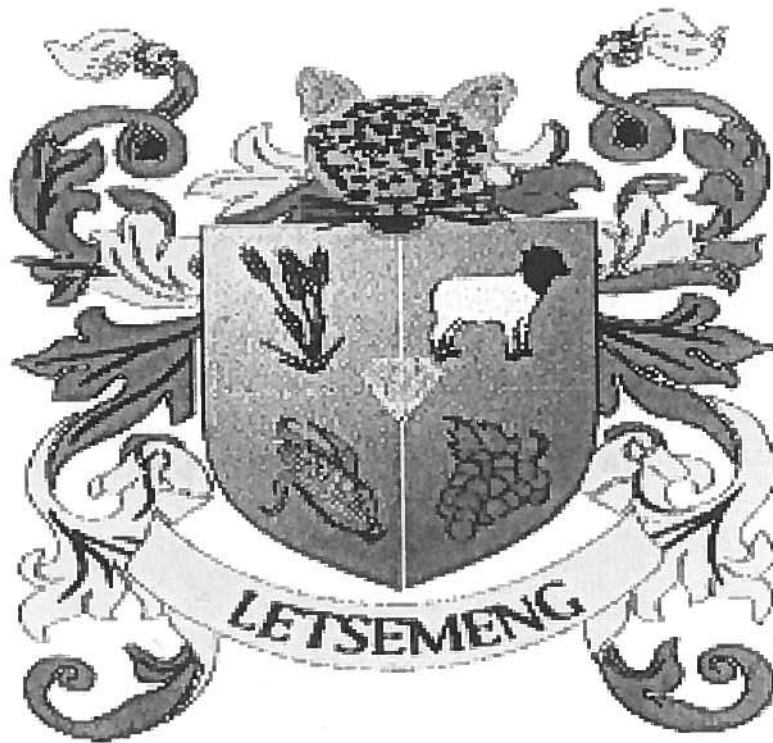




Performance Agreement

2012/2013



MR. NAMECO CHARMUS GAELEJWE

MANAGER: TECHNICAL SERVICES



PERFORMANCE AGREEMENT

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. Nameco Charmus Gaelejwe, 710920 6007 082, Employee of the Municipality (herein after referred to as the Employee).

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

- 1.1 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**".
- 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 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.
- 1.4 The parties wish to ensure that there is compliance with Section 57 (4A), 57(5) of the Systems Act.
- 1.5 In this Agreement the following terms will have the meaning prescribed thereto:
 - 1.5.1 "this Agreement" – means the performance agreement between the employer and the employee and the employee and the Annexures thereto:
 - 1.5.2 "the Employee: means the Director at the Municipality
 - 1.5.3 "the Employer" means Letsemeng Municipality represented by the Municipal Manager; and
 - 1.5.4 "the Parties" means the Employer and Employee.

2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to-

- 2.1 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;



- 2.2 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.
- 2.3 specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement.
- 2.4 monitor and measure performance against set targeted outputs.
- 2.5 use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his/her job.
- 2.6 Establish a transparent and accountable working relationship.
- 2.7 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

- 3.1 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.
- 3.2 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 31st of July of the beginning of each succeeding financial year.
- 3.3 This Agreement will terminate on the termination of the Employee's contract of employment for any reason; and
- 3.4 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon.

4. PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan (Annexure A) sets out-
 - 4.1.1 The performance objectives and targets that must be met by the Employee; and
 - 4.1.2 The time frames within which those performance objectives and targets must be met; and
 - 4.1.3 The core competency requirements (Annexure B- definitions) as the management skills regarded as critical to the position held by the employee.



- 4.2 The performance objectives and targets reflected in Annexure A (Performance Plan) are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Employer and shall include:
- 4.2.1 Key objectives that describe the main tasks that needs to be done;
 - 4.2.2 Key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved;
 - 4.2.3 Target dates that describe the timeframe in which the work must be achieved; and
 - 4.2.4 The weightings showing the relative importance of the key objectives to each other.
- 4.3 The Personal Development Plan (Annexure C) sets out the **Employee's** personal development requirements in line with the objectives and targets of the Employer; and
- 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** adopted for the **Employees** of the municipality. (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 **Employees**, management and municipal staff to perform to the standards required.
- 5.3 The **Employer** will consult the **Employee** about the specific performance standards and targets 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.
- 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**.



