



PERFORMANCE AGREEMENT

Made and entered into by and between

THE ELIAS MOTSOALEDI LOCAL MUNICIPALITY

("the Municipality")

(Represented by M.M MTSWENI, duly authorised by Municipal Council Resolution)

And

Kennedy kholiso Mametsa

(Acting Director Infrastructure)

For the Financial Year: 1 July 2012 to 30 June 2013

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1. INTRODUCTION

- 1.1. Elias Motsoaledi Local Municipality has appointed an Acting Director Infrastructure in terms of Section 82 of the structures Act 117 of 1998 for undefined period.
- 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 Acting Director Infrastructure reporting to Municipal Manager, to a set of actions that will secure local government policy goals.
- 1.4. Notwithstanding the date of signature hereof, this agreement shall commence with effect from 1 July 2012 and shall endure for the period referred to in clause 1.1. above.

2. PURPOSE OF THIS AGREEMENT

- 2.1 The parties agree that the purposes of this Agreement are to:
 - 2.1.1. Comply with the provisions of Section 57(1)(b), 4(A), (4B) and (5) of the Systems act; and the employment contract entered into between the parties;
 - 2.1.2. State objectives and targets established for the Acting Director Infrastructure
 - 2.1.3. Specify accountabilities;
 - 2.1.4. Monitor and measure performance;
 - 2.1.5. Establish a transparent and accountable working relationship; and
 - 2.1.6. Give effect to the Acting Director Infrastructure's commitment to a performance-orientated relationship with its Municipal Manager in attaining equitable and improved service delivery.

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3. COMMENCEMENT AND DURATION

- 3.1. This Agreement will commence on the date of signature by both parties, which will be as soon as reasonably possible after **1st July 2012**, and, subject to paragraph 3.3, will continue in force until a new performance agreement is concluded between the parties as contemplated in paragraph 3.2.
- 3.2. The parties will review the provisions of this Agreement during June each year. The parties will conclude a new performance agreement that replaces this Agreement at least once a year by not later than July each year.
- 3.3. The performance score obtained during the performance review determines the annual salary increase and the payment of the performance bonus. Should the Acting Director Infrastructure be entitled to a bonus, this will be paid out in the Acting Director Infrastructure's January salary.
- 3.4. This Agreement will terminate on the termination of Acting Director Infrastructure's contract of employment for any reason.

4. PERFORMANCE OBJECTIVES

- 4.1. Annexure "A" sets out:
 - 4.1.1. The performance objectives and targets that must be met by the Acting Director Infrastructure; 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 Municipal Manager in consultation with Acting Director Infrastructure based on the Integrated Development Plan and Service Delivery and Budget Implementation Plan and 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

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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.

- 4.4 Acting Director Infrastructure's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Municipality's Integrated Development Plan.
- 4.5. Municipal Manager will make available to the Acting Director Infrastructure time to assist his to meet the performance objectives and targets established in terms of this agreement.
- 4.6. Municipal manager will be entitled to review and make reasonable changes to the provisions of Annexure "A". Annexure "A" may be amended by Municipal Manager when the EMLM's Performance Management System is adopted, implemented and/or amended as the case may be.

5. PERFORMANCE MANAGEMENT FRAMEWORK

The Parties record that the EMLM has a Performance Management Framework, which may be amended from time to time. It describes the systems and procedures of performance management in the municipality in which the Acting Director Infrastructure will be required to engage in performing her job.

6. EVALUATING PERFORMANCE

- 6.1. Annexure "A" to this Agreement sets out the standards and procedures for evaluating the Acting Director Infrastructure; performance;
- 6.2. The performance of the Acting Director Infrastructure in relation to his performance agreement shall be reviewed on a quarterly basis as follows:

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

- 6.3. Acting Director Infrastructure shall keep a record of the mid-year review and annual assessment meetings.
- 6.4. Performance feedback shall be based on Municipal Manager's assessment of the Acting Director Infrastructure's performance.
- 6.5. Municipal Manager will be entitled to review and make reasonable changes to the provisions of the performance plan from time to time for operational reasons. The Acting Director Infrastructure will be fully consulted before any such change is made.
- 6.6. Municipal Manager may amend the provisions of the performance plan whenever the performance management system is adopted, implemented and/or amended as the case may be. In that case the Acting Director Infrastructure will be fully consulted before any such change is made.
- 6.7. Despite the establishment of agreed intervals for evaluation, Municipal Manager may, in addition, review the Acting Director Infrastructure's performance at any stage while the contract of employment remains in force.
- 6.8. Personal growth and development needs identified during any performance review discussion must be documented and, where possible, actions agreed.
- 6.9. Acting Director Infrastructure's performance will be measured in terms of contributions to the goals and strategies set out in the municipality's IDP.
- 6.10. The annual performance appraisal will involve:

a) Assessment of the achievement of results as outlined in the performance plan:

