



**PERFORMANCE AGREEMENT**

**MADE AND ENTERED INTO BY AND BETWEEN**

**THE MUNICIPALITY OF AGANANG**

**AS REPRESENTED BY THE MUNICIPAL MANAGER**

**MR. NEHEMIA RAMAKUNTWANE SELEPE**

**AND**

**MR. MANAPE TIMOTHY THAMAGA**

**THE EMPLOYEE OF THE MUNICIPALITY**

**FOR THE**

**FINANCIAL YEAR: 01 JULY 2011 - 30 JUNE 2012**

## PERFORMANCE AGREEMENT

### ENTERED INTO BY AND BETWEEN:

The Municipality of **AGANANG LOCAL MUNICIPALITY** herein represented by **NEHEMIA RAMAKUNTWANE SELEPE** in his capacity as Municipal Manager and **THAMAGA MANAPE TIMOTHY** employee of the Municipality of **AGANANG**.

### WHEREBY IT IS AGREED AS FOLLOWS:

#### 1. INTRODUCTION

1.1 Aganang Local Municipality has entered into a contract of employment with **Thamaga Manape Timothy**, 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 hereinafter 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 are clear 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 Sections 57(4A), 57(4B) and 57(5) of the Systems Act.

#### 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 System Act as well as the Contract of Employment entered into between the parties;

- 2.2 Specify objectives and targets established for the employee and to communicate to the employee the municipality's expectations of the employee's performance expectations and accountabilities;
- 2.3 Specify accountabilities as set out in the Performance Plan which forms as annexure to the agreement
- 2.4 Monitor and measure performance against set targeted outputs;
- 2.5 Use the Performance Agreement and Performance Plan as the basis for assessing whether the employee has met the performance expectations applicable to his/her job;
- 2.6 Appropriately reward the employee in accordance with the employer's performance management policy in the event of outstanding performance; and,
- 2.7 Give effect to the municipality's commitment to a performance-orientated relationship with the employee in attaining equitable and improved service delivery.

### **3. COMMENCEMENTS AND DURATION**

- 3.1 This Agreement will commence on the **01 July 2011** and will remain in force until **30 June 2012** whereafter a new Performance Agreement, Performance Plan and Personal Development 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 and Performance Plan that replaces this Agreement at least once a year by not later than the beginning of each successive financial year.
- 3.3 This Agreement will terminate on the termination of the employee's contract of employment for any reason.

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.

3.5 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-

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.

4.2 The performance objectives and targets reflected in Annexure A are set by the employer in consultation with the employee and based on the Integrated Development Plan and the Budget of the municipality, and shall 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 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 **Manager, Corporate Services** agrees to participate in the performance management system that Aganang Local Municipality adopts or introduces for the municipality, management and municipal staff of the municipality.

5.2 The **Manager, Corporate Services** 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.

5.3 The Municipality will consult the **Manager, Corporate Services** about the specific performance standards that will be included in the performance management system as applicable to the Manager.

6. The **Manager Corporate Services** agrees to participate in the performance management and development system that the Municipality adopts.

6.1 The **Manager, Corporate Services** undertakes to actively focus towards the promotion and implementation of the KPAs (including special projects relevant to the employee's responsibilities) within the local government framework.

6.2 The criteria upon which the performance of the Manager, **Corporate Services** shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.

6.2.1 The **Manager, Corporate Services** must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Core Managerial Competencies (CMCs) respectively.

6.2.2 Each area of assessment will be weighted and will contribute a specific part to the total score.

6.2.3 KPAs covering the main areas of work will account for 80% and CMCs will account for 20% of the final assessment.

6.3 The **Manager, Corporate Services** assessment will be based on his performance in terms of the outputs/ outcomes (performance indicators) identified as per attached Performance Plan (SDBIP) (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 municipality and Municipal Manager:

## 7. EVALUATING PERFORMANCE

7.1 The Performance Plan (Annexure A) to this Agreement sets out –

7.1.1 the standards and procedures for evaluating **Manager Corporate Services** performance; and,

7.1.2 the intervals for the evaluation of the **Manager, Corporate Service's** performance.

