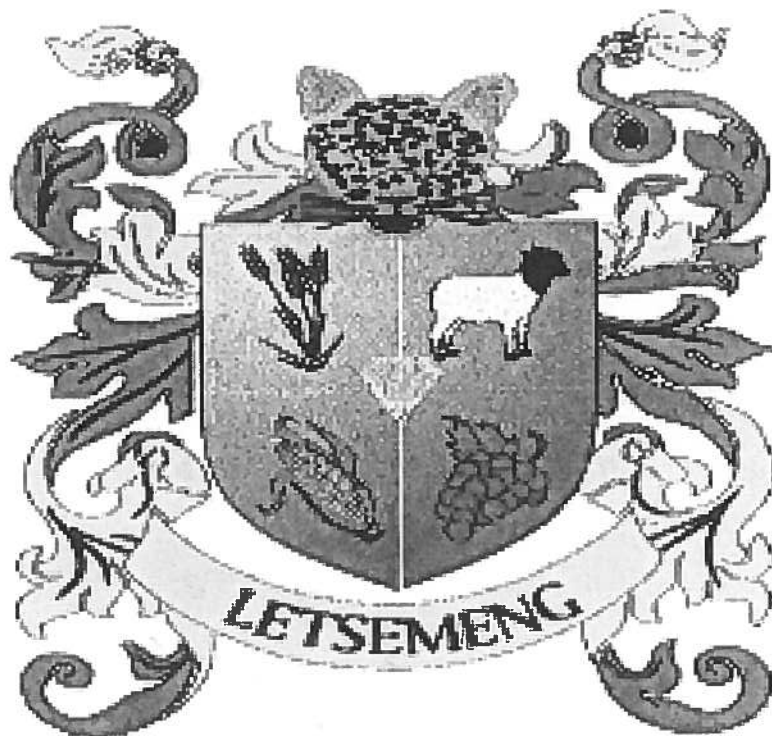




Performance Agreement

2012/2013



MR. NICHOLAS LEFA MOLETSANE

MANAGER: FINANCIAL SERVICES

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PERFORMANCE AGREEMENT ENTERED INTO BY AND BETWEEN

The Letsemeng Municipality herein represented by **Itumeleng Edward Poöe 710417 5457 087** in his capacity as the Municipal Manager (herein referred to as the employer)

And

Mr. Lefa Nicholas Moletsane, 780526 5353 081, Employee of the Municipality (herein after referred to as the Employee).

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

(a) The Employer has entered into a contract of employment with the **Employee** in terms of Section 57(1) (a) of the Local Government: Municipal Systems Act 32 of 2000 the Systems Act"). The Employer and the Employee are here in after referred to as

"the parties".

(b) 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.

© The parties wish to ensure that they agree 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.

(d) The parties wish to ensure that there is compliance with Section 57 (4A), 57(5) of the Systems Act.

2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to-

(a) Comply with the provisions of Section 57(1)(b),(4A),(4B) and (5) of the Act as well as the Employment contract entered into between the parties;

(b) 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 and Budget Implementation Plan (SDBIP) and the Budget of the Municipality.

(c) specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement.

(d) monitor and measure performance against set targeted outputs.

(e) use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his/her job.

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- (f) in the event of outstanding performance, to appropriately reward the employee; and
- (g) give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved municipal service delivery.

3. COMMENCEMENT AND DURATION

- (a) This agreement will commence on the **02 July 2012** and will remain in force until **30 June 2013** thereafter a new Performance Agreement and Performance Plan shall be concluded between the parties for the next financial year or any portion thereof.
- (b) The parties will review the provisions of this Agreement during June each year. The parties will conclude a new Performance Agreement, Personal Development Plan and Performance Plan that replaces this Agreement at least once a year by not later the beginning of each successive financial year.
- (c) This Agreement will terminate on the termination of the Employee's contract of employment for any reason.
- (d) The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon.
- (e) if at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall 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 (Performance Plan) are set

- (a) by the Employer in consultation with the employee; and
- (b) be based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Employer; and
- (c) shall include key objectives, key performance indicators, target dates and weightings.

