

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN

**CAPRICORN DISTRICT MUNICIPALITY
AS REPRESENTED BY THE MUNICIPAL MANAGER**

NGOAKO DANIEL MOLOKOMBE

AND

MOATLHODI ISAAC MOTSUKI
SENIOR MANAGER:

**FOR THE FINANCIAL YEAR:
1 JULY 2011 TO 30 JUNE 2012**

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WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

- 1.1 The Municipality has, in terms of Section 57(1)(a) of the Local Government: Municipal Systems Act, No. 32 of 2000 ("the Systems Act") entered into a contract of employment with the Manager for a period of 5 years, commencing on 15/06/2009.....
- 1.2 Section 57(1)(b) of the Systems Act, read with the contract of employment concluded between the Parties, require 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 Manager 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), (4B) and (5) of the Systems Act as well as the contract of employment entered into by the Parties.
- 1.5 In this Agreement the following words will have the meaning ascribed thereto:

"this Agreement" - means the performance agreement between the Municipality and the Manager and the annexures thereto.

"the Executive Authority" - means the Executive Committee of the Municipality constituted in terms of Section 43 of the Local Government: Municipal Structures Act as represented by its chairperson, the Mayor.

"the Manager" - means Senior Manager directly accountable to the Municipal Manager in terms of Section 56(a) of the Systems Act.

"the Municipal Manager" - means the Municipal Manager appointed in terms of Section 82 of the Local Government: Municipal Structures Act, No. 117 of 1998.

"the Municipality" - meansMunicipality.

"the Parties" - means the Municipal Manager and the Manager.

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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), (4A), (4B) and (5) of the Systems Act as well as the contract of employment entered into between the Parties;
 - 2.1.2. specify objectives and targets defined and agreed with the Manager and to communicate to the Manager the Municipality's expectations of the Manager's performance and accountability in alignment with the Integrated Development Plan (IDP), the Service Delivery Business Implementation Plan (SDBIP) and the budget of the Municipality;
 - 2.1.3. specify accountabilities as set out in a performance plan.
 - 2.1.4. monitor and measure performance against targeted outputs and outcomes;
 - 2.1.5. use performance plan as a basis for assessing the Manager for permanent employment and/or to assess whether the Manager has met the performance expectations applicable to his/her job;
 - 2.1.6. appropriately reward the Manager in accordance with the Municipality's performance management policy in the event of outstanding performance;
 - 2.1.7. establish a transparent and accountable working relationship; and
 - 2.1.8. give effect to the Municipality's commitment to a performance-orientated relationship with its Manager in attaining equitable and improved service delivery.

3. COMMENCEMENT AND DURATION

- 3.1 Notwithstanding the date of signature this Agreement will commence on the **1st of July 2011** and will remain in force until a new performance agreement including a Performance Plan and Personal Development Plan is concluded between the Parties as contemplated in Clause 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 including a Performance Plan and Personal Development Plan that replaces this Agreement at least once a year by not later than the 31st of July each year.
- 3.3 The payment of the performance bonus is determined by the performance score obtained during the 4th quarter annual performance assessment as informed by the quarterly performance assessments.

- 3.4 The payment of a performance bonus for the year in which the Manager's contract of employment expires will be done as set out in clause 3.3
- 3.5 In the event of the Manager commencing or terminating his services with the Municipality during the validity period of this Agreement, the Manager's performance for the portion of the period referred to in clause 3.1 during which he was employed, will be evaluated and he will be entitled to a pro rata performance bonus based on his evaluated performance and the period of actual service.
- 3.6 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon by the Parties.
- 3.7 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.
- 3.8 This Agreement will terminate on the termination of the Manager's contract of employment for any reason.

4. PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan in **Annexure A** sets out:
- 4.1.1 the performance objectives and targets which must be met by the Manager; and
 - 4.1.2 the time frames within which those performance objectives and targets must be met.
- 4.2 The Core Competency Requirements (CCRs) reflected in **Annexure B** set out those management skills regarded as critical to the position held by the Manager.
- 4.3 The Personal Development Plan in **Annexure C** sets out the Manager's personal developmental requirements in line with the objectives and targets of the Municipality.
- 4.4 The performance objectives and targets reflected in Annexure A are set by the Municipality in consultation with the Manager and based on the IDP, SDBIP and the budget of the Municipality, and include key objectives, key performance areas, target dates and weightings.

- 4.5 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 time frame in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.
- 4.6 The Manager's performance will, in addition, be measured in terms of contributions to the development objectives and strategies set out in the Municipality's Integrated Development Plan.