7.2 Despite the establishment of agreed intervals for evaluation, the municipality may in addition review the **Manager, Corporate Services** performance at any stage while the contract of employment remains in force.

7.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.

7.4 The **Manager Corporate Services** performance will be measured in terms of contributions to the goals and strategies set out in the Municipal IDP.

7.5 The annual performance appraisal will involve:

7.5.1 Assessment of the achievement of results as outlined in the performance plan:

- (a) Each KPA should be assessed 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 under the KPA.
- (b) An indicative rating on the five-point scale should be provided for each KPA.
- (c) The applicable assessment rating calculator (refer to paragraph 6.5.3 below) must then be used to add the scores and calculate a final KPA score.

**7.5.2 Assessment of the CMCs**

- (a) Each CMC should be assessed according to the extent to which the specified standards have been met.
- (b) An indicative rating on the five-point scale should be provided for each CMC.
- (c) The applicable assessment rating calculator (refer to paragraph 6.5.1) must then be used to add the scores and calculate a final CMC score.

**7.5.3 Overall rating**

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

7.6 For purposes of evaluating the performance of the **Manager Corporate Services**, an evaluation panel constituted by the following persons will be established –

- 7.6.1 The Mayor;
- 7.6.2 Chairperson of the Audit Committee;
- 7.6.3 Member of the Executive Committee; and
- 7.6.4 Municipal Manager from another Municipality.

## **8. SCHEDULE FOR PERFORMANCE REVIEWS**

8.1 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:

First quarter: July – September 2011.

Second quarter: October – December 2011.

Third quarter: January – March 2012

Fourth quarter: April – June 2012.

8.2 The Municipality shall keep a record of the mid-year review and annual assessment meetings.

8.3 Performance feedback shall be based on the Municipality's assessment of the **Manager, Corporate Services'** performance.

8.4 The Municipality 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 change is made.

8.5 The Municipality 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 **Manager, Corporate Services** will be fully consulted before any such change is made.



## 9. DEVELOPMENTAL REQUIREMENTS

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

## 10. OBLIGATIONS OF THE EMPLOYER

10.1 The Municipality shall –

10.1.1 create an enabling environment to facilitate effective performance by the **Manager, Corporate Services**;

10.1.2 provide access to skills development and capacity building opportunities;

10.1.3 work collaboratively with the **Manager, Corporate Services** to solve problems and generate solutions to common problems that may impact on the performance of the Municipal Manager;

10.1.4 on the request of the **Manager, Corporate Services** delegate such powers reasonably required by the municipality to enable him to meet the performance objectives and targets established in terms of this Agreement; and

10.1.5 make available to the **Manager, Corporate services** such resources as the **Manager, Corporate Services** may reasonably require from time to time to assist him/ her to meet the performance objectives and targets established in terms of this

**Agreement.**

## 11. CONSULTATION

11.1 The Municipality agrees to consult the **Manager, Corporate Services** timeously where the exercising of the powers will have amongst others –

11.1.1 a direct effect on the performance of any of the employee's functions;

11.1.2 commit the **Manager, Corporate Services** to implement or to give effect to a decision made by the Municipality; and

11.1.3 a substantial financial effect on the Municipality.

11.2 The Municipality agrees to inform the **Manager, Corporate Services** of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 11.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

## **12. MANAGEMENT OF EVALUATION OUTCOMES**

12.1 The evaluation of the **Manager, Corporate Service's** performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

12.2. A performance bonus of 5% to 14% of the inclusive annual remuneration package may be paid to the employee in recognition of outstanding performance.

12.3 The employee will be eligible for progression to the next higher remuneration package, within the relevant remuneration band, after completion of at least twelve months (12) service at the current remuneration package on 30 June (end of financial year) subject to a fully effective assessment.

12.4 In the case of unacceptable performance, the Municipality 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 counseling and having provided the necessary guidance and/ or support as well as reasonable time for improvement in performance, the Municipality 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.

13. **Dispute resolution.** – (1) Any disputes about the nature of the employee’s performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/or salary increment in the agreement, must be mediated by –

(a) In the case of Managers directly accountable to the Municipal Manager, the Mayor within thirty (30) days of receipt of a formal dispute from the employee; whose decision shall be final and binding on both parties.

