

PERFORMANCE AGREEMENT

Made and entered into by and between:

MATHELA MAKAEYA ALFRED

Mayor of Makhuduthamaga Local Municipality

On behalf of Makhuduthamaga Local Municipality

And

MOROPA MOGOBADI ERICK

("Manager Corporate Services")

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1. INTRODUCTION

1.1. The municipality has entered into a performance agreement with the Manager Cooperate Services for a period ending on 30 June 2011, in terms of Section 57 (1) (a) of the Local Government Municipal Systems Act 32 of 2000 ("the systems act").

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 Manager Corporate Services reporting to the Municipal Manager, to a set of actions that will secure local government policy goals.

2. PURPOSE OF THIS AGREEMENT

2.1. The parties agree that the purposes of this agreement are to:

2.2. Comply with the provisions of Section 57 (1) (b) of the Systems Act;

2.3. State objectives and targets established for the Manager Corporate Services;

2.4. Specify accountabilities

2.5. Monitor and measure performance;

2.6. Establish a transparent and accountable working relationship; and

2.7. Give effect to the municipality's commitment to a performance-orientated relationship with its Manager Corporate Services in attaining equitable and improved service delivery.

3. COMMENCEMENT AND DURATION

3.1. This agreement will commence on the 1 July 2011 and will remain in force until 30 June 2012 and, subject to paragraph 3.3, will continue in force until a new performance agreement is concluded between the parties as contemplated in paragraph 3.2.

3.2. The parties will review the provisions of this Agreement during June each year. The parties will conclude a new performance agreement that replaces this agreement at least once a year by not later than September

3.3. This Agreement will terminate on the termination of the Chief Financial Officer contract of employment for any reason as provided for in the Contract of Employment



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4. PERFORMANCE OBJECTIVES

4.1. Annexure "A" sets out:

4.1.1. The performance objectives and targets that must be met by Manager Corporate Services,
And

4.1.2. 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 Municipal Manager in consultation with the Manager Corporate Services, and include key objectives; key performance indicators; target dates and weightings.

4.3. The key objectives describe the main tasks that need 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 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 Manager Corporate Services' s performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Municipality's Integrated Development Plan.

4.5. The Municipality will make available to the Manager Corporate Services such employees may reasonably require from time to time to assist him to meet the performance objectives and targets established in terms of this agreement; provided that it will at all times remain the responsibility of the Manager Corporate Services to ensure that he complies with those performance obligations and targets.

4.6. The Manager Corporate Services will at his request be delegated such powers by the Municipality as may in the discretion of the Municipality be reasonably required from time to time to enable him to meet the performance objectives and targets established in terms of this agreement.

4.7. The Municipal Manager will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons. The Manager Corporate Services will be fully consulted before any such changes are made.



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4.8. The provisions of Annexure "A" may be amended by the Municipal Manager when the Municipality's performance management system is adopted, implemented and/or amended as the case may be.

5. EVALUATING PERFORMANCE

5.1. Annexure "A" to this agreement sets out:

- 5.1.1. the standards and procedures for evaluating the Manager Corporate Service's performance; and
- 5.1.2. the intervals for the evaluation of the Manager Corporate Service's performance.

5.2. Despite the establishment of agreed intervals for evaluation, the Municipal Manager may, in addition, review the Manager Corporate Service's performance at any stage while the contract of employment remains in force.

5.3. Personal growth and development needs identified during any performance review discussion must be documented and, where possible, actions agreed.

6. PERFORMANCE MANAGEMENT SYSTEM

6.1. The Manager Corporate Service to participate in the performance management system that the Municipality adopts or introduces for the Municipality, management and municipal staff of the Municipality.

6.2. The Manager Corporate Service accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the Municipality, management and municipal staff to perform to the standards required.

6.3. The Municipal Manager will consult the Manager Corporate Service about the specific performance standards that will be included in the performance management system as applicable to the Manager Corporate Service

6.4. 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.

Key Performance Areas (KPA's) for Municipal Managers	Weighting
Basic Service Delivery	25%
Municipal Institutional Development and Transformation	20%
Local Economic Development	20%
Municipal Financial Viability and management	25%
Good Governance and Public Participation	10%
Total	100%

6.5. The key performance areas related to the functional area/departments of the manager must be subject to negotiations between the municipal manager and the manager.