- i. 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.
- ii. An indicative rating on the Five-point scale should be provided for each KPA.
- iii. The applicable assessment rating calculator must then be used to add the scores and calculate a final KPA score.

6.11. It is recorded that in terms of the EMLM's Performance Management System, for purposes of evaluation the performance of the Acting Director Infrastructure s, the Evaluation Panel will assist in the evaluation of the Acting Director Infrastructure.

7. PERFORMANCE MANAGEMENT SYSTEM

7.1. The Acting Director Infrastructure agrees to participate in the performance management system that the municipality adopts or introduces for the Acting Director Infrastructures, management and municipal staff of the municipality.

7.2. The Acting Director Infrastructure accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the Acting Director Infrastructure, management and municipal staff to perform to the standards required.

7.3. Municipal Manager will consult Acting Director Infrastructure about the specific performance standards that will be included in the performance management system as applicable to the Acting Director Infrastructure.

7.4. Acting Director Infrastructure agrees to participate in the performance management and development systems that the municipality adopts.

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- 7.5. Acting Director Infrastructure undertakes to actively focus towards the promotion and implementation of the Key Performance Areas (KPA's) (including special projects relevant to his responsibilities) within the local government framework.

Key Performance Areas (KPA`s) For Acting Director Infrastructure	Weighting
Basic Service Delivery	60%
Municipal Institutional Development and Transformation	10%
Local Economic Development	10%
Municipal Financial Viability and management	10%
Good Governance and Public Participation	10%
Total	100%

- 7.6. 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 be between the employer and the employee and must be considered with due regard to the proficiency level agreed to:

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR)		
Core Managerial and Occupational Competencies	Indicate Choice	Weight
Strategic Capacity and Leadership		
Programme and Project Management		
Financial Management	Compulsory	20%
Change Management		
Knowledge Management		
Service Delivery Innovation		
Problem Solving and Analysis		
People Management and Empowerment	Compulsory	40%
Client Orientation and Customer Focus	Compulsory	30%
Communication		
Honesty and Integrity		5%
Core Occupational Competencies		
Legislative and national policy frameworks		
Knowledge of development local government		

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Knowledge of performance management and reporting		5%
Competence in policy conceptualization, analysis and implementation		
Skills in governance		
Exceptional and dynamic creativity to improve the functioning of the municipality		
Total Percentage		100%

7.7. Reward for performance

The performance bonus will be determined by the Municipal Council based on affordability and the stipulations of the performance agreement.

Performance bonus in addition to the annual reviewed remuneration will be considered by the Council not later than September under the following conditions:

- a. The payment of the reward will be based on the period under review and result of the performance score;
- b. The amount of the reward will not exceed 14% of the remuneration, but will be subjected to affordability to the Municipality;
- c. The performance score will be obtained by using the performance plan;
- d. Where external factors have a negative influence on the result of the performance as scrutinized and recommended by the Performance Audit Committee, the Municipality may grant a reward. (Regulation Number 29089 of 01August 2006)
- e. The reward if granted, will be paid annually after the compilation of the financial statements and after finalisation of the performance appraisals;
- f. The final outcome of the performance appraisal will determine the reward;
- g. The following table will be used in determining the payment of the reward:

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PERFORMANCE APPRAISAL OF KPAs AND CCRs

