



Performance Agreement

Made and entered into by and between:

THABO MOFUTSANYANA DISTRICT MUNICIPALITY

As represented by the Acting Municipal Manager

Ms T.P.M Lebenya

AND

Mr MALEROTHO BERNARD MPAHLELE

Manager: Infrastructure Services

THE EMPLOYEE OF THE MUNICIPALITY

FOR THE

FINANCIAL YEAR: 1 JULY 2012 - 30 JUNE 2013

M.B. TPM

PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

The Thabo Mofutsanyana District Municipality herein represented by **Ms Takatso Lebenya** in her capacity as Municipal Manager (hereinafter referred to as the **Employer** or Supervisor)

and

Mr Malerotho Bernard Mphahlele, Manager: Infrastructure Services of the Municipality (hereinafter referred to as the **Employee**).

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

- 1.1 The **Employer** has entered into an employment relationship with the **Employee** in terms of the Labour Relations Act 66 of 1995: as amended. The **Employer** and the **Employee** are hereinafter referred to as "the Parties".
- 1.2 The employers position offered to the employee, 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 the employers performance management system, and service delivery and budget implementation plan.

2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to -

- 2.1 comply with the employers service delivery and budget implementation plan, and the performance management system, as well as the nature of employment relationship 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 or her job;
- 2.6 in the event of outstanding performance, to appropriately reward the employee in terms of existing policy; and
- 2.7 give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

3 COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the **1 July 2012** and will remain in force until **30 June 2013** thereafter 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** employment for any reason before the expiry of the period in 3.1 above.
- 3.4 The content of this Agreement may be revised at any time during the above-mentioned 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, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the **Employer**, and shall include key objectives; key performance indicators; target dates and weightings.
 - 4.2.1 The key objectives describe the main tasks that need to be done.

- 4.2.2 The 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 The target dates describe the timeframe in which the work must be achieved.
- 4.2.4 The weightings show the relative importance of the key objectives to each other.
- 4.3 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 will be 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 performance 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 KPAs (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.
 - 5.5.1 The **Employee** must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Core Competency Requirements (CCRs) respectively.
 - 5.5.2 Each area of assessment will be weighted and will contribute a specific part to the total score.
 - 5.5.3 KPAs covering the main areas of work will account for 80% and CCRs 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
Municipal Transformation and Institutional Development	15%
Financial Viability and Management	15%
Basic Service Delivery and Infrastructure Investment	70%
Total	100%

5.7 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 between the **Employer** and **Employee**. Three of the CCRs are compulsory for Municipal Managers:

CORE COMPETENCY REQUIREMENTS (CCR) FOR EMPLOYEES		
CORE MANAGERIAL COMPETENCIES (CMC)	✓	WEIGHT
Strategic Capability and Leadership	compulsory	20%
Programme and Project Management		
Financial Management	compulsory	20%
Change Management	compulsory	10%
Knowledge Management		
Service Delivery Innovation		
Problem Solving and Analysis		
People Management and Empowerment	compulsory	20%
Client Orientation and Customer Focus	compulsory	20%
Communication		
Honesty and Integrity	compulsory	10%
CORE OCCUPATIONAL COMPETENCIES (COC)		
Competence in Self Management		
Interpretation of and implementation within the legislative and national policy frameworks		
Knowledge of Performance Management and Reporting		
Knowledge of global and South African specific political, social and economic contexts		
Competence in policy conceptualisation, analysis and implementation		
Knowledge of more than one functional municipal field / discipline		
Skills in Mediation		
Skills in Governance		
Competence as required by other national line sector departments		
Exceptional and dynamic creativity to improve the functioning of the municipality		

CORE COMPETENCY REQUIREMENTS (CCR) FOR EMPLOYEES		
CORE MANAGERIAL COMPETENCIES (CMC)	✓	WEIGHT
Total percentage	-	100%

6. EVALUATING PERFORMANCE

- 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 while the contract of employment remains in force.
- 6.3 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.
- 6.4 The **Employee's** performance will be measured in terms of contributions to the goals and strategies set out in the **Employer's** IDP and SDBIP.
- 6.5 The annual performance appraisal will involve:
- 6.5.1 **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.
- 6.5.2 **Assessment of the CCRs**
- (a) Each CCR 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 CCR.