(2) Any disputes about the outcome of the employee’s performance evaluation, must be mediated by –

(a) In the case of managers 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), within thirty (30) days of receipt of a formal dispute from the employee; whose decision shall be final and binding on both parties.

**14. GENERAL**

14.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Municipality.

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 .....on this the..... day of ..... 20...

**AS WITNESSES:**

1. \_\_\_\_\_ Manager, Corporate Services\_\_\_\_\_

2. \_\_\_\_\_

**AS WITNESSES:**

1. \_\_\_\_\_ Municipal Manager\_\_\_\_\_

2. \_\_\_\_\_

**SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN**

**FINANCIAL YEAR: 2011 – 2012**

**KEY PERFORMANCE AREA: INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT**

ITEM	KPA	DEPARTMENTAL KEY PERFORMANCE AREA (DKPA)	APPROVED DEPARTMENTAL KEY PERFORMANCE INDICATOR (DKPI)	DEPT OWNER	BASELINE (ACHIEVED TO DATE)	ANNUAL TARGET	APPROVED TARGET QUARTER 1	APPROVED TARGET QUARTER 2	APPROVED TARGET QUARTER 3	APPROVED TARGET QUARTER 4	BUDGET
1.	Leave	Management of leave	% of leave days recorded monthly	Corporate Services	100%	100%	100%	100%	100%	100%	0
2.	Performance Management	Annual PMS review for Section 57 Managers	#PMS review for Section 57 Managers	Corporate Services	1	5	5	5	5	5	0
		Signing of performance agreement (Section 57 Managers)	# Performance agreements signed (Section 57 Managers)	Corporate Services	1	5	5	0	0	0	0
		Departmental PMS quarterly review conducted	#Departmental PMS quarterly review conducted	Corporate Services	0	4	1	2	3	4	0
3.	Staff Provisioning	Filling of new approved positions	# New positions filled in compliance with the staff provisioning	Corporate Services	20	7	7	0	0	0	R1 297 458.46

ITEM	KPA	DEPARTMENTAL KEY PERFORMANCE AREA (DKPA)	APPROVED DEPARTMENTAL KEY PERFORMANCE INDICATOR (DKPI)	DEPT OWNER	BASELINE (ACHIEVED TO DATE)	ANNUAL TARGET	APPROVED TARGET QUARTER 1	APPROVED TARGET QUARTER 2	APPROVED TARGET QUARTER 3	APPROVED TARGET QUARTER 4	BUDGET
		Filling of Replacement positions	#Replacement positions filled in compliance with the staff provisioning	Corporate Services	0	100%	100%	100%	100%	100%	0,00
		Inductions conducted	# of Inductions conducted	Corporate Services	1	4	1	2	3	4	0,00
4.	Contracts for employees	Development of employees' contracts	#Employees contracts developed in compliance to staff provisioning	Corporate Services	100%	100%	100%	100%	100%	0	0,00
5.	Work Skills Plan (WSP)	Development and submission of WSP	# WSP developed and submitted	Corporate Services	1	1	0	0	0	1	0,00
6.	Trainings	Trainings of Staff and Councillors	% Training and capacity building	Corporate Services	40%	100%	40%	60%	90%	100%	R400 000
7.	Office Machines	Rental of Office machines	% Office machine rental	Corporate Services	0	100%	100%	100%	100%	100%	R718 000
		Provision of new office furniture	# new office furniture provided as per budget plans.	Corporate Services	100%	9	0	9	0	0	R88 000
8.	IT Management	Provision of IT equipment	% on provision of IT equipment	Corporate Services	100%	100%	35%	45%	55%	100%	R216 000

