

6.5.1.2 The assessment of the performance of the employee will be based on the following rating scale for KPI's (Five-point scale)

Rating	Terminology	Description
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 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 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 appraisal indicates that the Employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the Performance Plan.
1	Unacceptable performance	Performance does not meet the standard expected for the job. The appraisal indicates that the Employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the Performance Plan. Unacceptable performance 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

6.5.1.3 The applicable assessment rating calculator must then be used to add the scores and calculate a final Key Performance Area score.

6.5.1.4 The Employee will submit his self-evaluation to the Employer prior to the formal assessments;

6.5.1.5 In the instance where the employee could not perform due to reasons outside the control of the employee and employer, the KPI will not be considered during the evaluation. The employee should provide sufficient evidence in such instances.

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6.5.2 Assessment of the Core Competency Requirements/Competencies (CCRs):

- 6.5.2.1 Each CCRs should be assessed according to the extent to which the specified standards have been met (Annexure B – Definitions).
- 6.5.2.2 An indicative rating on the five-point scale should be provided for each Core Management Competencies.
- 6.5.2.3 This rating should be multiplied by the weighting given to each Core Management Competencies during the contracting process, to provide a score.
- 6.5.2.4 The applicable assessment rating calculator must then be used to add the scores and calculate a final Core Competencies score.

6.5.3 Overall rating:

- 6.5.3.1 An overall rating is calculated by using the applicable assessment-rating calculator.
- 6.5.3.2 Such overall rating represents the outcome of the performance appraisal.
- 6.5.3.3 Assessment of Employee’s performance will be based on the following rating scale for KPA’s and Core Competencies:

Level/Rating/ Point	Terminology for KPA Measure	Description	Terminology for Core Competency Measure	Description
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.	Superior	Has a comprehensive understanding of local government operations, critical in strategic shaping strategic direction and change, develops and applies comprehensive concepts and methods
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	Advanced	Develops and applies complex concepts, methods and understanding. Effectively directs and leads a group and executes in-depth analysis

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Level/Rating/ Point	Terminology for KPA Measure	Description	Terminology for Core Competency Measure	Description
		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 PA and Performance Plan.	Competent	Develops and applies more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analysis
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 performance criteria and indicators as specified in the PA and Performance Plan.	Basic	Applies basic concepts, methods and understanding of local government operations but requires supervision and development intervention
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 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.	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

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6.6 For purposes of evaluating the performance of the Employee, an evaluation panel constituted by the following persons will be established: *(In terms of Clause 27 (4)(d) and (e) Chapter 3 of The LG : Municipal Performance regulations for municipal Managers and managers directly accountable to the Municipal manager, 2006 – Published in Government Gazette on 1 August 2006, No 29089)*

6.6.1 Mayor;

6.6.2 Chairperson of the Audit Committee;

6.6.3 Mayor/Municipal Manager from another Municipality; and

6.6.4 Ward Committee member as nominated by the Mayor;

6.6.5 Head of Unit: Performance Management System (this person will serve as secretary)(If the post is vacant, the MM will appoint a representative for this purpose)

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7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of each Employee in relation to his / her performance agreement shall be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

	Quarter	Review Period	Review to be completed by
7.1.1	First quarter:	July – September	October 2021
7.1.2	Second quarter :	October – December	February 2022
7.1.3	Third quarter:	January – March	April 2022
7.1.4	Fourth quarter:	April – June	September 2022

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.

7.6 Record/results of quarterly, mid-year and annual assessment/reviews and changes made to the performance agreement as a result of such evaluations will be documented and form part of the annual performance evaluation report.

8. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing developmental gaps is attached as **Annexure C**.

9. OBLIGATIONS OF THE EMPLOYER

- 9.1 The Employer shall –
- create enabling environment for effective performance by the employee;
 - provide access to skills development and capacity building opportunities;
 - work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on his/her performance;

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- iv. 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
- v. 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.

10. CONSULTATION

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

10.1.1 a direct effect on the performance of any of the Employee's functions, performance objectives and targets;

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 when exercising powers contemplated in 10.1 above to enable the Employee to take any necessary action without delay.

11. REWARD & 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 After the annual performance evaluation in terms of this performance agreement has been completed, the performance bonus ranging from 7% to 14% of the all-inclusive remuneration package may be paid to the Employee in recognition of outstanding performance.

11.3 In determining the performance bonus the relevant percentage will be based on the overall rating, calculated by using the applicable assessment rating calculator:
provided that:

11.3.1 a score of 130% to 149% will be awarded a performance bonus in the range between 5% to 9%; and

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11.3.2 a score of 150% and above will be awarded a performance bonus in range between 10% to 14%.

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

Level of performance	Description	Allocated Total Score	Bonus % of the Total Package
5.0	Outstanding Performance	Above 150%	10% - 14%
4.0	Performance significantly above expectations	130 – 149%	5% - 9%
3.0	Fully effective (meets the standard)	100 – 129%	0%
2.0	Performance not fully effective	50 – 99%	0%
1.0	Unacceptable Performance	1 – 49%	

11.5 In the Event of the Employee terminating his services during the validity period of this Agreement, the Employer's performance will be evaluated for the portion 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

11.6 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.

11.7 In the case of unacceptable performance, the Employer shall –

11.7.1 give notice to the Employee to attend a meeting with the Employer and the Employee will have the opportunity to satisfy the Employer of the measures being taken to ensure that the Employee's performance becomes satisfactory by a particular date.

11.7.2 provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and

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11.7.3 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.

12. DISPUTE RESOLUTION

12.1 If the Employee is dissatisfied with any decision or action of the Employer in terms of this Agreement, or where a dispute arises about the nature of this performance agreement, whether it relates to key responsibilities, priorities, methods of assessment or as to the extent to which the Employee has achieved the performance objectives and targets established in terms of this Agreement:

12.1.1 the Employee may meet with the Employer with a view to resolving the issue. The Employer will record the outcome of the meeting in writing.

12.1.2 In the event the employee remains dissatisfied with the outcome of the meeting, the dispute shall be mediated by the MEC for Local Government and Traditional Affairs or any other person designated by him within thirty (30) days of receipt of a formal dispute from the Employee.

12.1.3 In the case of manager directly accountable to the municipal manager, a member of the municipal council, provided that such member was not part of the evaluation panel provided for in sub-regulation 27 (4) (e) of the Municipal Performance Regulations, 2006, within thirty (30) days of receipt of a formal dispute the employee;

12.1.4 Whose decision shall be final and binding on both parties.

12.2 The outcome of any meeting and the decisions of the Employer, mediation or arbitration with regard to any dispute in terms of the performance agreement must form part of the report of the annual review to Council.

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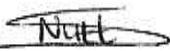
13. GENERAL

13.1 The contents of this agreement and the outcome of any review conducted thereof in terms of Annexure A will not be confidential and may be made available to the public by the Employer as part of the municipal annual report in terms of the Municipal Finance Management Act 56 of 2003 and Municipal Systems Act 32 of 2000.

13.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his/ her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

THUS SIGNED AT Wellesford ON THIS 27 DAY OF July 2021


As witnesses:

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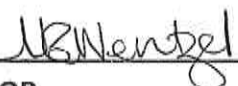
2. 


MUNICIPAL MANAGER
JAN JOHANNES FORTUIN

As witnesses:

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MAYOR
VERUSCHKA C WENTZEL