

**Performance Agreement for the Acting Municipal Manager for the period
01 July 2019 – 30 June 2020**

RUSTENBURG LOCAL MUNICIPALITY



PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

THE RUSTENBURG LOCAL MUNICIPALITY REPRESENTED BY

Cllr. Mpho Elias Khunou

in his capacity as the **Executive Mayor of**

Rustenburg Local Municipality

(the "Employer")

and

Mr. Edward Komane

in her capacity as the **Acting Municipal Manager of**

Rustenburg Local Municipality

(the "Employee")

(Collectively referred to as the "Parties")

FOR THE PERIOD 01 JULY 2019 – 03 AUGUST 2019




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Annexure: A Performance Plan

Annexure: B Personal Development Action Plan



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PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

The Rustenburg local Municipality represented by **Cllr. Mpho Elias Khunou** in his capacity as Executive Mayor (hereinafter referred to as the Employer or Supervisor)

And **Mr. Edward Komane** in his/her capacity as the Acting Municipal Manager (hereinafter referred to as the Employee).

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

- 1.1. The Municipality has entered into a contract of employment with the Municipal Manager for a period of 5 years in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The Municipality and the Municipal Manager 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) and 57(5) of the Systems Act.
- 1.5. In the agreement the following terms will have the meaning ascribed thereto:
 - a) **this agreement-** means the performance agreement between the Employer and Employee and the Annexures thereto;
 - b) **the Municipal Manager-** means the Municipal Manager of the Rustenburg Local Municipality appointed in terms Section 54A of the Local Government Municipal Systems Act;
 - c) **the Employee-** means the manager appointed in terms of Section 57 of the Systems Act;
 - d) **the Employer-** means Rustenburg Local Municipality; and
 - e) **the Parties-** means the Employer and Employee.

2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to –

- 2.1. comply with the provisions of Section 57(1) (b), (4A) and (5) of the Systems Act as well as the Contract of Employment entered into between the parties;

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- 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 Budget and Implementation Plan (SDBIP) and the budget of the municipality.
- 2.3. specify accountabilities as set out in the Performance Plan (Annexure A);
- 2.4. monitor and measure performance against set targeted outputs;
- 2.5. use the Performance Agreement and Performance Plan as the basis for assessing the suitability of the Employee for employment and/or to assess whether the Employee has met the performance expectations applicable to his job;
- 2.6. appropriately reward the Employee in accordance with the Employer's performance management policy in the event of outstanding performance; and
- 2.7. give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining equitable and improved service delivery.

3. COMMENCEMENT AND DURATION

- 3.1. Notwithstanding the date of signature hereto, this Agreement will commence on the **01 July 2019 to 30 June 2020** where after 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. This Agreement will terminate on the termination of the Employee's contract of employment for any reason.
- 3.3. If at any stage during the validity of this Agreement the work environment alters to the extent that the contents of this Agreement are no longer appropriate, the contents must by mutual agreement between the parties, immediately be revised.

4. PERFORMANCE OBJECTIVES

- 4.1. The Performance Plan (Annexure A) sets out-
 - a) the performance objectives and targets that must be met by the Employee; and
 - b) the time frames within which those performance objectives and targets must be met.
- 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 (IDP), Service Delivery and Budget

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Implementation Plan (SDBIP) of the Employer, and shall include Key Performance Areas (KPA), Key Objectives (KO); Key Performance Indicators (KPI); Baseline; Target Dates and Weightings.

- 4.3. The key objectives describe that which the organization intends to achieve. The key performance indicators define a set of values against which to measure. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.
- 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 adopts or introduces for the municipality.
- 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 Key Performance Areas (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 must be assessed consist of two components, both of which must be contained in the performance agreement. 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. Each area of assessment will be weighted and will contribute a specific part to the total score. KPAs covering the main areas of work will account for 80% and CCRs will account for 20% of the final assessment.
- 5.6. The employee's assessment will be based on his or her performance in terms of the outputs/outcomes (performance indicators) identified as per the performance plan which are linked to the KPA's, which constitute 80% of the overall assessment result as per the weightings agreed to between the employer and employee.



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KEY PERFORMANCE AREAS	WEIGHTING
Basic Service Delivery	30
Local Economic Development	11
Municipal Financial Viability	30
Municipal Institutional Development and Transformation	8
Good Governance and Public Participation	15
Spatial Rationale	6
Total	100%

- 5.7. In the case of managers directly accountable to the municipal manager, 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.

