

**MASILONYANA LOCAL MUNICIPALITY**



**PERFORMANCE AGREEMENT**

**BETWEEN**

.....  
**MASILONYANA LOCAL MUNICIPALITY**

**AND**

.....  
**"the employee"**

**FINANCIAL YEAR**

**1 JULY 2013 - 30 JUNE 2014**

## INTRODUCTION

Masilonyana local Municipality duly represented by ....., in his capacity as the Municipal Manager has entered into a contract of employment with the employee ..... (in his capacity as the Corporate Services Director) for a period of ..... ending ..... in terms of section 57(1) (a) of the Local Government Municipal Systems Act 32 of 2000.

Section 57(1) 9b) of the same Act, read with the contract of employment concluded between the parties, requires the parties to conclude an annual performance agreement.

The parties wish to ensure that they are clear about the goals & objectives to be achieved, and secure the commitment of the employee reporting to the Municipal Manager, to a set of actions that will secure Local Government Policy Objectives.

## PURPOSE OF THIS AGREEMENT

The parties agree that the purpose of this Agreement is to:

- Comply with the provisions of section 57 (10 (b), (4A), (4B) and (5) of the Act as well as the employment contract entered into between the parties;
- Specify objectives and targets defined and agreed with the employee and to communicate to the employee the municipal expectations of the employee's performance and accountabilities in alignment with the 2013/2014 Integrated Development Plan, 2013/2014 Service Delivery Budget Implementation Plan and the 2013/2014 Municipal Budget;
- Specify the accountabilities as set out in the Performance Plan, which forms an annexure to the performance agreement.
- Monitor and measure performance against set targeted outputs;
- Use the performance agreement as a barometer assess employee performance
- In the event of outstanding performance, to appreciately reward performance
- Give effect to the municipal commitment to a performance oriented relationship with its employee in attaining equitable and improved service delivery.

## COMMENCEMENT AND DURATION

- This Agreement will commence on the 1 July 2013 and will remain in force until 30 June 2014. 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;
- 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;
- This Agreement will terminate on the termination of the employee's contract of employment for any reason as may be agreed between the parties;
- The content of this Agreement may be revised at any time during the above-mention period to determine the applicability of the matters agreed upon;
- If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council resolution/decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised and aligned.

## PERFORMANCE OBJECTIVES

- The Performance Plan (Annexure "A") sets out:
- The performance objectives and targets that must be met by the employee; and
- The time frames within which those performance objectives and targets must be met;
- The performance objectives and targets reflected in Annexure "A" are set by the Mayor in consultation with the employee, and including Key Objectives, Key Performance Indicators, Target dates and weightings;
- The Key Objectives describes the main task that needs to be done. The key Performance Indicators provide the details of the evidence that must be provided to show that a Key Objective has been achieved. The target date describes the timeframe in which the work must be achieved. The weightings show the relative importance of the Key Objective to each other;
- The employee's performance will. In addition be measured in terms of contributions to the set goal and strategies as in the 2013/2014 IDP;

## PERFORMANCE MANAGEMENT SYSTEM

- The employee agrees to participate in the Performance Management System that the municipality will adopt (before October 2013) and introduced for Masilonyana Local Municipality, to manage municipal staff.
- The employee accepts that the purpose of Performance Management System is to provide a comprehensive system with specific performance standards to assist the municipality, management and municipal staff to perform to the standards required;
- The Municipal Manager will consult the employee about the specific performance standards that will be included in the Performance Management System as applicable to the employee;
- The employee undertake 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;
- The criteria upon which the performance of the employee shall be assessed shall consist of two components, both of which are contained in the Performance Agreement;
- The employee will be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPA's) and the Core Management Competencies (CMC's) respectively;
- Each area of assessment will be weighted and will contribute a specific part to the total score;
- KPA's covering the main areas of work will account for 80% and CMC's 20% of the final assessment;
- The employee's assessment will be based on his performance in terms of the outputs/ outcomes specified in the Attached Performance Plan

## **EVALUATING PERFORMANCE**

The Performance plan set out:

- The standard and procedures for evaluating the employee's performance and;
- The intervals for the evaluation of the employee's performance
- The municipal council may review the employee's performance at any stage while the contract of employment remain in force;
- Personal growth and development needs identified during any performance review discussion must be documented and where possible, action agreed to and implementation must occur within a set time frames
- The employee's performance will be measured in terms of contributions to the goals and strategies set out in the 2013/2014 Municipal IDP;

The Annual Performance Appraisal will involve:

- An assessment of achievements of results as outlined in the Performance Plan
- Each KPA will be assessed according to the extent to which specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under that KPA;
- An indicative rating on the five point scoring mechanism be provided for each KPA;
- The applicable assessment rating calculator will then be used to add the scores and calculate a final KPA score;

## **ASSESSMENT OF THE CMC's**

- Each CMC will be assessed according to the extent to which the specified standard have been met;
- An indicative rating on the five point scale should be provided for each CMC;
- The rating will be multiplied by the weighting given to each CMC to provide a score;
- The applicable assessment calculator will be used to add the scores and calculate the final CMC score;

## **OVERALL RATING**

- An overall rating will be calculated using the applicable assessment rating calculator. Such overall rating represents the outcome of the performance appraisal;
- For the purposes of evaluating the annual performance of the employee, an evaluation panel shall be constituted by the Municipal Manager.

## **SCHEDULE FOR PERFORMANCE REVIEWS**

- The performance of the employee shall be reviewed within the time frames specified in the Performance Plan;
- The municipality shall keep a record of the review and assessment meetings;
- Performance Feedback shall be based on the Municipal Assessment of the employee's performance;
- The municipality will be entitled to review and make reasonable changes to the provisions of the Performance Plan, from time to time for operational reasons. The employee will be fully consulted before any such changes is made;
- The municipality may amend the provisions of the performance plan, whenever the PMS is adopted, implemented and or amended as the case may be. In that case the employee will be fully consulted before any such changes can be effected;

## **OBLIGATION OF MASILONYANA LOCAL MUNICIPALITY**

The Municipality shall:

- Create an enabling environment to facilitate effect performance by the Corporate Services Director;
- Provide access to skills development and capacity building opportunities
- Work collectively with the employee to solve problems and generate solutions to common problems that may impact on the performance of the employee;
- On request of the employee delegate such powers reasonably as may be requested by the employee to enable him to met the performance objectives and targets established in terms of this agreement;
- Make available to the employee such resources as the employee may reasonable require from time to time to assist him to met the performance objectives and targets established in terms of this agreement;

**CONSULTATION**

Signed at ..... On this day..... of  
..... 2013

As witnesses

1. ....

2. ....

.....  
The Municipal Manager  
.....

Signed at ..... on this day ..... of  
..... 2013

As witnesses

1. ....

2. ....

.....  
The Corporate Services Director  
.....