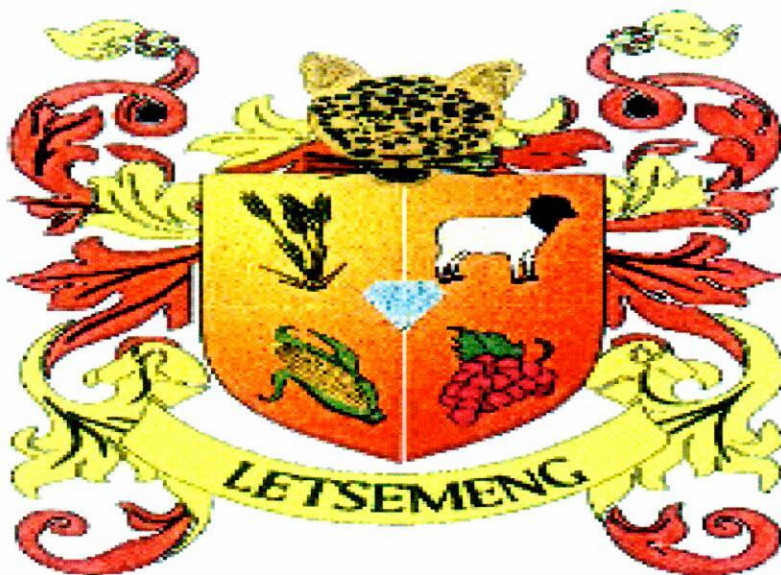


PERFORMANCE AGREEMENT



2014/2015

ACTING CORPORATE SERVICES DIRECTOR

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

**LETSEMENG LOCAL MUNICIPALITY AS REPRESENTED BY THE
MUNICIPAL MANAGER**

MR. B.A MNGUNI

AND

**TSIETSI FREDDIE DEEUW
ACTING DIRECTOR CORPORATE SERVICES**

FOR THE

FINANCIAL YEAR: 1 JULY 2014 TO 30 JUNE 2015

LETSEMENG LOCAL MUNICIPALITY
PERFORMANCE AGREEMENT
(Period: 1 July 2014 to 30 June 2015)

1. PARTIES

The parties to this agreement are –

- (a) Letsemeng Local Municipality herein represented by Bafunani Aaron Mnguni (RSA identity number **601222 5563 089**) in his capacity as Municipal Manager (hereinafter referred to as “the Employer”); and
- (b) **Tsietsi Freddie Deeuw**(RSA identity number: **680519 5354 085**) in his capacity as Acting Director Corporate Services (hereinafter referred to as “the Employee”) (jointly referred to as “the Parties”).

2. INTRODUCTION

- 2.1 The Parties have entered into an employment contract (hereinafter referred to as “the employment contract”) in terms of section 57(1) (a) of the *Local Government: Municipal Systems Act* 2000 (Act No 32 of 2000) (hereinafter referred to as “the Systems Act”).
- 2.2 Section 57(1)(b) of the Systems Act, read with the employment contract, requires the Parties to annually conclude a performance agreement on/before 31 July during the term of the Employee’s employment with the Employer.

3. PURPOSE OF THIS AGREEMENT AND APPENDICES

The purpose of this Agreement and the appendices there to are to –

- (a) comply with the relevant requirements of legislation and the employment contract;
- (b) specify the performance objectives and targets which the Parties agree the Employee shall achieve during the current financial year;
- (c) specify the core competency requirements which the Parties agree the Employee must acquire or possess and demonstrate;
- (d) specify the procedures to which the Parties agree for monitoring, measuring and evaluating the Employee’s performance against the agreed objectives, targets and core competency requirements; and
- (e) in the event of –
 - (i) outstanding performance, to appropriately reward the Employee; or
 - (ii) in the event of poor performance, to assist the Employee to improve his performance.

