



## Setseto Local Municipality Performance Agreement

Organisation	Setseto Local Municipality	Employee Name	Marotholi Themba
Department	Technical Services	Post Title	Director Technical Services
Division	All	Post Identification Number	Section 57
Section	All	Post Level	Senior Manager
Line Manager	Municipal Manager	Cell Phone Number	0780195475
Performance Period	01 July 2022 to 30 June 2023		

### 2. Purpose

The purpose of this Agreement is to:

- Comply with the provision of section 24 (1)-(4) of the Local Government: Municipal Systems Act, 32 of 2000, as amended, as well as the Contract of Employment entered into between the parties;
- Communicate the Employer's performance expectations and accountabilities to the Employee by specifying objectives and targets as defined in the Integrated Development Plan, Service Delivery and Budget Implementation Plan and Budget of the Municipality;
- Specify accountabilities as set out in the Performance Plan, which must be in a format substantially compliant with Annexure "A";
- Monitor and measure performance against set targeted outcomes, outputs, activities, tasks and sub-tasks;
- Use the Agreement and Performance Plan as a basis for assessing the performance of the employee and establish whether the Employee has met the performance expectations applicable to the position; and
- Appropriately reward the Employee in accordance with the Employer's Performance Management Policy in the event of outstanding performance.

### 3. Commencement and Duration

- This Agreement will commence on the 01 July 2022 and will remain in force until 30 June 2023, whereafter a new Performance Agreement will be concluded. Performance Agreement and personal Development Plan must be concluded between the parties for each of the following financial years or any portion thereof for the duration of Contract of Employment.
- This Agreement will terminate on termination of the Employee's employment for any reason whatsoever.
- 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.
- If at any time during the validity of this Agreement the work environment alters, whether as a result of government or council decision or otherwise, to the extent that the contents of this Agreement are no longer appropriate, the contents must immediately be revised.
- Any significant amendments or deviation must take cognisance of the requirement of sections 34 and 42 of the Local Government: Municipal Systems Act, 32 of 2000, as amended and regulation 4(5) of the Regulations regarding the sections 54A and 56 of the Act.

### 4. Performance Objectives

4.1 The Performance Agreement must set out the-

- performance objectives and targets that must be met by the Employee; and
  - the timeframes within which those performance objectives and targets must be met.
- 4.2 The performance objectives and targets reflected in the Performance Agreement must-
- be set by the Employer in consultation with the Employee;
  - be based on the Integrated Development Plan and Budget of the Employer; and
  - include key determined objectives, performance indicators, targets, timeframes and weightings.
- 4.3 It is agreed that-
- the determined objectives must describe the main tasks that must be performed by the Employee;

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- (b) the key performance indicators provide the details of evidence that must be provided to indicate that a determined objective has been achieved;
  - (c) the targets describe the qualitative and quantitative work to be achieved;
  - (d) the timeframes describe the dates in which the work must be achieved; and
  - (e) the weightings indicate the relative importance of the determined objectives to each other.
- 4.4 The Employee's performance will, in addition, be measure in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan and Service Delivery and Budget Implementation Plan.
- 5. Performance Management System**
- 5.1 The Employee agrees to participate in the Performance management Systems that the Employer adopts or introduces for the municipality, and accepts that the purpose of the Performance Management System is to provide a comprehensive system, with specific performance standards, to assist the municipality to perform to the standards required.
- 5.2 The Employer must consult the Employee about specific performance standards that are included in the Performance Management System that are applicable to the Employee.
- 5.3 The Employee undertakes to actively focus on the promotion and implementation of Key Performance Areas, including special projects relevant to the Employee's responsibilities, within local government framework.
- 5.4 The Employee must be assessed on his or her performance in terms of performance Indicators identified in the performance Plan, annexed hereto as Annexure "A" and include:
- (a) the Key Performance Areas; and
  - (b) Core Managerial Competencies, with a weighting of 80-20 allocated to sub-clause (a) and (b) respectively.
- 6. Evaluating Performance**
- 6.1 The Performance Plan, included hereto as Annexure "A", must set out:
- (a) standards and procedures for evaluating the Employee's performance; and
  - (b) intervals for 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 during the validity of the Contract of Employment.
- 6.3 Personal growth and development needs identified during any performance review discussions, as well as the actions and timeframes agreed to, must be documented in the Personal Development Plan, which must be in the format substantially compliant with Annexure "D"
- 6.4 The Employee's performance will be measured in terms of contributions to the goals and strategies contemplated in the Employer's Integrated Development Plan.
- 6.5 The annual performance appraisal must involve-
- (a) an assessment of achievement of results as outlined in the performance plan;
  - (b) an assessment of each Key Performance Area 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;
  - (c) a rating on five-point scale for each Performance Area; and
  - (d) the use of the applicable assessment rating calculator to ad the scores and calculate a final Key Performance Area Score.
- 6.6 The Core Managerial Criteria must be addressed-
- (a) according to the extent to which the specified standards have been met;
  - (b) aith indicative rating on a five-point scale for each criteria; and
  - (c) by using the applicable assessment rating calculator to add the score and calculating the final Core Managerial Competency score.
- 6.7 An overall rating is calculated by using the applicable assessment rating calculator, which represent the outcome of the performance appraisal provided that the performance assessment of the Employee will be based on the rating scale of both the Key Performance Areas and Core Management Criteria contain in Annexure "B"