LEVEL	DESCRIPTION	RATING	ASSESSMENT SCORE	PERFORMANCE BONUS RATIOS
Level 5: Outstanding Performance	Performance far exceeds the standard expected for the job in all areas of the manager. The manager has achieved exceptional results against all performance criteria and indicators specified in the Performance Plan and maintained this in all areas of responsibility throughout the year.	5	75 – 100	<p>Maximum bonus allowed ito. Regulations is between 10% and 14% of person's inclusive annual remuneration package</p> <p>The % as determined per Council Resolution is as follows:</p> <p>75 – 76% 77 – 78% - 79 – 80% - 81 – 84% - 85 – 100%</p>
Level 4: Performance significantly above expectations	Performance is significantly higher than the standard expected for the job in all areas. The manager has achieved above fully effective results against more than half of the performance criteria and indicators specified in the Performance Plan and fully achieved all others throughout the year.	4	65 – 74	<p>Maximum bonus allowed ito. Regulations is between 5% and 9% of person's inclusive annual remuneration package</p> <p>The % as determined per Council Resolution is as follows:</p> <p>65 – 66% 67 – 68% 69 – 70% 72% - 73 – 74% - 9%</p>

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Level 3: Fully effective	Performance fully meets the standard expected for the job in all areas. The manager has achieved effective results against all significant performance criteria and indicators specified in the Performance Plan and may have achieved results significantly above expectations in one or two less significant areas throughout the year.	3	51 – 64	No bonus
Level 2: Performance not fully satisfactory	Performance is below the standard required for the job in key areas. The manager has achieved adequate results against many key performance criteria and indicators specified in the Performance Plan but did not fully achieved adequate results against others during the course of the year. Improvement in these areas is necessary to bring performance up to the standard expected.	2	31 – 50	No bonus
Level 1: Unacceptable performance	Performance does not meet the standard required for the job. The manager has not met one or more fundamental requirements and/or is achieving results that are well below the performance criteria and indicators in a number of significant areas of responsibility. The manager has failed to demonstrate the commitment or ability to bring performance up to the level expected despite efforts to encourage improvement.	1	Less than 30	No bonus

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8. CONSULTATION

8.1. Municipal Manager agrees to consult the Acting Director infrastructure timeously where the exercising of the Acting Director Infrastructure's powers will –

8.1.1. Have a direct effect on the performance of any of the Acting Director Infrastructure's functions;

8.1.2. Commit the Acting Director Infrastructure to implement or to give effect to a decision made by Municipal Manager;

8.1.3. Have a substantial financial effect on the municipality.

8.2. Municipal Manager agrees to inform the Acting Director Infrastructure of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 7.1 as soon as is practicable to enable the Acting Director Infrastructure to take any necessary action without delay.

9. MANAGEMENT OF OUTCOMES

9.1. The evaluation of the Acting Director Infrastructure's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

9.2. A performance bonus may be paid to the Acting Director Infrastructure in recognition of outstanding performance, in accordance with municipal performance policy/framework and system referred to in this contract.

9.3. In case of unacceptable performance, Municipal Manager shall provide systematic remedial or developmental support to assist the Acting Director Infrastructure to improve his performance; and

9.4. Where Municipal Manager is, at any time during the Acting Director Infrastructure's employment, not satisfied with the Acting Director Infrastructure's performance with respect to any matter dealt with in this Agreement, Municipal Manager will give notice to the Acting Director Infrastructure to attend a meeting with Municipal Manager.

- 9.5. The Acting Director Infrastructure will have the opportunity at the meeting to satisfy Municipal Manager of the measures being taken to ensure that the Acting Director Infrastructure's performance becomes satisfactory and any programme, including any dates, for implementing these measures.
- 9.6. Where there is a dispute or difference as to the performance of the Acting Director Infrastructure under this Agreement, the parties will confer with a view to resolving the dispute or difference.
- 9.7. If at any stage thereafter, Municipal Manager holds the view that the performance of the Acting Director Infrastructure is not satisfactory, the municipality will, subject to compliance with applicable labour legislation, be entitled by notice in writing to the Acting Director Infrastructure to terminate the Acting Director Infrastructure's employment in accordance with the notice period set out in the Acting Director infrastructure's contract of employment.
- 9.8. Nothing contained in this Agreement in any way limits the right of the municipality to terminate the Acting Director Infrastructure's contract of employment with or without notice for any other breach by the Acting Director Infrastructure of his obligations to the municipality or for any other valid reason in law.

