

A27-19

LAINGSBURG MUNICIPALITY

**Performance Agreement
for the financial year 1 January 2019 – 30 June 2019**

MUNICIPAL MANAGER

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16/5/19

Performance agreement made and entered into by and between

The Laingsburg Municipality represented by the Executive Mayor (*herein and after referred as Employer*)

and

Petro Allan Williams the Municipal Manager (*herein and after referred as Employee*) for the period 1 January 2019 to 30 June 2019

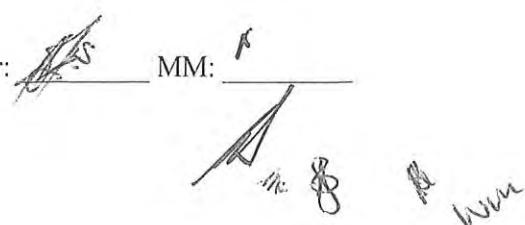
Where as

- a. 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 as "the parties";
- b. 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;
- c. 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 promote local government goals; and
- d. The parties wish to ensure that there is compliance with Sections 57(4B) and 57(5) of the Systems Act.

1. INTERPRETATION

- 1.1 In this Agreement the followings terms will have the meaning ascribed thereto:
 - 1.1.1 "this Agreement" – means the performance agreement between the employer and the employee and the Annexures thereto;
 - 1.1.2 "the Executive Authority" – means the Executive Mayor of the Municipality constituted in terms of Section 60 of the Local Government: Municipal Structures Act 117 of 1998 ("the Structures Act") as represented by its chairperson, the Executive Mayor;
 - 1.1.3 "the Employee" means the Municipal Manager appointed in terms of Section 54A of the Systems Act;
 - 1.1.4 "the Employer" means the Municipality; and
 - 1.1.5 "the Parties" means the Employer and Employee.

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Executive Mayor: _____ MM: _____


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2. PURPOSE OF THIS AGREEMENT

- 2.1 To comply with the provisions of Section 57(1)(b),(4B) and (5) of the Systems Act as well as the Contract of Employment entered into between the parties;
- 2.2 To specify objectives and targets established for the employee and to communicate to the employee the employer's expectations of the employee's performance targets and accountabilities;
- 2.3 To specify accountabilities as set out in the Performance Plan (Annexure A);
- 2.4 To monitor and measure performance against set target outputs and outcomes;
- 2.5 To establish a transparent and accountable working relationship;
- 2.6 To appropriately reward the employee in accordance with section 11 of this agreement; and
- 2.7 To give effect to the employer's commitment to a performance-orientated relationship with the employee in attaining improved service delivery.

3. COMMENCEMENT AND DURATION

- 3.1 This agreement will commence on 1 January 2019 and will remain in force until 30 June 2019 where-after a new Performance Agreement shall be concluded between the parties for the next financial year or any portion thereof;
- 3.2 The parties will conclude a new Performance Agreement that replaces this agreement at least once a year by not later than 31st of July of the succeeding financial year;
- 3.3 This agreement will terminate on the termination of the employee's contract of employment for any reason;
- 3.4 If at any time during the validity of the agreement the work environment alters to the extent that the contents of the agreement are no longer appropriate, the contents must by mutual agreement between the parties, immediately be revised; and
- 3.5 Any significant amendments or deviations must take cognizance of the requirements of sections 34 and 42 of the Municipal Systems Act and Regulation 4(5) of the Regulations.

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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;
 - 4.1.2 The timeframes within which those performance objectives and targets must be met; and
 - 4.1.3 The competencies (Annexure B – definitions in terms of Regulation 21 of 17 January 2014) required to operate effectively as senior managers in the local government environment.
- 4.2 The performance objectives 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:
- 4.2.1 Key objectives that describe the main tasks that need to be done;
 - 4.2.2 Key performance indicators that provide the details of the evidence that must be provided to show that a indicator has been achieved by the employee;
 - 4.2.3 Target dates that describe the timeframe in which the targets must be achieved; and
 - 4.2.4 Weightings showing the relative importance of the key objectives to each other.
- 4.3 The Personal Development Plan (Annexure C) sets out the employee's personal development requirements in line with the objectives and targets of the employer; and
- 4.4 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.

5. PERFORMANCE MANAGEMENT SYSTEM

- 5.1 The employee agrees to participate in the performance management system that the employer adopted for the employees 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 employees and service providers to perform to the standards required;

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- 5.3 The employer must consult the employee about the specific performance standards and targets that will be included in the performance management system applicable to the employee;
 - 5.4 The employee undertakes to actively focus on the promotion and implementation of the key performance indicators (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, Operational Performance and Competencies both of which shall be contained in the Performance Agreement;
 - 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, 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;
 - 5.7 The competencies will make up the other 20% of the employee's assessment score. The competencies are spilt into two groups, leading competencies that drive strategic intent and direction and core competencies, which drive the execution of the leading competencies.