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6.8 Each Performance Indicator (outputs and Core Competency Requirements) will be rated according to the five-point scale. The score for each Key performance Indicator is calculated as follows: **Weight per Indicator x Rate/3 (Weight per Indicator divided by Three)**. The Sum of respectively all the output Key Performance Indicators score and all Core Competency requirements Key Performance Indicators scores is converted to 80% and 20%. The sum of these two scores is used for calculating the performance bonuses as per clause 11.2 below.

6.9 For the purpose of evaluating the annual performance of the Municipal Manager, an evaluation Panel constituted of the following persons must be established-

(i) The Executive Mayor;

(ii) Chairperson of the Audit and Performance Audit Committee;

(iii) Member of the Mayoral Committee;

(iv) Mayor/Municipal Manager from another municipality; and

(v) Member of a Ward Committee as nominated by the Executive Mayor.

6.9.1 For the purpose of evaluating the annual performance of the Manager directly accountable to the Municipal Manager, an evaluation Panel constituted of the following persons must be established-

(i) The Municipal Manager

(ii) Chairperson of the Audit and Performance Audit Committee;

(iii) Member of the Mayoral Committee; and

(iv) Municipal Manager from another municipality.

6.9.2 For the purpose of evaluating the annual performance of all other permanent Employees, an evaluation Panel constituted as per the approved Employee Performance Appraisal System must be established-

#### 7. Schedule for Performance Reviews

7.1 The performance of each Employee in relation to his or her Performance Agreement must be reviewed during-

(a) July to September for the First Quarter-October 2022;

(b) October to December for the Second Quarter-January 2023;

(c) January to March for the Third Quarter-April 2023 and

(d) April to June for the Fourth Quarter-July 2023.

Reviews in the first and third quarters may be verbal if performance is satisfactory.

7.2 The responsibility for rescheduling a cancelled coaching session will be with the individual who requested the rescheduling.

7.3 The fourth quarter coaching is followed up by a review which may be conducted concurrently with the coaching session.

7.4 The Employer must keep a record of mid-year review and the annual assessment meetings, and feedback must be based on the Employer's assessment of the Employee's performance.

7.5 The Employer will be entitled to review and make reasonable changes to the provision of Annexure "A" from time to time for operational reasons. The Employee will be fully consulted before such change is made.

7.6 The Employer may amend the provisions of the Performance Plan whenever the Performance Management System is adopted, implemented or amended, provided that the Employee must be consulted before such change is made.

#### 8. Developmental Requirements

8.1 The Personal Development Plan, Annexure "D" for addressing developmental gaps will be provided when required.

#### 9. Obligation to the Employer

9.1 The Employer shall-

(a) create an enabling environment to facilitate effective performance by the Employee;

(b) provide access to skills development and capacity building opportunities;

(c) work collaboratively with Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;

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(d) on request of the Employee delegate such powers reasonably required by the Employee to enable him or 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 or her to meet the performance objectives and targets established in terms of this Agreement.

#### 10. Consultation

10.1 The Employer agrees to consult the Employees timeously where the exercising of the powers will have amongst others-

- (a) a direct effect on the performance of any of the Employee's function;
- (b) commit the Employee to implement or give effect to a decision made by Employer; and
- (c) a substantial financial effect on the Employer.