10. DISPUTES

- 10.1. In the event that the Acting Director Infrastructure is dissatisfied with any decision or action of Municipal Manager or of the municipality in terms of this Agreement, or where a dispute or difference arises as to the extent to which the Acting Director Infrastructure has achieved the performance objectives and targets established in terms of this Agreement, the Acting Director Infrastructure may meet with Municipal Manager with a view to resolving the issue. At the Acting Director Infrastructure's request, Municipal Manager will record the outcome of the meeting in writing.
- 10.2. In the event that the Acting Director Infrastructure remains dissatisfied with the outcome of that meeting, he may raise the issue in writing with the Mayor by requesting that the issue be placed

on the agenda of an appropriate meeting of the Exco. The Exco will determine a process for resolving the issue, which will involve at least providing the Acting Director Infrastructure with an opportunity to state this case orally or in writing. At the Acting Director Infrastructure's request the Exco will record its decision on the issue in writing. The decision of the Exco on the issue will be made within 2 weeks of the issue being raised, or as soon thereafter as possible, and will be final.

11. GENERAL

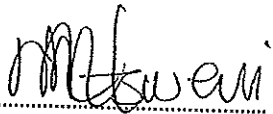
- 11.1. The contents of the Agreement and the outcome of any review conducted in terms of Annexure "A" will not be confidential, and may be made available to the public by the municipality, where appropriate.
- 11.2. Nothing in this Agreement diminishes the obligations, duties or accountabilities of the Acting Director infrastructure in terms of his contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

ACTING DIRECTOR INFRASTRUCTURE'S PERSONAL DEVELOPMENT PLAN FOR THE PERIOD JULY 2012 – JUNE 2013

Skills/performance gap (in order of priority)	Outcomes expected (measurable indicators)	Suggested training and/or development activity	Suggested mode of delivery	Suggested timeframes	Work opportunity to practice skills or development Area	Support person

SIGNED at Groblersdal on this 02 day of..... July.... 2012.

For: THE ELIAS MOTSOLEDI LOCAL MUNICIPALITY

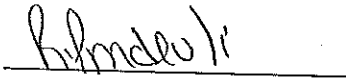


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MUNICIPAL MANAGER

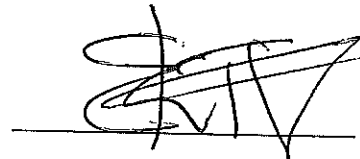
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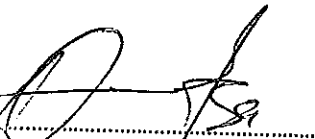
Witness:



Witness:



SIGNED at Groblersdal on this _____ day of July ...2012.



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ACTING DIRECTOR INFRASTRUCTURE

02/07/2012

DATE

INFRASTRUCTURE DEPARTMENT

"ANNEXURE A"

Project	Weighting	Budget	Objectives/ Strategies	Key Performance Indicator	Baseline	Annual Target (12/13)	Target Q.1 30 Sept 12	Target Q.2 31 Dec 12	Target Q.3 30 Mar 13	Target Q.4 30 Jun 13	Measure- ment Source/ Evidence
Electricity			Facilitation for the provision of FBE indigents families	No. of households accessing FBE	900	1000	250	250	250	250	No of tokens issued.
				No. of FBE applications processed.	6207 as per indigent register	1000	250	250	250	250	Report to council
			To support initiatives to improve service delivery.	No. of smart electricity meters installed in Groblersdal	Conventi onal meter installed	600	150	150	150	150	Report to council
				No of households to be electrified	47263	281	Depends on Eskom	Depends on Eskom	Depends on Eskom	Depends on Eskom	Report to council
Electricity			To support initiatives to improve service delivery.	% Reduction of illegal electricity connections	undefined	100%	100%	100%	100%	100%	Report to council

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Project	Weighting	Budget	Objectives/ Strategies	Key Performance Indicator	Baseline	Annual Target (12/13)	Target Q.1 30 Sept 12	Target Q.2 31 Dec 12	Target Q.3 30 Mar 13	Target Q.4 30 Jun 13	Measurement Source/ Evidence
Electricity							5%	5%	5%	5%	Report to council
				% Reduction of unaccounted for electricity (losses)	40%	5%	5%	5%	5%	5%	Report to council
			To support initiatives to improve service delivery	No. of villages to be electrified by ESKOM	3 villages	2 villages: moshate cluster thabakh ubedu	Depends on Eskom	Depends on Eskom	Depends on Eskom	Depends on Eskom	Report to council
EPWP			To improve job creation through Service Delivery Projects.	No. of job created through EPWP	444	500	0	167	167	166	PMU report
Roads			To ensure safe and accessible roads to communities	No. of kilometres of gravel roads constructed.	0KM	20km	5km	5km	5km	5km	Service Delivery Report
Transport Master Plan			To control and manage transport within the municipal area	% development of transport master plan	New indicator	100%	25%	25%	25%	25%	Report to council

