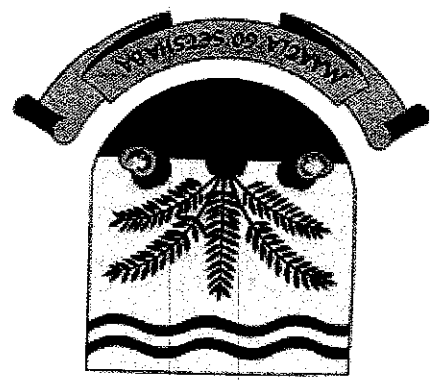
in his capacity as the Municipal Manager (hereinafter referred to as the Employer or Supervisor)

KHATHUSHILO INNOCENT SIROVHA

Greater Letaba Municipality herein represented by

2018/2019

PERFORMANCE AGREEMENT



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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 This agreement does not at all replace the Employment Contract signed between the parties.

1.4 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.

1.5 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:

2.2 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

2.3 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 accountability in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality

2.4 Specify accountabilities as set out in a Performance Plan, which forms an Annexure to the Performance Agreement

2.5 Monitor and measure performance against set targeted outputs

2.6 Use the Performance Agreement as the basis for assessing whether the employee has met the performance expectations applicable to his job

2.7 In the event of outstanding performance, to appropriately reward the employee

2.8 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 2018 and will remain in force until 30 June 2019 (provided the employment contract signed with the employer is still in force) 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

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- 3.3 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
- 3.4 This Agreement will automatically terminate on termination of the Employee's contract of employment for any reason.
- 3.5 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon
- 3.6 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or Council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised
- 4. Performance Objectives
 - 4.1 The Performance Plan (Annexure A) sets out-
 - 4.1.1 Key Performance Areas that the employee should focus on
 - 4.1.2 Core competencies required from employees
 - 4.1.3 The performance objectives, key performance indicators, projects and targets that must be met by the Employee
 - 4.1.4 The time frames within which those performance objectives and targets must be met
 - 4.2 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:
 - 4.2.1 The strategic objectives describe the strategic intent of the organisation that needs to be achieved
 - 4.2.2 The performance indicators provide the measurement on how a strategic objective needs to be 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 performance areas, key objectives, key performance indicators to each other
 - 4.2.5 The activities are the actions to be achieved within a project
- 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

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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, Key Performance Areas and core Competency Requirements, 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. KPAs covering the main areas of work will account for 80% and CCRs will account for 20% of the final assessment.

5.5.3. Each area of assessment will be weighted and will contribute a specific part to the total score.
 5.5.4. The Employee's assessment will be based on his performance in terms of the key performance indicator outputs / outcomes identified as per attached Performance Plan (Annexure A), which are linked to the KPAs, and will constitute 80% of the overall assessment result as per the weightings agreed to between the Employer and Employee.

Municipal Transformation and Organisational Development	20
Basic Service Delivery and Infrastructure	40
Local Economic Development (LED)	10
Municipal Financial Viability and Management	20
Good Governance and Public Participation	10

5.6. 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
 5.7. 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:

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- 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
- 6.2. 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 strategic objectives and strategies 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
- (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 on actual performance 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. These scores are carried over to the applicable employee's performance plan. During assessment, the employee has a

6. Evaluating Performance

Strategic Capability and Leadership	15
Programme and Project Management	10
Financial Management	10
Change Management	5
Knowledge Management	5
Service Delivery Innovation	10
Problem Solving and Analysis	5
People and Diversity Management	5
Client Orientation and Customer Focus	10
Communication	10
Accountability and Ethical Conduct	15
Total:	100

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- 6.7.1. Municipal Manager
- 6.7.2. Chairperson of the Performance Audit Committee or a member of the Performance Audit Committee in the absence of the Chairperson of the Performance Audit Committee;
- 6.7.3. Member of the Executive Committee
- 6.7.4. Municipal manager from another municipality; and

6.7. For purposes of evaluating the annual performance of the Director Technical Services, an evaluation panel constituted of the following persons must be established –

Performance far exceeds the standard	Performance is significantly higher than the standard	Performance fully meets the standards expected in all areas of the job.	Performance is below the standard required for the job in key areas.	Performance does not meet the standard expected for the job.

6.6. The assessment of the performance of the Employee by panel members will be based on the following rating scale for KPAs and CCRs:

An overall rating is calculated by using the Performance Assessment Rating Calculator whereby a weighting of 80% is applied to KPA performance and a weighting of 20% to CCRs.

- 6.5.3. Overall rating
- Rating Calculator (refer to paragraph 6.5.1)
- (d) The score is translated to a final CCR percentage through DPLG Performance Assessment process, to provide a score
- (c) This rating should be multiplied by the weighting given to each CCR during the contracting process
- (b) An indicative rating on the five-point scale should be provided for each CCR
- (a) Each CCR should be assessed according to the extent to which the specified standards have been met

6.5.2. Assessment of the CCRs

The final scores are converted to % Performance by making use of DPLG Performance Assessment Rating Calculator

The panel members have a chance to ask questions regarding

chance to motivate for higher scores. The panel members have a chance to ask questions regarding

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6.7.5. The manager responsible for human resources 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 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:

- First quarter : July – September 2018
- Second quarter : October – December 2018
- Third quarter : January – March 2019
- Fourth quarter : April – June 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

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

The Employer shall:

9.1. Create an enabling environment to facilitate effective performance by the employee

9.2. Provide access to skills development and capacity building opportunities

9.3. Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee

9.4. 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

9.5. 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

Agreement

10. Consultation

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

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be final and binding on both parties.

2006, within thirty (30) days of receipt of a formal dispute from the employee whose decision shall evaluation panel provided for in sub-regulation 27(4)(e) of the Municipal Performance Regulations, mediated by a member of the municipal council, provided that such member was not part of the responsibilities, priorities, methods of assessment and/ or any other matter provided for, shall be Any disputes about the nature of the Employee's performance agreement, whether it relates to key

12. Dispute Resolution

- 11.3. In the case of unacceptable performance, the Employer shall:
 - 11.4. Provide systematic remedial or developmental support to assist the Employee to improve his performance
 - 11.5. 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 duties

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%

- 11.1. 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:


11. Management of Evaluation Outcomes

- 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
- 10.1.3. A substantial financial effect on the Employer
- 10.1.4. The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in as soon as is practicable to enable the Employee to take any necessary action without delay


- 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
 - 13.3. The performance assessment results of the **Director Technical Services** 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.

Thus done and signed at *Medunyaneni* on this the *29* day of *27* 2018

AS WITNESSES:

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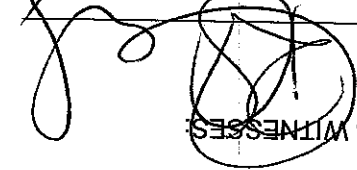
2. _____



EMPLOYEE

MATIMBA EUGEN MALUNGANA

AS WITNESSES:

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2. _____



DR. K.I. SIROVHA

MUNICIPAL MANAGER