6.6. The CCRs will make up the other 20% of the employee's assessment score. CCRs that are deemed to be most critical for the employee's specific job should be selected from the list below as agreed to be between the employer and the employee and must be considered with due regard to the proficiency level agreed to:

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR)		
Core Managerial and Occupational Competencies	Indicate Choice	Weight
Strategic Capacity and Leadership		10
Programme and Project Management		5
Financial Management	Compulsory	10
Change Management		5
Knowledge Management		5
Service Delivery Innovation		5
Problem Solving and Analysis		5
People Management and Empowerment	Compulsory	10
Client Orientation and Customer Focus	Compulsory	5
Communication		5
Honesty and Integrity		5
Core Occupational Competencies		

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Legislative and national policy frameworks	5
Knowledge of development local government	5
Knowledge of performance management and reporting	5
Competence in policy conceptualization, analysis and implementation	5
Skills in governance	5
Exceptional and dynamic creativity to improve the functioning of the municipality	5
Total Percentage	100%

6.7. Reward for Performance

6.7.1. The performance bonus will be determined by the Municipal Manager based on affordability and the stipulations of the Performance Agreement.

6.7.2. A merit reward for performance in addition to the annual reviewed remuneration will be considered by the Council not later than September under the following conditions:

- a) The payment of the reward will be based on the period under review and result of the performance score;
- b) The amount of the reward will not exceed 14% of the remuneration, but will be subjected to affordability to the municipality.
- c) The performance score will be obtained by using the performance plan;
- d) Where external factors have a negative influence on the result of the performance as scrutinized and recommended by the Performance Audit Committee, the Municipality may grant a reward. (Regulation number 29089) of 01 August 2006);

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e) The reward if granted, will be paid annually after the compilation of the financial statements and after finalization of the performance appraisal;

f) The final outcome of the performance appraisal will determine the reward;

g) The following table will be used in determining the payment of the reward:

PERFORMANCE APPRAISAL OF KPAs AND CCRs				
LEVEL	DESCRIPTION	RATING	ASSESSMENT SCORE	PERFORMANCE BONUS RATIOS
Level 5: Outstanding Performance	Performance far exceeds the standards expected for the job in all areas of the manager. The manager has achieved exceptional results against all performance criteria and indicators specified in the Performance Plan and maintained this in all areas of responsibility throughout the year.	5	75-100	Maximum bonus allowed into. Regulations is between 10% and 14% of person's inclusive annual remuneration package. The % as determined per Council Resolution is as follows: 75-76%=10% 77-78%=11% 79-80%=12% 81-84%=13% 85-100%=14%
Level 4: Performance significantly above expectations	Performance is significantly higher than the standard expected for the job in all areas. The manager has achieved above fully effective results against more than half of the performance criteria and indicators specified in the performance plan and fully achieved all others throughout the year.	4	65-74	Maximum bonus allowed into. Regulations is between 5% and 9% of person's inclusive annual remuneration package. The % as determined per Council Resolution is as follows: 65-66%=5% 67-68%=6% 69-70%=7% 71-72%=8% 73-74%=9%
Level 3: Fully Effective	Performance fully meets the standard expected for the job in all areas. The manager has achieved effective results	3	51-64	No bonus

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	against all significant performance criteria and indicators specified in the Performance Plan and may have achieved results significantly above expectations in one or two less significant areas throughout the year.			
Level 2: Performance not fully satisfactory	Performance is below the standard required for the job in key areas. The manager has achieved adequate result against many key performance criteria and indicators specified in the Performance Plan but did not fully achieve adequate results against others during the course of the year. Improvement in these areas is necessary to bring performance up to the standard expected.	2	31-50	No bonus
Level 1: Unacceptable Performance	Performance does not meet the standard required for the job. The manager has not met one or more fundamental requirements and/or is achieving results that are well below the performance criteria and indicators in a number of significant areas of responsibility. The manager has failed to demonstrate the commitment or ability to bring performance up to the level expected despite efforts to encourage improvement	1	Less than 30	No bonus

❖ As per clause 6.4.2 (a), (b), (c) above

h) The scheme for reward of performance can be reviewed annually

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7. Schedule for performance reviews

1. The performance of the employee in relation to his or 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:

1 st Quarter	: July – September 2011
2 nd Quarter	: October-December 2011
3 rd Quarter	: January – March 2012
4 th Quarter	: April – June 2012
2. The employer must keep a record of the mid-year review and annual assessment meetings.
3. Performance feedback must be based on the employer's assessment of the employee's performance.
4. The employer will be entitled to review and make reasonable changes to the provisions of the performance plan from time to time for operational reasons on agreement between both parties.
5. The employer may amend the provisions of the performance plan whenever the performance management system is adopted, implemented or amended as the case may be on agreement between both parties.