ITEM	KPA	DEPARTMENTAL KEY PERFORMANCE AREA (DKPA)	APPROVED DEPARTMENTAL KEY PERFORMANCE INDICATOR (DKPI)	DEPT OWNER	BASELINE (ACHIEVED TO DATE)	ANNUAL TARGET	APPROVED TARGET QUARTER 1	APPROVED TARGET QUARTER 2	APPROVED TARGET QUARTER 3	APPROVED TARGET QUARTER 4	BUDGET
		IT Uptime	% IT uptime	Corporate Services	80%	100%	100%	100%	100%	100%	0,00
9.	Telephone Management	Management of telephone bills	% Management of telephone bills as per telephone limits	Corporate Services	100%	100%	100%	100%	100%	100%	R672 441
10.	Fleet Management	Provision of new vehicles	# new vehicles provided	Corporate Services	03	03	0	03	0	0	R550 000
11.	Employee Assistance	Provide counseling and medical support to staff	% staff members benefiting	Corporate Services	100%	100%	100%	100%	100%	100%	R12 000
12.	Labour issues	Management of employee grievances	% employees grievances resolved	Corporate Services	100%	100%	100%	100%	100%	100%	0, 00
		Disputes resolved/raised	% Disputes resolved	Corporate Services	3	100%	25%	50%	75%	100%	0, 00
13.	Health and Safety	Compliance with HSA	% Compliance with HSA	Corporate Services	70%	100%	100%	100%	100%	100%	0, 00
		Compliance with injuries/claims	% Occupational injuries/claims	Corporate Services	0	100%	100%	100%	100%	100%	0, 00
14.	Policy Development	Development of new policies	% policies identified, developed and reviewed	Corporate Services	100%	0	0	0	0	100%	0, 00
15.	By - Laws	Development of by - laws	# by - laws identified,	Corporate Services	0	9	3	5	7	9	0, 00

ITEM	KPA	DEPARTMENTAL KEY PERFORMANCE AREA (DKPA)	APPROVED DEPARTMENTAL KEY PERFORMANCE INDICATOR (DKPI)	DEPT OWNER	BASELINE (ACHIEVED TO DATE)	ANNUAL TARGET	APPROVED TARGET QUARTER 1	APPROVED TARGET QUARTER 2	APPROVED TARGET QUARTER 3	APPROVED TARGET QUARTER 4	BUDGET
			developed and reviewed as per assessment								
16.	Organisational Structure	Review of organizational structure	#Reviewed and adopted organizational structure	Corporate Services	01	01	0	01	0	01	0,00
17.	Registry	Management of Registry Services	Registry Services and File Plan	Corporate Services	100%	100%	100%	100%	100%	100%	0,00
19.	Cleaning	Cleaning of the Municipal Premises	% cleaning provided to Municipal premises	Corporate Services	100%	100%	100%	100%	100%	100%	0,00
20.	Municipal Traffic services	Traffic law enforcement	% law enforcement provided	Corporate Services	100%	100%	100%	100%	100%	100%	0,00
		Funeral Escort	% Funeral escorts conducted	Corporate Services Manager	0	100%	100%	100%	100%	100%	0,00
21.	Monthly Plans	Submission of monthly plans	# monthly plans submitted on time	Corporate Services Manager		72	18	36	54	72	0,00

**SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN**

**FINANCIAL YEAR: 2011 – 2012**

**KEY PERFORMANCE AREA: BASIC SERVICES AND INFRASTRUCTURE DEVELOPMENT**

KPA	DEPARTMENTAL KEY PERFORMANCE AREA (DKPA)	APPROVED DEPARTMENTAL KEY PERFORMANCE INDICATOR (DKPI)	DEPT OWNER	BASELINE (ACHIEVED TO DATE)	ANNUAL TARGET	APPROVE D TARGET QUARTER 1	APPROVE D TARGET QUARTER 2	APPROVE D TARGET QUARTER 3	APPROVED TARGET QUARTER 4	BUDGET
Municipal facilities	Maintenance of municipal facilities	# Municipal facilities inspected and maintained	Manager, Corporate Services	07 facilities	10	10	10	10	10	
		# reports generated on the status of municipal facilities	Manager, Corporate Services	12	12	03	06	09	12	0,00



**SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN**

**FINANCIAL YEAR: 2011 – 2012**

**KEY PERFORMANCE AREA: FINANCIAL VIABILITY AND MANAGEMENT**

	KPA	DEPARTMENTAL KEY PERFORMANCE AREA (DKPA)	APPROVED DEPARTMENTAL KEY PERFORMANCE INDICATOR (DKPI)	DEPT OWNER	BASELINE (ACHIEVED TO DATE)	ANNUAL TARGET	APPROVE D TARGET QUARTER 1	APPROVE D TARGET QUARTER 2	APPROVE D TARGET QUARTER 3	APPROVED TARGET QUARTER 4	BUDGET
	Departmental Budget	Management of departmental budget	% Departmental budget managed	Manager Corporate Services	80%	100%	100%	100%	100%	100%	0, 00
		Management of departmental expenditure	% departmental budget spend	Manager Corporate Services	75%	100%	100%	100%	100%	100%	0, 00
		Attendance to bid committees	% meetings attended	Manager Corporate Services	100%	100%	100%	100%	100%	100%	0, 00
		Identification and implementation of revenue streams	# revenue raising streams identified and implemented	Manager Corporate Services	0	02	0	1	2	0	0, 00
	Municipal Income	Management of income through traffic fines, registration and licensing of motor vehicles	% Revenue generated through traffic fines, registration and licensing of motor vehicles	Manager Corporate Services	R1,3m	R1, 6m	R200 000	R600 000	R300 000	R500 000	0, 00

**SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN**

**FINANCIAL YEAR: 2011 – 2012**

**KEY PERFORMANCE AREA: LOCAL ECONOMIC DEVELOPMENT AND PLANNING**

	KPA	DEPARTMENTAL KEY PERFORMANCE AREA (DKPA)	APPROVED DEPARTMENTAL KEY PERFORMANCE INDICATOR (DKPI)	DEPT OWNER	BASELINE (ACHIEVED TO DATE)	ANNUAL TARGET	APPROVED TARGET QUARTER 1	APPROVED TARGET QUARTER 2	APPROVED TARGET QUARTER 3	APPROVED TARGET QUARTER 4	BUDGET
	Job Creation	Creation of jobs through appointment of casual workers	# jobs created through appointment of casual workers	Manager, Corporate Services Department	10	20	05	0	10	05	R15 000

**SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN**

**FINANCIAL YEAR: 2011 – 2012**

**KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

	KPA	DEPARTMENTAL KEY PERFORMANCE AREA (DKPA)	APPROVED DEPARTMENTAL KEY PERFORMANCE INDICATOR (DKPI)	DEPT OWNER	BASELINE (ACHIEVED TO DATE)	ANNUAL TARGET	APPROVE D TARGET QUARTER 1	APPROVE D TARGET QUARTER 2	APPROVE D TARGET QUARTER 3	APPROVED TARGET QUARTER 4	BUDGET
	Strategic Meetings	Development of reports to governance structures	# Report generated to governance structures	Manager Corporate Services	32	28	10	17	27	37	0, 00
		Attendance to strategic meetings	# meetings attended and supported	Manager Corporate Services	31	49	13	10	13	13	0, 00
		Attend to Audit queries	% audit queries attended and resolved	Manager Corporate Services	45%	100%	100%	100%	100%	100%	0, 00
		Attendance to Aarto meetings	# meetings attended	Manager Corporate Services	06	04	01	02	03	04	0, 00
		Attendance to safety forums	# meetings attended	Manager Corporate Services	12	12	3	6	9	12	0, 00
		Customer Care	% queries resolved	Manager Corporate Services	100%	100%	100%	100%	100%	100%	0, 00
		Attendance to the Local Labour Forum	# LLF meetings attended	Manager Corporate Services	12	12	3	6	9	12	0, 00

	KPA	DEPARTMENTAL KEY PERFORMANCE AREA (DKPA)	APPROVED DEPARTMENTAL KEY PERFORMANCE INDICATOR (DKPI)	DEPT OWNER	BASELINE (ACHIEVED TO DATE)	ANNUAL TARGET	APPROVE D TARGET QUARTER 1	APPROVE D TARGET QUARTER 2	APPROVE D TARGET QUARTER 3	APPROVED TARGET QUARTER 4	BUDGET
		Attendance to IDP review meetings	# IDP review meetings attended	Manager Corporate Services							