5. PERFORMANCE MANAGEMENT SYSTEM

- 5.1 The Manager agrees to participate in the performance management system that the Municipality adopts or introduces for the municipal management and municipal staff of the Municipality.
- 5.2 The Manager accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the municipal management and municipal staff to perform to the standards required.
- 5.3 The Executive Committee/Council and/or Municipal Manager will consult the Manager about the specific performance standards that will be included in the performance management system as applicable to the Manager.
- 5.4 The Manager undertakes to actively focus towards the promotion and implementation of his/her Key Performance Areas as set out in the performance plan including special projects relevant to the Manager's responsibilities within the local government framework.

6. PERFORMANCE ASSESSMENT

The performance of the Manager will be assessed against the outputs and outcomes achieved in terms of his/her Key Performance Areas (KPA's) as fully described in performance plan and his/her Core Competency Requirements (CCRs) determined at the commencement of this Agreement with a weighting of 80:20 allocated to the KPA's and CCRs respectively. Therefore the KPA's that refer to the main tasks of the Manager account for 80% of his/her assessment while the CCRs make up the other 20% of the Manager's assessment score.

The weightings agreed to in respect of the Manager's KPA's attached as Annexure A are set out in the table below:

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KEY PERFORMANCE AREAS (KPAS)	WEIGHT
KPA 1: Municipal Transformation and Institutional Development	
KPA 2: Basic Service Delivery	
KPA 3: Local Economic Development	
KPA 4: Financial Viability	
KPA 5: Good governance and public participation	
TOTAL PERCANTAGE	100%

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The weightings agreed to in respect of the CCRs considered most critical for the Manager's position and further defined in **Annexure C** are set out in the table below:

CORE COMPETENCY REQUIREMENTS - CCRs				
CORE MANAGERIAL COMPETENCIES (CMC)	CHOICE	WEIGHT	Current Level (1-3)	Desired Level
Strategic Capability and Leadership				
Programme and Project Management				
Financial Management				
Change Management				
Knowledge Management				
Service Delivery Innovation				
Problem Solving and Analysis				
People Management and Empowerment				
Client Orientation and Customer Focus				
Communication				
Honesty and Integrity				

CORE OCCUPATIONAL COMPETENCIES (COCs)				
CORE MANAGERIAL COMPETENCIES (CMC)	CHOICE	WEIGHT	Current Level (1-3)	Desired Level
Competence in Self Management				
Interpretation of and implementation within the legislative and national policy frameworks				
Knowledge of Developmental Local Government				
Knowledge of Performance Management and Reporting				
Knowledge of Global and SA specific political, social and economic contexts				
Competence in Policy Conceptualisation, Analysis and Implementation				
Knowledge of more than one functional municipal field or discipline				
Mediation Skills				
Governance Skills				
Competence as required by other national line sector departments				
Exceptional and dynamic creativity to improve the functioning of the Municipality				
TOTAL PERCENTAGE				

The assessment of the performance of the Manager will be based on the following levels for KPAs 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.					

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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.					
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.					

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An indicative rating on the five-point scale should be provided for each KPA and CCR using the following as guidance:

1	Unacceptable
2	Not fully effective
3	Fully effective
4	Above expectations
5	Outstanding

Each KPA and CCR 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 to determine which rating on the five-point scale did the Manager achieved. The following criteria could assist:

Duration of task	<ul style="list-style-type: none"> - Was the target achieved within the projected time frame?
Level of complexity	<ul style="list-style-type: none"> - Required problem solving - Reconciling different perceptions - Innovative alternatives used
Cost	<ul style="list-style-type: none"> - within budget - saving - overspending
Constraints	<ul style="list-style-type: none"> - Did envisaged constraints materialise? - If so, were steps taken to manage/reduce the effect of the constraint? - If not, did it beneficially affect the completion of the target? - Any innovative/pro-active steps to manage the constraint

An applicable assessment rating calculator must be used to add the KPA and CCR scores and calculate final KPA and CCR percentages.

7. PANEL AND SCHEDULE FOR PERFORMANCE ASSESSMENTS

An assessment panel consisting of the following persons must be established to evaluate the annual performance of the Manager at the end of the 4th quarter:

- Municipal Manager
- A member of the Executive Committee and the relevant portfolio committee chairperson

In addition the following assessments may also form part of the annual performance evaluation at the end of the 4th quarter if so agreed between the Parties:

- Manager (own assessment)
- Fellow section 57 managers
- Divisional Head reporting to the manager.

The performance of the Manager will be assessed in relation to his/her achievement of:

- the targets indicated for each KPA in Annexure A;
- the CCRs as defined in Annexure C

on a date to be determined for each of the following quarterly periods:

1 st Quarter	-	July to September
2 nd Quarter	-	October to December
3 rd Quarter	-	January to March
4 th Quarter	-	April to June

The Municipality will keep a record of the mid-year and annual assessment meetings.