6. COMPETENCY FRAMEWORK

- 6.1. A person appointed as a senior manager must have the competencies as set out in this framework. Focus must also be placed on the following key factors:
- a) Critical leading competencies that drive the strategic intent and direction of local government;
 - b) Core competencies which senior managers are expected to possess, and which drive the execution of the leading competencies; and
 - c) The eight Batho Pele principles.
- 6.2. The competency framework consists of **six (6) leading competencies** which comprise of twenty (20) driving competencies that communicate what is expected for effective performance in local government.
- 6.3. The competency framework further involves **six (6) core competencies** that act as drivers to ensure that the leading competencies are executed at an optimal level.
- 6.4. Competency Framework Structure
- 6.4.1. The competencies that appear in the competency framework are detailed below:

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CRITICAL LEADING COMPETENCIES		
Six (6) Leading Competencies	Twenty (20) driving competencies	Weight
Strategic Direction and Leadership	<ul style="list-style-type: none"> • Impact and Influence • Institutional Performance Management • Strategic Planning and Management • Organisational Awareness 	15
People Management	<ul style="list-style-type: none"> • Human Capital Planning and Development • Diversity Management • Employee Relations Management • Negotiation and Dispute Management 	10
Program and Project Management	<ul style="list-style-type: none"> • Program and Project Planning and Implementation • Service Delivery Management • Program and Project Monitoring and Evaluation 	10
Financial Management	<ul style="list-style-type: none"> • Budget Planning and Execution • Financial Strategy and Delivery • Financial Reporting and Monitoring 	20
Change Management	<ul style="list-style-type: none"> • Change Vision and Strategy • Process Design and Improvement • Change Impact Monitoring and Evaluation 	5
Governance Leadership	<ul style="list-style-type: none"> • Policy Formulation • Risk and Compliance Management • Cooperative Governance 	10
SIX (6) CORE COMPETENCIES		
Moral Competence		5
Planning and Organising		5
Analysis and Innovation		5
Knowledge and Information Management		5
Communication		5
Results and Quality Focus		5
Total		100%

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7. PERFORMANCE ASSESSMENT

- 7.1. The Performance Plan (Annexure A) to this Agreement sets out
- 7.1.1. The standards and procedures for evaluating the Employee's performance;
and
 - 7.1.2. The intervals for the evaluation of the Employee's performance;
- 7.2. 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;
- 7.3. 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;
- 7.4. The **Employee's** performance will be measured in terms of contributions to the strategic objectives and strategies set out in the **Employer's** IDP.
- 7.5. The Annual performance appraisal will involve:
- 7.5.1. 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 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 for appropriate rating
 - c) The assessment of the performance of the Employee is therefore based on the following rating scale for KPIs and subsequent Leading Competencies and Core Competencies:

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Level	Rating					Terminology	Description
	1	2	3	4	5		
5						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
4						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
3						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 Performance Agreements and Performance Plan.
2						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 performances criteria and indicators as specified in the Performance Agreements and Performance Plan.
1						Unacceptable Performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the Performance Agreements 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.

d) The Employee will submit her self-evaluation to the Employer prior to the formal assessment with the Panel; and

e) An overall score will be calculated based on the total of the individual scores calculated above.

7.5.2. Assessment of the Leading Competencies and Core Competencies:

a) There is no hierarchical connotation to the structure and all competencies are essential to the role of a senior manager to influence high performance.

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- b) All competencies must therefore be considered as measurable and critical in assessing the level of a senior manager's performance.
- c) The competency framework is underscored by four (4) achievement levels that act as benchmark and minimum requirements for other human capital interventions, which are, recruitment and selection, learning and development, succession and planning, and promotion.

7.5.3. Achievement Levels

7.5.3.1. The achievement levels indicated in the table below serves as a benchmark for the appointments, succession planning and development interventions.

7.5.3.2. Individuals falling within the Basic range are deemed unsuitable for the role of senior manager, and caution should be applied in promoting and appointing such persons.

7.5.3.3. Individuals that operate in the Superior range are deemed highly competent and demonstrate an exceptional level of practical knowledge, attitude and quality. These individuals should be considered for higher positions and should be earmarked for leadership programs and succession planning.

Achievement Levels	Description
Basic 1	Applies basic concepts, methods, and understanding of local government operations, but requires supervision and development intervention
Competent 2	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses
Advanced 3	Develops and applies complex concepts, methods and understanding. Effectively directs and leads group and executes in-depth analyses
Superior 4	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops and applies comprehensive concepts and methods.