KPA No.	Key Performance Area (KPA)	Weighting
1	Basic Service Delivery	60%
2	Municipal Institutional Development and Transformation	10%
2	Local Economic Development (LED)	5%
4	Municipal Finance Viability and Management	5%
5	Good Governance and Public Participation	20%
	Total	80%

- 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 below as agreed to between the **Employer** and **Employee**.

Core Competency Requirements (Ccr) For Employees			
Core Managerial Competencies			Weight
1	Strategic Capacity and Leadership		2%
2	Programme and Project Management		2%
3	Financial Management Compulsory	Compulsory	3%
4	Change Management		
5	Knowledge Management		
6	Service Delivery Innovation		2%
7	Problem Solving and Analysis		2%
8	People Management and Empowerment	Compulsory	3%
9	Client Orientation and Customer Focus compulsory	Compulsory	3%
10	Communication		1%
11	Honesty and Integrity		2%
CORE OCCUPATIONAL COMPETENCIES (COC)			
Total percentage			20%

6. EVALUATING PERFORMANCE (Assessment)

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

- 6.1.1 The standards and procedures for evaluating the **Employee's** performance; and
6.1.2 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.
- 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 and implementation must take place within set time frames.
- 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 Employee will submit quarterly performance reports (SDBIP) and a comprehensive annual performance report (s71/SDBIP Annual Performance Report) as least one week prior to the performance assessment meetings to the Evaluation Panel Chairperson for distribution to the panel members for preparation purposes, provided that notice is given of such performance assessment meeting at least 30 days in advance;
- 6.6 Assessment of the achievement of results as outlined in the performance plan:
- 6.6.1 Each KPI or group of KPI's shall be assessed according to the extent to which the specified standards or performance targets have been met and with due regard to ad-hoc tasks that had to be performed under the KPI;
- 6.6.2 A rating on the five point scale shall be provided for each KPI or group of KPI's which will then be multiplied by the weighting to calculate the final score;
- 6.6.3 In the instance where the employee could not perform due to reasons outside the control of the employer and employee, the KPI will not be considered during the evaluation. The employee should provide sufficient evidence in such instances; and
- 6.6.4 An overall score will be calculated based on the total of the individual scores calculated above.
- 6.7 Assessment of the Core Competency Requirements:**
- 6.7.1 Each CCR shall be assessed according to the extent to which the specified standards for the required proficiency level have been met;
- 6.7.2 A rating on the five-point shall be provided for each CCR which will then be multiplied by the weighting to calculate the final score; and
- 6.7.3 An overall score will be calculated based on the total of the individual scores calculated above
- 6.8 An Overall rating**
- 6.8.1 An overall rating is calculated by adding the overall scores as calculated in 6.6.4 and 6.7.3 above,



6.8.2 Such overall rating represents the outcome of the performance appraisal.

6.9 The assessment of the performance of the Employee will be based on the following rating scale for KPI's and CCR's:

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 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.					

6.10. For purpose of evaluating the performance of the Employee for the mid-year and year-end reviews, an evaluation panel constituted of the following persons will be established-

6.10.1 Municipal Manager;

6.10.2 Municipal Manager from another municipality;

6.10.3 Chairperson of the Performance Audit Committee or in his/her absence thereof, the Chairperson of the Audit Committee; and

6.10.4 A Representative nominated by the Director

6.11 The Municipal Manager will evaluate the performance of the Employee as at the end of the 1st and 3rd quarters; and



- 6.12 The Municipal Manager will give performance feedback to the Employee within 5 working days after each quarterly and annual assessment.