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Project	Weighting	Budget	Objectives/ Strategies	Key Performance Indicator	Baseline	Annual Target (12/13)	Target Q.1 30 Sept 12	Target Q.2 31 Dec 12	Target Q.3 30 Mar 13	Target Q.4 30 Jun 13	Measure ment Source/ Evidence
MIG SPENDING			To ensure MIG funding is spent as per commitments	% Spending on MIG funds	100% spent	100%	25%	50%	75%	100%	Report to council
Audit opinion			To ensure improved audit opinion	% reduction of matters raised by AG and non recurrence of matters raised	Action plan in place	31 July 2012 for 2010/11 31 January for 2011/12	0	0	100%	0	Improved audit opinion
Moteti St Joseph bus road		R2,000 000.00	To ensure better service delivery	No. of kilometres constructed	New project	600m	Service provider appointed. Start of site investigatio n report and design.	Finalisation of site investigatio n report and design. Advertisem ent of the contractor	Constructio n on site	Completi on of contract	Report to council
Mogaung bus route		R2,000 000.00	To ensure better service delivery	No. of kilometres constructed	Designs available	1km	Appointme nt of the contractor	Constructio n on site	Completion of contract	Report to council	Report to council
Kgaphamadi bus route		R2,000 000.00	To ensure better service delivery	No. of kilometres constructed	Designs available	1km	Appointme nt of the contractor	Constructio n on site	Completion of contract	Report to council	Report to council

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Project	Weighting	Budget	Objectives/ Strategies	Key Performance Indicator	Baseline	Annual Target (12/13)	Target Q.1 30 Sept 12	Target Q.2 31 Dec 12	Target Q.3 30 Mar 13	Target Q.4 30 Jun 13	Measure- ment Source/ Evidence
Nyakelang public route upgrade phase 3		R10,469 000.00	To ensure better service delivery	No. of kilometres constructed	1.2 km	2,7km	Appointme nt of the contractor	Constructio n on site	Completion of contract	Report to council	Report to council
Roads to Magoshi		R3,500 000.00	To ensure better service delivery	No. of kilometres constructed (Paving)	New project	2.5km	Appointme nt of the contractor	Constructio n on site	Completion of contract	Report to council	Report to council
Zaapiplaas road (police station road) phase 3		R5,665 000.00	To ensure better service delivery	No. of kilometres constructed	2km	1.3km	Constructio n on site	Completion of contract	Report to council	Report to council	Report to council
Groblerdal internal roads (Canal, Grobler, Pietterlaan and Voortreker streets)		R4,000 000.00	To ensure better service delivery	No. of kilometres constructed	New project	1.6 km at Canal street to be construc ted. 900m patch & reseal in other roads	Advertisem ent for service provider for Kanal road. Patching of other roads	Appointmen t of service provider. Patching of other roads.	Designs concluded. Patching of other roads	Patching of other roads	Report to council
Motetema street phase 2		R2,000 000.00	To ensure better service delivery	No. of kilometres constructed	Designs available	1km	Appointme nt of the contractor	Constructio n on site	Completion of contract	Report to council	Report to council

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Project	Weighting	Budget	Objectives/ Strategies	Key Performance Indicator	Baseline	Annual Target (12/13)	Target Q.1 30 Sept 12	Target Q.2 31 Dec 12	Target Q.3 30 Mar 13	Target Q.4 30 Jun 13	Measurem ent Source/ Evidence
Ramogwera ne phase 4		R19,277 000.00	To ensure better service delivery	Designs available	3km	6.5km	Appointment of the contractor	Construction on site	Completion of contract	Report to council	Report to council
Install of service stand 885		R2,500 000.00	To ensure better service delivery	No of stands installed with municipal services at stand no 885 installation of (water, sewerage and electricity)	New indicator	17	0	0	0	17	Report to council
Constructio n/ building of municipal offices		R1,500 0 000.00	To ensure better service delivery	% progress of building of offices within the main office	New project	100%	25%	50%	75%	100%	Report to council


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