4. COMMENCEMENT AND DURATION

- 4.1 Regardless of the date of signing, this Agreement will commence on **1 July 2014** and will endure and remain in force until **30 June 2015** (hereinafter referred to as "the current financial year").
- 4.2 This Agreement shall terminate on the earlier of –
- (a) the date on which the Employee's employment with the Employer terminates for whatever reason;
 - (b) 30 June 2015.

5. PERFORMANCE OBJECTIVES

- 5.1 The performance plan contained in **ANNEXURE A** to this agreement sets out-
- (a) the performance objectives and targets which the Employee shall achieve during the current financial year;
 - (b) the time frames within which those performance objectives and targets shall be met; and
 - (c) the core competency requirements the Employee must acquire or possess and demonstrate.
- 5.2 The performance objectives and targets contained in **ANNEXURE A** are based on the Employer's current integrated development plan, current service delivery and budget implementation plan and current budget.
- 5.3 Consistent with section 57(4A) of the Systems Act, the provisions of the Local Government: Municipal Finance Management Act 2003 (Act No 56 of 2003), including any regulations issued in terms of that Act, conferring responsibilities on the accounting officer of a municipality must be regarded as forming part of this agreement and the Employee's performance plan contained in **ANNEXURE A**.
- 5.4 The mere fact that a particular function, power or duty conferred upon or assigned or delegated to the Employee is not contained in **ANNEXURE A**, does not release the Employee from the responsibility to perform such function, exercise such power and discharge such duty, as the case may be, to the best of his ability. The inclusion of a specific performance objective or performance target in the Employee's performance plan does not replace, reduce, substitute or in any on this manner interfere with the Employee's obligation to perform the functions, exercise the powers and discharge the duties, as the case may be, which may have been conferred upon or assigned or delegated to him in any on this manner. Nothing in this agreement diminishes the Employee's obligations, duties or accountability in terms of his employment contract or existing or new regulations, circulars, policies, directives or on this instruments.

6. PERFORMANCE MANAGEMENT SYSTEM

6.1 The criteria upon which the performance of the Employee shall be assessed shall consist of two components, as indicated in **Annexure A**, namely –

- (a) key performance areas; and
- (b) core competency requirements.

6.2 The Employee's performance will be assessed in the following key performance areas, which shall account for 80% of an assessment –

- (a) specific KPA's relevant to the employee;

6.3 The Employee's performance will, in addition to the key performance areas, be assessed against the following core competency requirements, which shall account for 20% of an assessment –

(a) Core managerial competencies

- (i) strategic capability and leadership;
- (ii) financial management;
- (iii) problem solving and analysis;
- (iv) people management and empowerment;
- (v) client orientation and customer focus;
- (vi) honesty and integrity; and
- (vii) communication.

(b) Core occupational competencies

- (i) interpretation and implementation of relevant statutory and national policy frameworks;
- (ii) competence in policy conceptualisation, analysis and implementation;
- (iii) skills in mediation/conflict resolution; and
- (iv) skills in governance.

6.4 The weight of each of the key performance areas shall be as indicated in **ANNEXURE A**.

6.5 The weight of each of the core competency requirements shall be as indicated in **ANNEXURE A**.

7. IN-YEAR REVISION AND AMENDMENT OF AGREEMENT AND PERFORMANCE PLAN

7.1 The Parties shall review this Agreement and make such changes thereto as may be required, immediately upon any alteration to the Employee's working environment taking place, which renders some or all the clauses herein inappropriate.

- 7.2 The Parties may review and make reasonable changes to **ANNEXURE A** for operational reasons.

8. PERFORMANCE ASSESSMENT

- 8.1 The Employee's performance shall be assessed after the end of each quarter, as follows –

Quarter		Assessment before
1	July – September 2014	31 October 2014
2	October – December 2014 (hereinafter referred to as the “mid-year performance review”)	31 January 2015
3	January - March 2015	30 April 2015
4	April – June 2015 (hereinafter referred to as the “annual performance appraisal”)	31 July 2015

- 8.2 The Employee's mid-year performance review and annual performance appraisal shall be conducted by an evaluation panel consisting of –

- (a) the Municipal Manager;
- (b) the Chairperson of the Performance Audit Committee or, if the Employer does not have a Performance Audit Committee, the Audit Committee;
- (c) a Councillor of the Employer's Council designated by the Council; and
- (d) the Municipal Manager of another municipality designated by the Municipal Manager; and
- (e) The Municipal Manager may also request an external consultant(s) to assist with the whole or part of the performance review.