7. SCHEDULE OF 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 reviews in the first and third quarter may be verbal if performance is satisfactory:

Quarter	Review Period	Review to be completed by
1	July – September	October 2011
2	October – December	February 2012
3	January – March	April 2012
4	April – June	September 2012

- 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 provision 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 the Performance Plan (Annexure A) whenever the performance management system is adopted, implemented or amended, as the case may be. In that case, the Employee will be fully consulted before any such change is made; and
- 7.6 Employee will be consulted in above instances and agreement to be reached before changes are affected. If no agreement is reached, section 13 of this agreement will apply.

8. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing developmental gaps is attached as annexure C. Such Plan may be implemented and/or amended as the case may be after each assessment. In that case, the Employee will be consulted and agreement is reached, before any such change or plan is made.



9. OBLIGATIONS OF THE EMPLOYER

9.1 The Employer shall-

- 9.1.1 Create an enabling environment to facilitate effective performance by the Employee;
- 9.1.2 Provide access to skills development and capacity building opportunities;
- 9.1.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;
- 9.1.4 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
- 9.1.5 Make available to the Employer such resources as the Employee may reasonably require from time to time assisting him or her to meet the performance objectives and targets established in 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;
- 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 pursuant to the exercise of powers contemplated in clause (12.1) as soon as practicable to enable the Employee to take any necessary action without delay.

11. REWARD

- 11.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance;
- 11.2 The payment of the performance bonus is determined by the performance score obtained during the 4th quarter and as informed by the quarterly performance assessments;
- 11.3 The performance bonus will be awarded on the following scheme:



Performance rating		Bonus Calculation
0% - 45%	Poor Performance	0% of Total package
46% - 55%	Average Performance	5% of Total package
56% - 65 %	Fair Performance	8% of Total package
66% - 75%	Good Performance	11% of Total package
76% - 100%	Excellent Performance	14% of Total package

- 11.4 In the event of the Employee terminating his service during the validity period of this Agreement, the Employee'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 services; and
- 11.5 The Employer will submit the total score of the annual assessment and of the Employee, to full Council for notification of the bonus allocation.

12. MANAGEMENT OF EVALUATION OUTCOMES

- 12.1 Where the Employer is, at any time during the employee's employment, not satisfied with the manager's performance with respect to any matter dealt with in this Agreement, the Employer will give notice to the employee to attend a meeting;
- 12.2 The Employee will have the opportunity at the meeting to satisfy the Employer of the measures being taken to ensure that his performance becomes satisfactory and may programme, including any dates, for implementing the dispute or difference; and
- 12.3 Where there is a dispute or difference as to the performance of the employee under this Agreement, the parties will confer with a view to resolving the dispute or difference; and
- 12.4 In the case of unacceptable performance, the employer shall-
- 12.4.1 Provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and
- 12.4.2 After appropriate performance counselling and having provided the necessary guidance and/or support as well as reasonable improvement in performance, the Employer may take steps in terms of the Local Government Disciplinary Regulations for Senior Managers published under GN 344 in GG34213 of 21 April 2011.

13. DISPUTE RESOLUTION

- 13.1 In the event that the employee is dissatisfied with any decision or action of the Council in terms of this Agreement, or where a dispute or difference arises as to the extent to which the employee has achieved the performance objectives and targets established in terms of this Agreement, the employee may within 10 working days of the outcome of an assessment of performance which has been put in writing to the employee meet with the employer with



a view to resolving the issue. The employer will record the outcome of the meeting in writing;

13.2 If the parties could not resolve the issue within 10 working days, an independent arbiter, acceptable to both parties, should be appointed to resolve the matter within thirty (30) days.

13.3 In the event that the mediation process contemplated above fails, the relevant clause of the Contract of Employment (Discuss / Mediate/ Arbitration) shall apply.


14. GENERAL

14.1 The contents of this Agreement and the outcome (Total Score) of any review conducted in terms of the Performance Plan (Annexure A) may be made available to the Public by the Employer; and

14.2 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 done and signed at Koffiefontein on this 30 day of JULY 2012

AS WITNESSES:


1. 


2. 



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Nameco Charmus Gaelejwe
Manager Technical Services

Thus done and signed at Koffiefontein on this the 30 day of July 2012

AS WITNESSES:

1. 

2. 


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Itumeleng E. Poë
Municipal Manager