8. Consultation

- 8.1. The Municipal Manager agrees to consult the Manager Corporate Service timeously where the exercising of the Municipal Manager's power's will –
 - 7.1.1. Have a direct effect on the performance of any of the Manager Corporate Service's Functions;
 - 7.1.2. Commit the Manager Corporate Service to implement or to give effect to a decision made by the Executive Committee;
 - 7.1.3. Have a substantial financial effect on the Municipality.

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8.2. The Municipal Manager agrees to inform the Manager Corporate Service of the outcome of any decisions taken pursuant to the exercise of powers contemplated in paragraph 7.1. as soon as is practicable to enable the Manager Corporate Service to take any necessary action without delay.

9. Consequence of Sub Standard Performance

- 9.1. Where the Municipal Manager is, at any time during Manager Corporate Service 's employment, not satisfied with his/her performance with respect to any matter dealt with in this Agreement, the Municipal Manager will give notice to the Manager Corporate Service to attend a meeting with the Executive Committee.
- 9.2. The Manager Corporate Service will have the opportunity at the meeting to satisfy the Municipal Manager of the measures that the Manager Corporate Service 's performance becomes satisfactory and any programme, including any dates, for implementing these measures.
- 9.3. Where there is a dispute or difference as to the performance of the Manager Corporate Service under this agreement, the parties will confer with a view to resolving the dispute or difference.
- 9.4. If at any stage thereafter the Executive Committee holds the view that the performance of the Manager Corporate Service is not satisfactory, the Municipality will, subject to compliance with applicable labour legislation, be entitled by notice in writing to the Manager Corporate Service to terminate the Manager Corporate Service 's employment in accordance with the notice period set out in the Manager Corporate Service 's contract of employment.
- 9.5. Nothing contained in this Agreement in any way limits the right of the Municipality to terminate the Manager Corporate Service 's contract of employment with or without notice for any other breach by the Manager Corporate Service of his obligations to the Municipality or for any other valid reason in law.

10. Disputes

- 10.1. In the event that the Manager Corporate Service is dissatisfied with any decision or action of the Municipal Manager or of the Municipality in terms of this agreement, or where a dispute or difference arises as to the extent to which the Manager Corporate Service has achieved the performance objectives and targets established in terms of this agreement, the Manager Corporate Service may meet with the Executive Committee with a view to resolving the issue. At the Manager Corporate Service 's request the Mayoral Committee will record the outcome of the meeting in writing.

10.2. In the event that the Manager Corporate Service remains dissatisfied with the outcome of that meeting, he may raise the issue in writing with the Municipality's council by requesting that the issue be placed on the agenda of an appropriate meeting of council. Council will determine a process for resolving the issue, which will involve at least providing the Manager Corporate Service with an opportunity to state his case orally or in writing. At the Manager Corporate Service's request Council will record its decision on the issue in writing. The decision of Council on the issue will be made within 2 (two) weeks of the issue being raised, or as soon thereafter as possible, and will be final.

11. General


11.1. The contents of the Agreement and the outcome of any review conducted in terms of Annexure "A" will not be confidential, and may be made available to the public by the Municipality, where appropriate.

11.2. Nothing in this Agreement diminishes the obligations, duties or accountabilities of the Manager Corporate Service in terms of his contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

Signed at JANE FURSE on this 1st day of JULY 2011

AS WITNESSES:

1. 



The Mayor of
Makhuduthamaga Local Municipality

2. 

Signed at JANE FURSE day of 01 JULY 2011

AS WITNESSES:

1. 


Manager Corporate Services

2. 

COOPERATE SERVICES

KPA	Performance Objective	KPI Weightings	KPI	Baseline	Annual Target	Q1	Q2	Q3	Q4	Evidence
GOOD GOVERNANCE & PUBLIC PARTICIPATION	To provide effective and efficient support to council and committees	5	Timeous distribution of council and committee agendas	3-4 days committee & EXCO & 4-6 days (Council)	7 Days before meeting	100%	100%	100%	100%	Signed distribution lists
				Submission of minutes 3 days after meeting	100%	100%	100%	100%	100%	Registers & acknowledgment of receipt
				Minutes taken during council and committee meetings and Timeous distribution	100%	100%	100%	100%	100%	Progress reports & council resolutions
ORGANISATION TRANSFORMATION	To establish, implement and monitor management information system	2		Implementation schedule						Progress reports & council resolutions
				% increase in utilization of document handling system	10%	2.5%	2.5%	2.5%	2.5%	Council report