7.6. Performance Assessment Panel

7.6.1. For purpose of evaluating the annual performance of municipal manager, an evaluation panel constituted of the following persons must be established:

- a) Executive Mayor or Mayor
- b) Chairperson of the Performance Audit Committee (PAC) or the Audit Committee (AC) in the absence of a Performance Audit Committee

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- c) Member of the Mayoral or Executive Committee or in respect of a plenary type municipality, another member of Council.
- d) Mayor/ Municipal Manager from another municipality; and
- e) Member of a Ward Committee as nominated by the Executive Mayor
- f) The Manager responsible for human resources of the municipality must provide secretariat to the evaluation panels

8. SCHEDULE FOR PERFORMANCE REVIEWS

- 8.1. The performance of each employee in relation to his/her performance agreement must be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

1st quarter: Not later than end of the third week of October.

2nd quarter and mid-year: Not later than end of the third week of January.

3rd quarter: Not later than end of the third week of April.

4th quarter: First week of August

Annual review: Not later than second week of February

- 8.2. The Employer shall keep a record of the mid-year review and annual assessment meetings
- 8.3. Performance feedback must be based on the Employer's assessment of the Employee's performance.
- 8.4. The Employer will be entitled to review and make reasonable changes to the provisions of **Annexure A** from time to time for operational reasons on agreement between both parties.
- 8.5. The Employer may amend the provisions of Annexure A whenever the performance management system is adopted, implemented and/or amended on agreement with both parties.

9. DEVELOPMENTAL REQUIREMENTS

- 9.1 The Personal Development Plan (PDP) for addressing developmental gaps must form part of the performance agreement.

10. OBLIGATION OF THE EMPLOYER

- 10.1. The Employer must –
- a) Create an enabling environment to facilitate effective performance by the employee;

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

11. CONSULTATION

11.1. 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; and
- c) A substantial financial effect on the Employer.

11.2. The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in clause 11.1 above, as soon as is practicable to enable the Employee to take any necessary action without delay.

12. MANAGEMENT OF EVALUATION OUTCOMES

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

12.2. A performance bonus of 5% to 14% of the all-inclusive annual remuneration package shall be payable to the Employee in recognition of performance, in determining the performance bonus the relevant percentage is based on the overall rating, calculated by using the applicable assessment-rating calculator.

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The performance bonus will be awarded based on the following scheme:

No	Final Score	Per cent Performance Bonus
	Below 130%	0%
1	130.0%	5.0%
2	131.0% -135.0%	6.0%
3	136.0% -140.0%	7.0%
4	141.0% - 145.0%	8.0%
5	146.0% - 149.0%	9.0%
6	150.0% -154.0%	10.0%
7	155.0% - 159.0%	11.0%
8	160.0% - 164.0%	12.0%
9	165.0% - 169.0%	13.0%
10	Above 169%	14.0%

12.3. In the case of unacceptable and/or poor performance, the Employer shall –

- a) provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and
- b) 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. 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, must be mediated by –

- a) In the case of the municipal manager, the MEC for Local Government in the province within thirty (30) days of receipt of a formal dispute from the employee, or any other person designated by the MEC. whose decision shall be final and binding on both parties.

13.2. Any disputes about the outcome of the employee's performance evaluation, must be mediated by –

- a) In the case of municipal manager, the MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the employee, or any other person designated by the MEC

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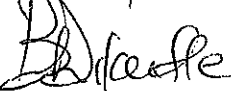
14. GENERAL

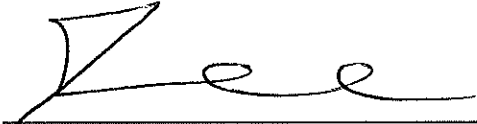
- 14.1. The contents of this performance agreement must be made available to the public by the Employer;
- 14.2. Nothing in this agreement diminishes the obligation, duties or accountabilities of the Employee in terms of his or her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

15. SIGNATORIES

Signed at RUSTENBURG on this 30th day of July 2019

AS WITNESSES:


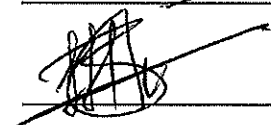
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**MR. EDWARD KOMANE
ACTING MUNICIPAL MANAGER**

Signed at RUSTENBURG on this 30th day of July 2019

AS WITNESSES:

- 1. 
- 2. 



**CLLR MPHOU ELIAS KHUNOU
EXECUTIVE MAYOR**