4.3 It is agreed that-

- (a) The key objectives describe the main tasks that must be performed by the Employee;
- (b) The key performance indicators provide the details of the evidence that must be provided to indicate that a key objective has been achieved.
- (c) The target dates describe the timeframe in which the work must be achieved; and
- (d) The weightings show the relative importance of the key objectives to each other.

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- 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 **Employer**, management and municipal staff of the **Employer**.

- 5.2 The **Employee** accepts that the purpose of the performance management system is 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 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 KPA's (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** shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.

- (a) The **employee** must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPA's) and the Core Competency Requirements (CCR's) respectively.
- (b) Each area of assessment will be weighted and will contribute a specific part to the total score.
- (c) KPA's covering the main areas of work will account for 80% and CCR's will account for 20% of the final assessment.

- 5.6 The **Employee's** assessment will be based on his/her performance in terms of the outputs/outcomes (performance indicators) identified as per attached Performance Plan (annexure A), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weightings agreed to between the **Employer** and **Employee**.

Key Performance Areas (KPA's) Weighting	
Basic Service Delivery	25%
Municipal Institutional Development and Transformation	10%
Local Economic Development (LED)	10%
Municipal Finance Viability and Management	50%
Good Governance and Public Participation	5%
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.

- 5.8 The CCR's will make up the other 20% of the **Employee's** assessment score. CCR's that are deemed to be most critical for the **Employee's** specific job should be selected () from the list

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below as agreed to between the **Employer** and **Employee**. These are compulsory for Municipal Managers.

CORE COMPETENCY REQUIREMENTS (CCR) FOR EMPLOYEES		
CORE MANAGERIAL COMPETENCIES		WEIGHT
Strategic Capacity and Leadership		8.1%
Programme and Project Management		8.1%
Financial Management Compulsory	Compulsory	8.1%
Change Management		15%
Knowledge Management		8.1%
Service Delivery Innovation		8.1%
Problem Solving and Analysis		8.1%
People Management and Empowerment	Compulsory	8.1%
Client Orientation and Customer Focus compulsory	Compulsory	15%
Communication		15%
Honesty and Integrity		8.1%
CORE OCCUPATIONAL COMPETENCIES (COC)		8.1%
Competence in Self-Management		8.1%
Interpretation of and implementation within the legislative an national policy framework		8.1%
Knowledge of Performance Management Reporting		8.1%
Knowledge of global and South African specific political, social and economic contexts		8.1%
Competence in policy conceptualisation, analysis and implementation		8.1%
Knowledge of more than one functional municipal field/discipline		8.1%
Skills in Mediation		8.1%
Skills in Governance		8.1%
Competence as required by other national line sector departments		8.1%
Exceptional and dynamic creativity to improve the functioning of the municipality		8.1%
Total percentage		100%

6. EVALUATING PERFORMANCE

6.1 The Performance Plan (annexure A) to this agreement sets out-

- (a) the standards and procedures for evaluating the **Employee's** performance; and
- (b) the intervals for the 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 Agreement of Employment.

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- 6.3 Personal growth and development needs identified during any performance review discussion, as well as the actions and the time frames agreed to, must be documented in a Personal Development Plan.
- 6.4 The Employee's performance will be measured in term of contributions to the goals and strategies contemplated in the Employer's Integrated Development Plan.
- 6.5 The annual performance appraisal must involve-
- an assessment of the achievement of results outlined in the performance plan,
 - 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;
 - a rating on the five-point scale for each Key Performance Area; and
 - The applicable assessment rating calculator to add the scores and calculate a final Key Performance Area score
- 6.6 The Core Management Criteria must be assessed-
- according to the extent to which the specified standards have been met;
 - with an indicative rating on a five-point scale for each Criteria
 - by using the applicable assessment rating calculator to add the scores and calculating a final score.
- 6.7. An overall rating is calculated by using the applicable assessment-rating calculator, which represents the outcome of the performance appraisal, provided that the performance assessment of the Employee will be based on the following rating scale for both Key Performance Indicators and Core Management Criteria.