- (c) This rating should be multiplied by the weighting given to each CCR during the contracting process, to provide a score.
- (d) The applicable assessment rating calculator (refer to paragraph 6.5.1) must then be used to add the scores and calculate a final CCR score.

6.5.3 Overall rating

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

- 6.6 The assessment of the performance of the **Employee** will be based on the following rating scale for KPA's and CCRs:

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 effective	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 areas. 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.					

Level	Terminology	Description	Rating				
			1	2	3	4	5
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.					

6.7 For purposes of evaluating the annual performance of the executive manager, an evaluation panel constituted of the following persons will be established -

- 6.7.1 Municipal Manager;
- 6.7.2 Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- 6.7.3 Member of the Mayoral Committee.

6.8 The manager responsible for human resources of the municipality must provide secretariat services to the evaluation panel referred to above.

7. SCHEDULE FOR 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 that reviews in the first and third quarter may be verbal if performance is satisfactory (*The Employer and Employee will endeavour to conduct such reviews within one month after the end of each quarter*): :

First quarter	:	July – September 2012
Second quarter	:	October – December 2012
Third quarter	:	January – March 2013
Fourth quarter	:	April – June 2013

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 provisions 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 Annexure A whenever the performance management system is adopted, implemented and / or amended as the case may be. In that case the **Employee** will be fully consulted before any such change is made.

8. DEVELOPMENTAL REQUIREMENTS

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

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 / her to meet the performance objectives and targets established in terms of this Agreement; and
- 9.1.5 make available to the **Employee** such resources as the **Employee** may reasonably require from time to time to assist him / her to meet the performance objectives and targets established in terms of 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 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 rewarding outstanding performance or correcting unacceptable performance as per applicable policy..
- 11.2 A performance bonus equal to at least one salary notch increment may be paid to the **Employee** in recognition of outstanding performance.
- 11.3 In the case of unacceptable performance, the **Employer** shall –
- 11.3.1 provide systematic remedial or developmental support to assist the **Employee** to improve his or her performance; and
 - 11.3.2 after appropriate performance counselling and having provided the necessary guidance and/ or support as well as reasonable time for improvement in performance, the **Employer** 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.

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 –
- 12.1.1 the Executive Mayor within thirty (30) days of receipt of a formal dispute from the **Employee**; or
 - 12.1.2 any other person appointed by the Executive Mayor.
 - 12.1.3 a member of the municipal council, provided that such member was not part of the evaluation panel, within thirty (30) days of receipt of a formal dispute from the employee;
- whose decision shall be final and binding on both parties.
- 12.2 In the event that the mediation process contemplated above fails, the normal process as contained in the Labour Relations Act shall apply.

13. GENERAL

- 13.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A must be made available to the public by the **Employer** in accordance with the Municipal Finance Management Act, 2003 and Section 46 of the Act.
- 13.2 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 Phuket this the 12 day of July 2012

AS WITNESSES:

1. Phua


MANAGER

2. Phua

AS WITNESSES:

1. [Signature]


ACTING MUNICIPAL MANAGER

2. Phua

Annexure A: PERFORMANCE PLAN

Manager: Infrastructure Services

Thabo Mofutsanyana District Municipality

This plan defines the Council's expectations of the Manager: Infrastructure Services in accordance with the Manager: Infrastructure Services performance agreement to which this document is attached and which provides that performance objectives and targets must be based on the key performance indicators set out from time to time in the Municipality's Integrated Development Plan (IDP).