#### 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.

11.2 A performance bonus of between 0% and 14% of all inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance to be constituted as follows:

Score	Performance Rating	Bonus Amount
5	Score above 150% Outstanding Performance	10%-14% Of Total Package
4	Score Above 130%-149% Significantly above Expectation	5%-9% of the Total Package
3	Score of 100%-129% Fully Effective	0%
2	Below 100% Not fully Effective and Unacceptable Performance	No Bonus but remedial action Required

11.3 In case of unacceptable 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 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 his or her duties.

#### 12. Dispute Resolutions

12.1 Any dispute 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 case of the Municipal Manager, the MEC for local government in the province within thirty (30) days of receipt of formal dispute by the Employer, or any other person designated by the MEC;
- (b) in case of managers directly accountable to the municipal manager, a member of the municipal council, provided such member was not part of the evaluation panel provided for in subregulation 27 (4) (e), within thirty (30) days of receipt of a formal dispute from the Employee; and
- (c) in case of all other permanent Employees, in terms of the approved Employee Performance Appraisal System of the municipality.

whose decision shall be final and binding on both parties

12.2 In the event that the mediation process contemplate in clause 12.1 (a) and (b) respectively fails, clause 15 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 Employer in terms of his or her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

13.3 The performance assessment results must be submitted to the Mayoral Committee of Setsoto Local Municipality within thirty (30) days after conclusion of the assessment.

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**ANNEXURE A: PERFORMANCE PLAN**

**SECTION 1: KEY PERFORMANCE AREA (SDBIP)**

National Development Chapter		National Outcome		Back to Basic Principle		Free State Growth and Development Strategies & Pillars		Predetermined Objective		Key Performance Area		Output Number		Strategic Objectives		Focus Area		Location		Output Indicator		Key Performance Indicator		Type		Unit of Measure		Baseline Indicator		Annual Target		Adjusted Target		Financial and Non-Financial Performance Quarterly Targets				Evidence					
7. Public services are uneven and often of poor quality (10)		10. Environmental assets and natural resources that are well protected and continually enhanced		2. supporting the delivery of municipal services to the high quality and standards		3. Improved Quality of Life		Supporting the delivery of municipal services to the right quality and standard		Electricity Services		Supporting the delivery of municipal services to the right quality and standard		Water Services		Sanitation Services		Ficksburg, Senekal, Marquard and Cloccolan Towns.		Ficksburg, Senekal, Marquard and Cloccolan Towns.		Currency in rand and cents of the total water losses		Percentage of water losses reduced in line with the Water Demand Management (WDM) Plan		Target Budget		Percentage Rand		40%		45%		43%		45%		45%		40%		Portfolio of Evidence: Monthly Reports on Water Losses.	
1,1	Supporting the delivery of municipal services to the right quality and standard	Electricity Services	Ficksburg, Senekal, Marquard and Cloccolan Towns.	Currenty in rand and cents of the electricity losses against the total bulk purchases	Percentage of electricity losses reduced in Ficksburg, Marquard and Cloccolan towns not to exceed target	Target Budget	Percentage Rand	7%	14%	12%	17 296	14%	4 324	14%	4 324	12%	4 324	12%	4 324	12%	4 324	12%	4 324	12%	4 324	12%	4 324	12%	4 324	12%	4 324	12%	4 324	12%	4 324	12%	4 324	12%	Portfolio of Evidence: Monthly Reports on Electricity Losses.				
1,2	Supporting the delivery of municipal services to the right quality and standard	Water Services	Ficksburg, Senekal, Marquard and Cloccolan Towns.	Currenty in rand and cents of the total water losses	Percentage of water losses reduced in line with the Water Demand Management (WDM) Plan	Target Budget	Percentage Rand	40%	45%	43%	17 296	45%	4 324	45%	4 324	40%	4 324	40%	4 324	40%	4 324	40%	4 324	40%	4 324	40%	4 324	40%	4 324	40%	4 324	40%	4 324	40%	4 324	40%	Portfolio of Evidence: Monthly Reports on Water Losses.						
1,3	Supporting the delivery of municipal services to the right quality and standard	Sanitation Services	Ficksburg, Senekal, Marquard and Cloccolan Towns.	Number of new sewer connections meeting the minimum standards	Percentage of households with access to basic sanitation	Target Budget	Percentage Rand	71%	71%	72%	17 296	71%	4 324	71%	4 324	71%	4 324	71%	4 324	71%	4 324	71%	4 324	71%	4 324	71%	4 324	71%	4 324	71%	4 324	71%	4 324	71%	4 324	71%	Portfolio of Evidence: Reports on the Percentage of households that are billed. (Access to Basic Services = Billed).						
1,4	Supporting the delivery of municipal services to the right quality and standard	Water Services	Ficksburg, Senekal, Marquard and Cloccolan Towns.	Number of new water connections meeting minimum standards	Percentage of household with access to basic water supply	Target Budget	Percentage Rand	100%	100%	100%	17 296	100%	4 324	100%	4 324	100%	4 324	100%	4 324	100%	4 324	100%	4 324	100%	4 324	100%	4 324	100%	4 324	100%	4 324	100%	4 324	100%	4 324	100%	Portfolio of Evidence: Reports on the Percentage of households that are billed. (Access to Basic Services = Billed).						
1,5	Supporting the	Electricity Services	Ficksburg,	Number of	Percentage of	Target	Percentage	100%	100%	100%		100%		100%		100%		100%	100%		100%		100%		100%		100%		100%		100%		100%		100%		Portfolio of						