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KPA	Performance Objective	KPI Weightings	KPI	Baseline	Annual Target	Q1	Q2	Q3	Q4	Evidence
		5	Time taken to source and respond to queries	6 hours	6 hours	100%	100%	100%	100%	Register of queries raised
	To provide a healthy, safe and conducive working environment for employees	4	Conduct Employee satisfaction survey	New indicator	100%	Develop terms of reference	Develop questionnaire	Conduct the survey	Write a report	Council report
		3	Develop employee Awareness assistance programme	Workshops conducted	100%	Develop terms of reference	Appointment of service provider	Conduct 1 Awareness campaign	Implementation	EAP Quarterly report
	To Improve accuracy and efficiency	4	Number of LLF meetings held	4	4	1	1	1	1	LLF minutes
		2	% Implementation of resolutions taken at LLF meetings	New indicator	100%	100% Register resolutions & implement	100% Register resolutions & implement	100% Register resolutions & implement	100% Register resolutions & implement	Resolution & implementation register
		3	% Reduction of Health and Safety complaints	30% compliance	50% compliance	12,5%	12,5%	12,5%	12,5%	OHS Report



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KPA	Performance Objective	KPI Weightings	KPI	Baseline	Annual Target	Q1	Q2	Q3	Q4	Evidence
		4	% Review of job descriptions	Draft job descriptions	100%		50%		50%	Approved and signed job description
	To provide cost effective, value adding human resources management services aligned with the organization's objectives and attract and secure best skills	5	% Development of HR and retention strategies	New indicator	100%	Research and benchmarking	Consultation	Draft copy developed	Approval by council	Approved HR and retention strategy
	To enhance employee skills	4	% Development of WSP and submission to LGSETA		100%		Draft WSP	Approved WSP	Submission to LGSETA	WSP and acknowledgment of receipt by LGSETA
		5	WSP Implemented	WSP Implementation report	100%	25%	25%	25%	25%	Implementation report
		5	% of training budget spent on training	86%	100%	25%	50%	75%	100%	Expenditure report



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KPA	Performance Objective	KPI Weightings	KPI	Baseline	Annual Target	Q1	Q2	Q3	Q4	Evidence
		5	% of skills Levy claimed by the municipality	New indicator	60%				60%	Report on disbursement of grants
	To achieve employment equity standards	4	Timeous submission of the EE plan to the Dept. of Labour	EE Plan	100%		100%			EEP and acknowledgment of receipt by DOL
		2	% Increase in number of PDA in senior positions	20%	100%		100%			Appointment report
		2	% increase in number of people with disability	1,5%	100%				100%	Council Report
	To review the organisational structure and ensure alignment to the IDP	5	Reviewed organisational structure	Organisational structure in place	100%	Consultation process	Organisational structure approved by council			Approved organisational structure
		5	Time taken to fill vacant positions	2 months	3 months	100%	100%	100%	100%	Recruitment and selection report
		3	Draft annual performance report submitted to the AG	Submitted	100%	100%				Report signed by MM

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KPA	Performance Objective	KPI Weightings	KPI	Baseline	Annual Target	Q1	Q2	Q3	Q4	Evidence
		2	% progress in addressing AG findings	New indicator	100%				100%	AG findings register & implementation on report
		5	Midterm review of the SDBIP	100%	100%		100%			Council report
		3	Individual midterm reviews	0%	100%		100%			Assessment report
		5	Approval of the annual report	100%	100%		100%			Approved annual report
		5	Community consultation on annual report inputs							Community participation report
		3	Oversight report to council	100%	100%			100%		Oversight report
		2	Individual Annual reviews	0%	100%				100%	Assessment report
	To review delegations and standing orders of council	5								Report to council

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KPA	Performance Objective	KPI Weightings	KPI	Baseline	Annual Target	Q1	Q2	Q3	Q4	Evidence
	To promote a culture of accountability, transparency and performance excellence	3	Time taken to simple disciplinary cases	90 days	90 days	90 days	90 days	90 days	90 days	Reports
		3	Turnaround time to finalize complex disciplinary cases	6 months	6 months	100%	100%	100%	100%	Reports
		3	Turnaround time for legal advice on complex and lengthy opinions	1 month	15 days	100%	100%	100%	100%	Reports
		3	Turnaround time for legal advice on less complex opinions	5 days	5 days	100%	100%	100%	100%	Reports
		2	% of litigations against the municipality successfully	100%	100%	100%	100%	100%	100%	Report with court judgements

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ANNEXURE B: PERSONAL DEVELOPMENT PLAN

PERIOD: JULY 2011-JUNE 2012

Skill/Performance capability area of priority	Outcome expected (What do you hope to see?)	Suggested activities/eq of a learning activity	Suggested resources/ materials	Suggested time frame	Where opportunities for learning will be	Suggested resources/ materials

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