The following Municipal Key Performance Areas, IDP priorities and Strategic Objectives as per the approved IDP and SDBIP will inform the **Manager: Infrastructure Services'** performance against set performance indicators:

Municipal Scorecard Perspective	Municipal KPAs	IDP priorities	Strategic objectives	Weight
Institutional development	Municipal transformation and institutional development	Corporate governance and public participation	<ul style="list-style-type: none"> Maintain the institutional capacity to implement the IDP and accompanying programmes Create a responsive and accountable administration 	15%
Financial viability	Financial viability and financial management	Corporate governance and public participation	To ensure full compliance with MFMA, Treasury Regulations and Council Policy with regard to financial management and reporting	15%
Service delivery	Basic service delivery and infrastructure investment	Water	To monitor the implementation of water bulk projects, establishment and functional District Water Sector forum.	15%
		Transport	To ensure that a properly coordinated public transport exist in the district	15%
		Roads and storm water Electricity	To implement roads and storm water management projects To establish a functional District Energy Forum, explore alternative sources and use of energy	25% 15%

The period of this plan is from 1 July 2012 to 30 June 2013

Signed and accepted by the Manager: Infrastructure Services:



Date 13 July 2012

1. Key Performance Areas

Municipal scorecard perspective	Key performance area	Strategic objectives	Weight	Target date	Key Performance Indicators	Means of verification
Institutional Development	Institutional Capacity and Development	Maintain the institutional capacity to implement the IDP and accompanying programmes	15%	30 June 2013	<p>a) Departmental Employment Equity Plan inputs compiled and submitted to Corporate Services by end of October 2013</p> <p>b) Skill needs assessment inputs submitted to Corporate Services for purposes of compiling the Annual Workplace Skills Plan and Annual Training Report.</p> <p>c) 100% skills development of staff in accordance with approved WSP.</p> <p>d) 100% of Human Resources policies and procedures as agreed and accepted by Council to be implemented and available to staff.</p> <p>e) 100% of staff grievances or complaints received, handled as per approved standard procedures issued by Corporate Services.</p> <p>f) 100% of funded vacancies filled in line with approved budget and organisational structure.</p> <p>g) Departmental management/staff meetings held at least on a <i>monthly</i> basis</p>	<p>Copy of EE inputs to Corporate Services (CS)</p> <p>Copy of skills inputs to CS</p> <p>Copy of training report</p> <p>Register signed by staff</p> <p>Copies of grievances submitted to CS</p> <p>Copies of vacancy requests to CS</p> <p>Copies of minutes & attendance registers</p> <p>Monthly performance reports</p> <p>Departmental budget submission</p> <p>Dated management response to AG queries</p> <p>Implementation report to Audit Committee</p> <p>Expenditure reports from Finance Department</p> <p>Report to MM & Council</p> <p>Report to MM & Council</p> <p>Report to MM & Council</p> <p>Agenda and Attendance registers</p> <p>Consolidated report to MM</p> <p>Approved Integrated Transport Plan</p> <p>Report to MM & Council</p>
Financial Viability	Financial Viability and Management	To ensure full compliance with MFMA, Treasury Regulations and Council Policies with regard to financial management and reporting	15%	30 June 2013	<p>a) Monthly departmental performance reviews conducted in line with approved SDBIP, PMS policy and MFMA</p> <p>b) Departmental budget compiled and submitted as per guidelines from CFO</p> <p>c) 100% of Auditor-General queries responded to within 5 working days</p> <p>d) 100% of Auditor General's prior-year issues addressed as per action plan approved by the Audit Committee to improve audit outcomes</p> <p>e) Departmental expenditure occurred as planned: <ul style="list-style-type: none"> 90% of Capital Budget spent 90% of Operating Budget </p>	<p>Monthly performance reports</p> <p>Departmental budget submission</p> <p>Dated management response to AG queries</p> <p>Implementation report to Audit Committee</p> <p>Expenditure reports from Finance Department</p> <p>Report to MM & Council</p> <p>Report to MM & Council</p> <p>Report to MM & Council</p> <p>Agenda and Attendance registers</p> <p>Consolidated report to MM</p> <p>Approved Integrated Transport Plan</p> <p>Report to MM & Council</p>
Service delivery	Basic service delivery and infrastructure investment	To ensure that adequate water is available in order that all rural and urban communities have access to potable water, which is provided on at least RDP standards at affordable rates	15%	30 June 2013	<p>a) 100% of WSDP developed and approved (DWA assistance for module 1)</p> <p>b)</p> <p>c) Regional Bulk Water studies (RBW)-monitoring of implementation by local municipalities</p> <p>d) 6 Water Sector Forum meetings convened</p> <p>e) 100% of Local Operation & Maintenance plans compiled by end of March 2013</p>	<p>Report to MM & Council</p> <p>Report to MM & Council</p> <p>Report to MM & Council</p> <p>Agenda and Attendance registers</p> <p>Consolidated report to MM</p> <p>Approved Integrated Transport Plan</p> <p>Report to MM & Council</p>
		To ensure that a properly coordinated public transport exist in the district	15%	30 June 2013	<p>a) 100% of Integrated Transport Plan (ITP) developed and submitted for approval by end of June 2013</p>	<p>Approved Integrated Transport Plan</p>
		To ensure the overall planning and provision of streets and storm water systems for all municipalities	25%	30 June 2013	<p>a) 100% of roads master plan developed and approved (Dependent on coordination by Premier's Office (liaise with PO)</p> <p>b) 100% of budgeted projects implemented in local municipalities</p> <p>c) 70 temporary jobs created through EPWP</p>	<p>Report to MM & Council</p> <p>Report to MM & Council</p> <p>Report to MM & Council</p>