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	5.1 Supporting the delivery of municipal services to the right quality and standard	Performance Management	Ficksburg Head Office	Conduct of performance on all managers in Engineering	Number of performance assessment of all managers	Target Budget	Number Rand	0	20	20	5	5	5	5	5	5	5	5	5	Monthly reports, attendance register and invitation
	5.2 Supporting the delivery of municipal services to the right quality and standard	Administration	Ficksburg Head Office	Conduct monthly departmental meeting to deal with service delivery issues	Number of engineering departmental meetings conducted	Target Budget	Number Rand	0	8	8	2	2	2	2	2	2	2	2	2	Minutes, Attendance register and invitation
	5.3 Supporting the delivery of municipal services to the right quality and standard	Risk Management	Ficksburg Head Office	To control risk	Number of risk registers developed, updated and reported on (Strategic Risk)	Target Budget	Number Rand	4	4	4	1	1	1	1	1	1	1	1	1	Portfolio of evidence: Quarterly updated Strategic Risk Register
	5.4 Supporting the delivery of municipal services to the right quality and standard	Risk Management	Ficksburg Head Office	To control risk	Number of risk registers developed, updated and reported on (Operational Risk Register)	Target Budget	Number Rand	4	4	4	1	1	1	1	1	1	1	1	1	Portfolio of evidence: Quarterly updated Operational Risk Register
	5.5 Supporting the delivery of municipal services to the right quality and standard	Internal Audit	Ficksburg Head Office	Attending to any audit findings within prescribe time frame	Percentage external and internal audit queries responded to and addressed within time frame	Target Budget	Percentage Rand	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	Portfolio of evidence: Audit queries response register
AM13	Ensuring sound financial management and accounting	Internal and External Audit	Ficksburg Head Office	Attending to any audit findings within prescribe time frame	Number of a credible EARP developed to address the root cause of audit exceptions raised by AGSA	Target Budget	Number Rand	1	1	1	-	-	-	-	-	-	-	-	-	Audit Recovery Plan
AM14	Ensuring sound financial management and accounting	Internal Audit	Ficksburg Head Office	Attending to any audit findings within prescribe time frame	Number of report on the implementation of the EARP [2021/22 audit findings- EARP]	Target Budget	Number Rand	5	5	5	4 324	4 324	4 324	4 324	4 324	4 324	4 324	4 324	5	Report on Audit Recovery Plan
AM17	Ensuring	Internal Audit	Ficksburg Head	Attending to	Percentage of findings	Target	Percentage	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	Internal Audit

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sound financial management and accounting	Office	any audit findings within prescribe time frame	unresolved AU which have an Audit Recovery Plan that addresses the root cause	Budget	Rand																	
Total Number of targets						21		21		17 296		4 324		4 324		4 324		4 324		4 324	4 324	Queries Register
Total Budget						21		21		363 216		17 90 804		17 90 804		17 90 804		17 90 804		21 90 804		
TOTAL KPA/SDBIP WEIGHTINGS (Must add up to 100%)																						

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**SECTION 2: Job Description Key Performance Areas (JDKPA's)**