- 8.3 The assessments for the first quarter (July – September 2014) and the third quarter (January – March 2015) shall be conducted by the Municipal Manager, provided that the Municipal Manager may request any member(s) of the evaluation panel to assist him during such assessment.

- 8.4 The mid-year performance review and annual performance appraisal shall involve –

8.4.1 Assessment of the achievement of key performance indicators and targets in the key performance areas:

- (a) Each key performance area shall be assessed according to the extent to which the performance indicators have been met, with due regard to ad hoc tasks that may have been performed under any key performance area.
- (b) An indicative rating on the five-point scale set out in clause 8.12 shall be provided for each key performance area.
- (c) This rating shall be multiplied by the weighting given to each key performance indicator to provide a score.

- (d) The assessment rating calculator shall be applied to add the scores and calculate a final key performance area score.

8.4.2 Assessment of the application of the core competency requirements:

- (a) Each core competency requirement shall be assessed according to the extent to which the agreed standards have been met.
- (b) An indicative rating on the five-point scale set out in clause 8.12 shall be provided for each core competency requirement.
- (c) This rating shall be multiplied by the weighting given to each core competency requirement to provide a score.
- (d) The assessment rating calculator shall be applied to add the scores and calculate a final core competency requirements score.

8.4.3 Overall rating:

An overall rating is calculated by using the assessment-rating calculator. Such overall rating represents the outcome of the review/appraisal.

- 8.5 It is the Employee's responsibility to ensure that appropriate and adequate evidence of his performance is supplied and available for any assessment.
- 8.6 The Employer must keep a written record of the mid-year review and annual appraisal meetings and cause the secretariat services to be provided to the evaluation panel.
- 8.7 Despite the establishment of agreed intervals for evaluation as set out in clause 8.1, above, the Employer may in addition review the Employee's performance at any time whilst this Agreement remains in force.
- 8.8 The Employer shall supply a copy of any assessment in terms of this clause to the Employee within a reasonable time after such assessment has been completed and shall invite the Employee to attend and participate in a performance interview, which shall be conducted by the Municipal Manager, provided that the Municipal Manager may request any of the members of the evaluation panel to assist him during such an interview. A performance interview shall be conducted within 30 days after the date on which the Municipal Manager or the evaluation panel, as the case may be, has conducted a performance review or assessment, on a date agreed between the Parties.
- 8.9 The Employee has the right, during a performance interview, in respect of any performance objective, target or core competency requirement to –
 - (a) request and receive an explanation for any points awarded; and
 - (b) submit additional and/or supplementary evidence of performance/achievement.
- 8.10 If below standard performance in respect of any performance objective, target or core competency requirement is attributed to the Employee's personal growth and development needs, such needs, together with the actions that either is or both Parties must take to

supply such needs and timeframe within which such actions must be taken, must be recorded in a personal development plan, which shall be in the format indicated in **ANNEXURE B**.

- 8.11 The Municipal Manager shall ensure that a report regarding any review, assessment or appraisal of the Employee's performance and the performance interview relating to each such review, assessment or appraisal is submitted to the Council at the first opportunity.
- 8.12 The rating scale for assessing the Employee's performance shall be as follows –

No of points to be awarded	Standard of performance	Description
5	Outstanding	Performance far exceeds the standard expected of the Employee. 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	Significantly above expectations	Performance is significantly high is than the standard expected of the Employee. 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 of this throughout the year.
3	Fully effective	Performance fully meets the standards expected of the Employee. 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 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 performance plan.
1	Unacceptable	Performance does not meet the standard expected for the job. The 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 plan. The Employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite efforts to encourage improvement.