Municipal scorecard perspective	Key performance area	Strategic objectives	Weight	Target date	Key Performance Indicators	Means of verification
		within the region in phases over the next 5 years To have a uniform electricity distribution system throughout the region for both rural and urban areas to ensure equal access to electricity by all communities	15%	30 June 2013	a) 6 meetings of the District Energy Forum convened b) 100% of master plans of local municipalities consolidated (Consolidation of electricity backlogs in TMDM). Explore the use of alternative sources of electricity, and initiate solar electricity projects in the district.	Agenda and Attendance registers Report to MM & Council
	TOTAL		100%			

2. Core Competency Requirements

Core Competency Requirements	Strategic objectives	Weight	Target date	Key Performance Indicators
Financial management	Compiles and manages budgets, controls cash flow, institutes risk management and administers tender procurement processes in accordance with generally recognised financial practices in order to ensure the achievement of strategic organisational objectives	20%	Ongoing	<ul style="list-style-type: none"> a) Continuously looks for new opportunities to obtain and save funds; b) Manages and monitors financial risk; c) Understands, analyses and monitors financial reports; d) Aligns expenditure to cash flow projections; e) Ensures effective utilisation of financial resources; f) Prepares own budget in line with the strategic objectives of the organisation.
People management	Manages and encourages people, optimises their outputs and effectively manages relationships in order to achieve organisational goals	20%	Ongoing	<ul style="list-style-type: none"> a) Delegates and empowers others to increase contribution and level of responsibility; b) Applies labour and employment legislation and regulations consistently; c) Recognises individuals and teams and provides developmental feedback in accordance with performance management principles; d) Displays personal interest in the well-being of colleagues; e) Manages conflict through a participatory transparent approach.
Client orientation and Customer focus	Willing and able to deliver services effectively and efficiently in order to put the spirit of customer service (Balho Pele) into practice	20%	Ongoing	<ul style="list-style-type: none"> a) Develops clear and implementable service delivery improvement programmes; b) Identifies opportunities to exceed the expectations of customers; c) Designs internal work processes to improve customer service; d) Adds value to the organisation by providing exemplary customer service; and e) Applies customer rights in own work environment
Strategic Capability and Leadership	Provides a vision, sets the direction for the organisation and/or directorate and inspires others to deliver on the organisational mandate	20%	Ongoing	<ul style="list-style-type: none"> a) Develops detailed action plans to execute strategic initiatives b) Assists in defining performance measures to evaluate the success of strategies c) Achieves strategic objectives against specified performance measures d) Communicates strategic plan to the organisation; and e) Utilises strategic planning methods and tools
Change Management	Initiates, supports and champions organisational transformation and change in order to successfully implement new initiatives and deliver on service delivery commitments	20%	Ongoing	<ul style="list-style-type: none"> a) Initiates, supports and encourages new ideas b) Volunteers to lead change efforts outside of own work team c) Inspires and builds commitment within own area for the change by explaining the benefits of change, and the process of implementing the change d) Coaches colleagues on how to manage change e) Proactively seeks new opportunities for change f) Designs specific projects to enable change that are aligned to the organisational objectives, and
	TOTAL	100%		