Level	Terminology	Description	Rating				
			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 affective	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					

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		Performance Plan	
2	Not fully effective	Performance is below the standard required for the job in key area. 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	
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.	

- 6.8. The performance of the Employee must be evaluated by an evaluation panel constituted in terms of regulation 27(4)(d)(e) and (f) of the Regulations.

7. SCHEDULE OF PERFORMANCE REVIEWS

- 7.1 The performance of each Employee in relation to his/her performance agreement must be reviewed during:-

July – September for the First quarter

October – December for the Second quarter

January – March for the Third quarter

April – June for the Fourth quarter

Provided that reviews in the first and third quarter may be verbal if performance is satisfactory.

- 7.2 The Employer must keep a record of the mid-year review and annual assessment meetings, and feedback must be based on the Employer's assessment of the Employee's performance.
- 7.3 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 any such change is made.

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8. OBLIGATIONS OF THE EMPLOYER

8.1 The Employer must-

- (a) create an enabling environment to facilitate effective performance by the Employer;
- (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 or her to meet the performance objectives and targets established in this Agreement; and
- (e) make available to the Employer 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 this Agreement.

9. CONSULTATION

9.1 The Employer agrees to consult the Employee timeously where the exercising of the powers will-

- (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 Employee.

9.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in sub-clause (1) above, as soon as practicable to enable the Employee to take any necessary action without delay.

10. MANAGEMENT OF EVALUATION OUTCOMES

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

10.2 A performance bonus of between 5% and 14% of the inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance, as per regulation 32(2) of the Regulations.

10.3 in the case of unacceptable performance, the Employer-

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

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11. DISPUTE RESOLUTION



- 11.1 Any disputes about the nature or content of the Employee’s Performance Agreement, must be mediated by-
 - (a) the Member of the Council responsible for Local Government in the Province, in the case of the Municipal Manager, or any other person appointed by the said member of the Council; and
 - (b) the Mayor, in the case of Managers directly accountable to the Municipal Manager; within thirty (30) days of receipt of a formal dispute from the Employee.
- 11.2 Any disputes about the outcome of the Employee’s performance evaluation, must be mediated by-
 - (a) the Member of the Council for Local Government in the province, or any other person appointed by the MEC, in the case of the Municipal Manager; and
 - (b) a Municipal Councillor, in the case of Managers directly accountable to the Municipal Manager, provided that such a Councillor was not part of the evaluation panel contemplated in regulations (27) of the Regulations, within thirty(30) days of receipt of a formal dispute from the Employee
- 11.3 The decision of the Mediator contemplated in sub-clauses (1) and (2) will be final and binding on both parties


GENERAL

- 12.1 The Employer must make the contents of this Agreement and the outcome of any review conducted in terms of the Performance Plan available to the Public as contemplated in section 46 of the Systems Act.
- 12.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his or her Agreement of Employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.
- 12.3 The performance assessment results of the Chief Financial Officer must be submitted to the Member of the Executive Council responsible for Local Government in the province as well as National Minister for Local Government, within fourteen days after conclusion of the assessment.

SIGNED AT KOFFIEFONTEIN ON THIS THE 30 DAY OF July 2012

AS WITNESSES:

- 1. 
- 2. 




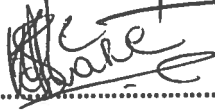
 Itumeleng Edward Poë
 (Employer)

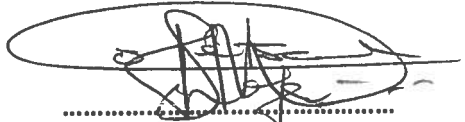
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SIGNED AT KOFFIEFONTEIN ON THIS THE 27 DAY OF JULY 2012

AS WITNESSES:

1. .....
2. .....



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Lefa Nicholas Moletsane
Chief Financial Officer