9. OBLIGATIONS OF THE EMPLOYER

The Employer shall –

- (a) create an enabling environment to facilitate effective performance by the Employee;
- (b) provide the Employee with access to appropriate and adequate 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 his performance;
- (d) at the request of the Employee delegate such powers as he may reasonably require to enable him to meet the performance objectives and targets established in terms of this Agreement; and
- (e) make available to the Employee such resources as he may reasonably require to assist him to meet the performance objectives, targets and core competency requirements established in terms of this Agreement.

10. CONSULTATION

10.1 The Employer shall consult the Employee in a timely manner where the exercising by the Employer of any of its powers, the performance of any of its functions or the discharge of any of its duties may –

- (a) have 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) have a substantial financial effect on the Employer.

10.2 The Employer shall inform the Employee of the outcome of any decisions taken pursuant to the exercise of a power, performance of a function or discharge of a duty contemplated in clause 10.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

11. MANAGEMENT OF EVALUATION OUTCOMES

11.1 The evaluation of the Employee's performance will form the basis for –

- (a) rewarding outstanding performance; or
- (b) correcting unacceptable performance.

11.2 A performance bonus calculated as a percentage of the Employee's all-inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance, as follows:

Score	Performance bonus
≥ 129%	0%
130%	5%
133%	5%
135%	6%
137%	6%
138%	7%
140%	8%
142%	8%
143%	8%
145%	8%
147%	9%
148%	9%
150%	10%
152%	10%
153%	10%
155%	14%

11.3 Any performance bonus that may be payable to the Employee, shall only be paid out after–

- (a) 30 June 2015;
- (b) the Employer's Council has approved the Employee's annual performance appraisal as required by section 57(4B) of the Systems Act; and
- (c) the Annual Report relating to the current financial year has been tabled in the Employer's Council and the Council adopted it.

11.4 In the case of unacceptable performance, the Employer –

- (a) shall provide systematic remedial or developmental support to assist the Employee to improve his performance; and
- (b) may, after appropriate performance counselling and having provided the necessary guidance and/or support as well as reasonable time for improvement in performance, consider steps to terminate Employee's employment on grounds of unfitness or incapacity to carry out his duties.

12. DISPUTE RESOLUTION

12.1 Any disputes about the nature of the Employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/or any other matter provided for, shall be mediated by the Mayor within 30 days of receipt of a formal dispute.

12.2 A decision by the Mayor in terms of clause 12.1 shall be final and binding on the Parties.

12.3 The relevant provisions of the employment contract shall apply in the event that mediation in terms of clause 12.1 fails.

13. GENERAL

- 13.1 The Employer shall make the contents of this agreement available to the public.
- 13.2 The Employer may make the outcome of any performance review, evaluation or appraisal conducted in terms of this agreement available to the public.
- 13.3 The Employee's annual performance appraisal results must, within 14 days after the conclusion of the appraisal, be submitted to –
- (a) the MEC for Human Settlements, Local Government and Traditional Affairs; and
 - (b) the Minister of Co-operative Governance and Traditional Affairs.
- 13.4 The financial disclosure form as required by the Financial Disclosure Framework is attached as **Annexure C** to this agreement.

Thus done and signed at **KOFFIEFONTEIN** on the.....7.....day ofJuly..... 2014.

AS WITNESSES:

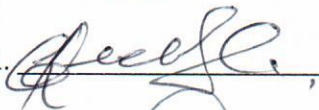
1. 

2. 

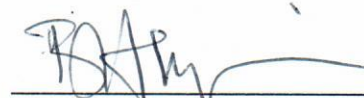

Mr. Tsietsi Freddie Deeuw
Acting Director: Corporate Services

Thus done and signed at **KOFFIEFONTEIN** on the.....15.....day ofAugust..... 2014.

AS WITNESSES:

1. 

2. 


Mr. Bafunani Aaron Mnguni
MUNICIPAL MANAGER