JDKPA Title	JDKPA Description	Evidence	Frequency	Weight
Financial Management	Must be able to know, understand and comply with the Municipal Finance Management Act, 56 of 2003	Explicit knowledge of all financial legislations and regulations	Annually	10'
People Management and Empowerment	Must be able to manage and encourage people, optimise their inputs and effectively manage relationship in order to achieve the municipality's goals	Be able to show a high level people management skills	Annually	10'
Problem Solving and Analysis	Must be able to systematically identify, analyse and resolve existing and anticipated problems in order to reach optimum solutions expeditiously	A high level of negotiation skills and be able to perform under tremendous pressure	Annually	10'
Communication	Must be able to exchange information and ideas in a clear and concise manner appropriate for the audience in order to explain, persuade, convince and influence others to achieve their desired outcomes	Able to convey and write reports that are adding value to the improvement of the institution as a whole	Annually	10'
Programme and Project Management	Must be able to plan, manage, monitor and evaluate specific activities in order to ensure that the policies are implemented and that local government objectives are achieved	Knowledge of project and programme management	Annually	40'
Budget Management	Development, approval and implementation of the Service Delivery and Budget Implementation Plan 2022/2023	Approved Service Delivery and Budget Implementation Plan 2022/2023	Annually	20'
<b>TOTAL JDKPA WEIGHTINGS (Must add up to 100%)</b>				
<b>100</b>				

**SECTION 3: CORE COMPETENCIES**

Competency	Description	Evidence	Weight
Strategic Capability and Leadership	Competency Based Assessment	Results	
Programme and Project Management	Competency Based Assessment	Results	
Financial Management	Competency Based Assessment	Results	
People Management and Empowerment	Competency Based Assessment	Results	
Client Orientation and Customer Focus	Competency Based Assessment	Results	
Change Management	Competency Based Assessment	Results	
Knowledge Management	Competency Based Assessment	Results	
Service Delivery Innovation (SDI)	Competency Based Assessment	Results	
Problem Solving and Analysis	Competency Based Assessment	Results	
Communication	Competency Based Assessment	Results	
Accountability and Ethical Conduct	Competency Based Assessment	Results	
<b>TOTAL CORE COMPETENCY WEIGHTINGS (Must add up to 100%)</b>			

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**ANNEXURE B: PERFORMANCE EVALUATION CRITERIA'S**

<b>KEY PERFORMANCE AREA AND JOB DESCRIPTION TASK EVALUATION CRITERIA</b>				
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Unacceptable</b>	<b>Performance Not</b>	<b>Performance Fully</b>	<b>Performance Significantly</b>	<b>Outstanding</b>
Performance does not meet the standard performance 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 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.	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.	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.	Performance is significantly higher than the standards 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.	Performance far exceeds the standard of an employee at this level. The appraisal indicates that the Employee has achieved fully effective results against all performance criteria and indicators as specified in the Performance Agreement and Performance and maintained this in all areas of responsibility throughout the year.



<b>CORE COMPETENCY EVALUATION CRITERIA</b>				
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Under</b>	<b>Basic</b>	<b>Meeting</b>	<b>Superior</b>	<b>Outstanding</b>
Has understanding of Competency but Has understanding of Competency but requires re-inforcement opportunity to enhance learning requires re-inforcement opportunity to enhance learning	Has awareness of competency but lacks full application competency	Competency Application of Competency without any support or assistance required	Strong Application of Competency	Mastery Application of Competency

**ANNEXURE C: LINE MANAGER REQUESTS**

<b>Request</b>	<b>Description</b>
Risk Management & Internal Audit	Managers should ensure that organizational Risk Management Framework and Audit Action Plan are fully implemented.
Implementation of SDBIP	Managers should operationalise SDBIP by setting daily, weekly, monthly and quarterly targets.
Financial Management	Managers should make sure that they are in charge of their budgets & cashflow. They should do so through proper contract management and work
Customer Orientated & Back to Basics	Urgency and care should be the order of the day when dealing with service delivery issues. Managers should make sure they implement back to basics

**ANNEXURE D: PERSONAL DEVELOPMENT PLANNING**

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PDP Initiative	Competency Development Area	Description		Evidence
Project Management Institute: Programme Management Professional (PMP - PgMP)	Programming and Project Management	As a program manager, you're a senior-level practitioner on the forefront of advancing your organization's strategic goals. You manage multiple, related projects in a coordinated way, achieving benefits that could not occur if the		PMP - PgMP Certifi
Master of Engineering (Civil Engineering)	Strategic Orientation, Analytical skills, Leadership and Communication	Strategic management involves setting objectives, analysing the competitive environment, analysing the internal organisation, evaluating strategies and ensuring that management rolls out the strategies across the		Master of Engineering
Employee Signature			Date	
Line Manager Signature			Date	