6. PERFORMANCE ASSESSMENT



- 6.1 The Performance Plan (Annexure A) to this agreement sets out key performance indicators and competencies that needs to be evaluated in terms of –
 - 6.1.1 The standards and procedures for evaluating the employee's performance; and
 - 6.1.2 During 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 also be measured in terms of contributions to the goals and strategies set out in the employer's Integrated Development Plan (IDP) as described in 6.6 – 6.13 below;

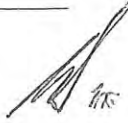


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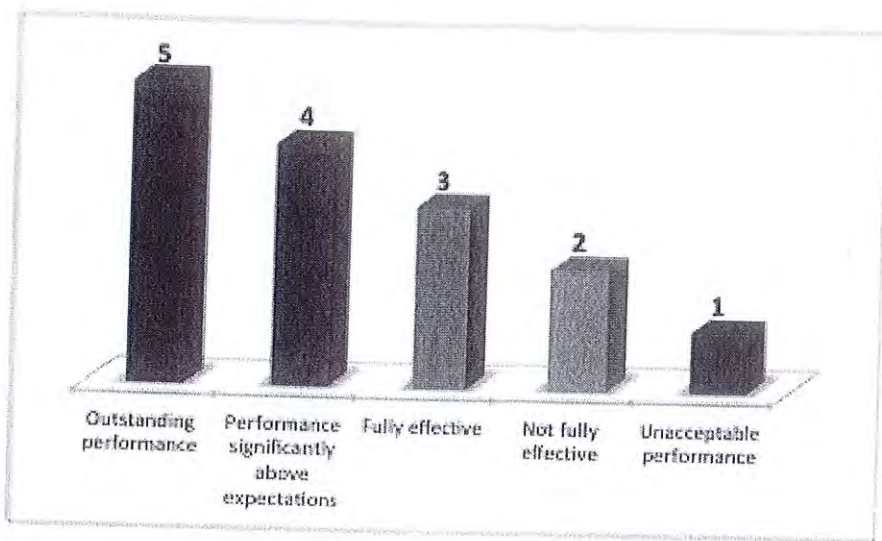
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- 6.5 The employee will submit quarterly performance reports (SDBIP) and a comprehensive annual performance report at least one week prior to the performance assessment meetings to the evaluation panel chairperson for distribution to the panel members for preparation purposes;
- 6.6 Assessment of the achievement of results as outlined in the performance plan:
 - 6.6.1 Each KPI or group of KPIs shall be assessed according to the extent to which the specified standards or performance targets have been met (qualitative and quantitative) and with due regard to ad-hoc tasks that had to be performed under the KPI;
 - 6.6.2 A rating on the five-point scale described in 6.9 below shall be provided for each KPI or group of KPIs which will then be multiplied by the weighting to calculate the final score;
 - 6.6.3 The employee will submit his self-evaluation to the employer prior to the formal assessment;
 - 6.6.4 In the instance where the employee could not perform due to reasons outside the control of the employer and employee, the KPI will not be considered during the evaluation. The employee should provide sufficient evidence in such instances; and
 - 6.6.5 An overall score will be calculated based on the total of the individual scores calculated above.
- 6.7 Assessment of the Competencies:
 - 6.7.1 Each competency will be assessed in terms of the descriptions provided (Annexure B) during the mid-year and year-end reviews;
 - 6.7.2 A rating on the five-point scale described in 6.10 below shall be provided for each competency which will then be multiplied by the weighting to calculate the final score; and
 - 6.7.3 An overall score will be calculated based on the total of the individual scores calculated above.
- 6.8 Overall rating
 - 6.8.1 An overall rating is calculated by adding the overall scores as calculated in 6.6.5 and 6.7.3 above; and
 - 6.8.2 Such overall rating represents the outcome of the performance appraisal.
- 6.9 The assessment of the performance of the employee will be based on the following rating scale for KPIs:

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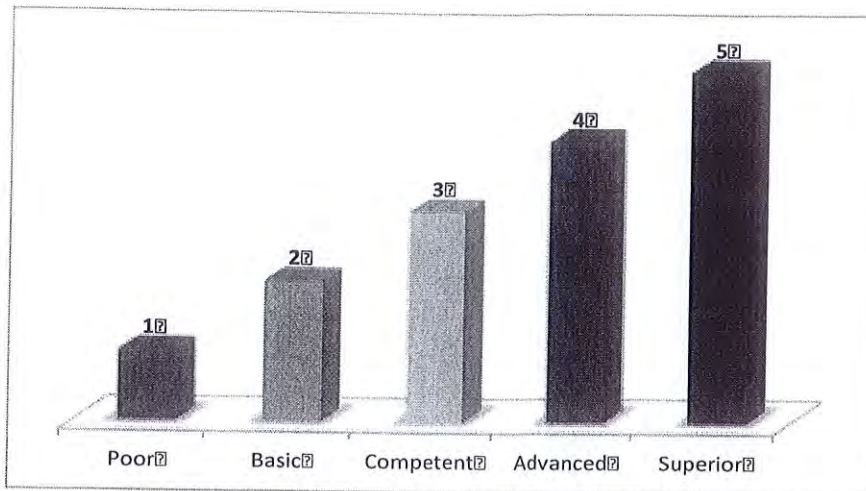


Terminology	Description
Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and Performance plan and maintained this in all areas of responsibility throughout the year.
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.
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.
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.
Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that they 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.

6.10 The assessment of the competencies will be based on the following rating scale:

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Achievement Level	Description
Poor	Do not apply the basic concepts and methods to proof a basic understanding of local government operations and requires extensive supervision and development interventions.
Basic	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention.
Competent	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analysis.
Advanced	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in-depth analysis.
Superior	Has a comprehensive understanding of local government operations, critical in strategic shaping strategic direction and change, develops and applies comprehensive concepts and methods.

- 6.11 For purposes of evaluating the annual performance of the employee, an evaluation panel constituted of the following persons will be established –
- 6.11.1 Executive Mayor;
 - 6.11.2 Mayor / Municipal Manager from another municipality;
 - 6.11.3 Chairperson of the Performance Audit Committee or in his/her absence thereof, the Chairperson of the Audit Committee;
 - 6.11.4 The Member of the Mayoral Committee; and
 - 6.11.5 A member of the community.
- 6.12 The Executive Mayor will evaluate the performance of the Employee as at the end of the 1st and 3rd quarters and document a summary of the discussions; and

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6.13 The Executive Mayor will give performance feedback to the employee within five (5) working days after each quarterly and annual assessment meetings.

7. SCHEDULE FOR PERFORMANCE REVIEWS

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

Quarter	Months
1	July - September
2	October - December
3	January - March
4	April - June

- 7.2 The employer shall keep a record of the year-end 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; and
- 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 C. Such Plan may be implemented and/or amended as the case may be after each assessment. In that case, the employee will be fully consulted before any such change or plan is made.

Executive Mayor:  MM: 



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 assisting him 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 its 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 clause 12.1 as soon as is practicable to enable the employee to take any necessary action with delay.

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Executive Mayor: _____ MM: _____



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11. REWARD

- 11.1 The evaluation of the employee's performance will form the basis for acknowledging outstanding performance or correcting unacceptable performance;
- 11.2 The payment of the performance bonus is determined by the performance score obtained during the 4th quarter;
- 11.3 The performance bonus will be awarded pro-rata according to the period of this agreement based on the following scheme:

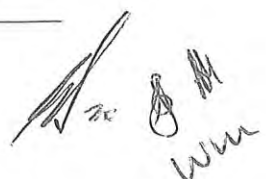
Performance Rating		Bonus Calculation
0% - 64%	Poor Performance	0% of total package
65% - 69%	Average Performance	5% of total package
70% - 74%	Fair Performance	9% of total package
75% - 79%	Good Performance	11% of total package
80% - 100%	Excellent Performance	14% of total package

- 11.4 In the event of the employee terminating his services during the validity period of this agreement, but only after three months after the start of this agreement's inception date, the employee's performance will be evaluated for the period during which he was employed and he will be entitled to a pro-rata performance bonus based on his evaluated performance for the period of actual service; and
- 11.5 The employer will submit the total score of the annual assessment and of the employee, to full Council for purposes of recommending the bonus allocation.

12. MANAGEMENT OF EVALUATION OUTCOMES

- 12.1 Where the employer is, any time during the employee's employment, not satisfied with the employee's performance with respect to any matter dealt with in this agreement, the employer will give notice to the employee to attend a meeting;
- 12.2 The employee will have the opportunity at the meeting to satisfy the employer of the measures being taken to ensure that his performance becomes satisfactory and any programme, including any dates, for implementing these measures;
- 12.3 Where there is a dispute or difference as to the performance of the employee under this agreement, the parties will confer with a view to resolving the dispute or difference; and
- 12.4 In the case of unacceptable performance, the employer shall –

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Executive Mayor:  MM: 



- 12.4.1 Provide systematic remedial or developmental support to assist the employee to improve his performance; and
- 12.4.2 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 Disputes will be dealt with in terms of Section 33 of the Local Government: Municipal Performance Regulations for Municipal Managers and managers directly accountable to Municipal Managers (Regulation 805 of August 2006).
- 13.2 Any disputes about the nature of the employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/or salary increment in the agreement,
 - (a) must be mediated by the MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the employee,
 - (b) or any other person designated by the MEC whose decision shall be final and binding on both parties
- 13.3 Any disputes about the outcome of the employee's performance evaluation,
 - (a) must be mediated by the MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the employee,
 - (b) or any other person designated by the MEC whose decision shall be final and binding on both parties.

14. GENERAL

- 14.1 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; and
- 14.2 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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Executive Mayor:  MM: 





Thus done and signed at LANGEBURG on the 19th day February of 2019.

AS WITNESSES:

1. [Signature]

2. [Signature]

[Signature]
MUNICIPAL MANAGER

Thus done and signed at 21/02/2019 on the Langsburg day February of 2019.

AS WITNESSES:

1. [Signature]

2. [Signature]

[Signature]
EXECUTIVE MAYOR

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Executive Mayor: [Signature] MM: [Signature]

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