The Municipality may appoint an external facilitator to assist with the annual assessment.

The manager responsible for the corporate services of the Municipality must provide secretariat services to the evaluation panel for the annual performance assessment.

8. EVALUATING PERFORMANCE

The Manager will submit quarterly performance reports and a comprehensive annual performance report prior to the performance assessment meetings to the Municipal Manager.

The Municipal Manager will give performance feedback to the Manager after each quarterly and the annual assessment meetings.

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

At the end of the 4th quarter, the Executive Authority will determine if the Manager is eligible for a performance bonus as envisaged in his/her contract of employment.

The results of the annual assessment and the scoring report of the Manager for the purposes of bonus allocation, if applicable, will be submitted to the Executive Authority for a recommendation to the full Council.

Personal growth and development needs identified during any performance assessment discussion, must be documented in the Manager's Personal Development Plan as well as the action steps and set time frames agreed to.

Despite the establishment of agreed intervals for assessment, the Municipal Manager may, in addition, review the Manager's performance at any stage while his/her contract of employment remains in force.

9. OBLIGATIONS OF THE MUNICIPALITY

The Municipality will create an enabling environment to facilitate effective performance by the Manager.

The Manager will be provided with access to skills development and capacity building opportunities.

documented programme, including any dates, for implementing these measures.

- 11.3 The Municipality will provide systematic remedial or developmental support to assist the Manager to improve his/her performance.
- 11.4 If, after appropriate performance counselling and having provided the necessary guidance and/or support as well as reasonable time for improvement in performance, the Municipal Manager holds the view that the performance of the Manager is not satisfactory, the Municipal Council will, subject to compliance with applicable labour legislation, be entitled by notice in writing to the Manager, to terminate the Manager's employment in accordance with the notice period set out in the Manager's contract of employment.
- 11.5 Where there is a dispute or difference as to the performance of the Manager under this Agreement, the Parties will confer with a view to resolving the dispute or difference.
- 11.6 Nothing contained in this Agreement in any way limits the right of the Municipality to terminate the Manager's contract of employment with or without notice for any other breach by the Manager of his obligations to the Municipality or for any other valid reason in law.

12. DISPUTES

- 12.1 In the event that the Manager is dissatisfied with any decision or action of the Executive Committee/Council and/or Municipal Manager in terms of this Agreement, or where a dispute or difference arises as to the extent to which the Manager has achieved the performance objectives and targets established in terms of this Agreement, the Manager may meet with the Municipal Manager with a view to resolving the issue. At the Manager's request the Municipal Manager will record the outcome of the meeting in writing.
- 12.2 If any dispute about the nature of the Manager's performance agreement whether it relates to key responsibilities, priorities, methods of assessment or any other matter provided for cannot be resolved through an internal mechanism as contemplated above, the dispute will be mediated by the Mayor within thirty (30) days of receipt of a formal dispute from the Manager whose decision shall be final and binding on both Parties.
- 12.3 If any dispute about the outcome of the Manager's performance evaluation cannot be resolved through an internal mechanism as contemplated above, the dispute will be mediated by a member of the Council, provided that such

member was not part of the evaluation panel provided for in clause 7.1, within thirty (30) days of receipt of a formal dispute from the Manager whose decision shall be final and binding on both Parties.

12.4 In the event that the mediation process contemplated above fails, the relevant arbitration clause of the contract of employment will apply.

13. GENERAL

13.1 The contents of this 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.

13.2 Nothing in this Agreement diminishes the obligations, duties or accountabilities of the Manager in terms of his/her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

Signed at Polokwane on this 28 day of September 2011.

As Witnesses:

1.


2.


.....
Municipal Manager

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Signed at POLOKWANE on this 29th day of July 2011.

As Witnesses:

1. 
2.


.....
Senior Manager

FINANCIAL DISCLOSURE FORM (CONFIDENTIAL)

I, MOTSEKI the undersigned (surname and initials) ME

of CAPRICORN DISTRICT MUNICIPALITY
P.O. Box 4100
POLOKWANE
0700 (Postal address) and

10 Timbarati Street
7 Omega Park
PENINA PARK (Residential address)

employed as SENIOR MANAGER at the COMMUNITY SERVICES, CAPRICORN DISTRICT MUNICIPALITY

Capricorn Municipality hereby certify that the following information is complete and correct to the best of my knowledge:

1. Shares and other financial interests (Not bank accounts with financial institutions)

See information sheet: Note (1)

Number of shares / extent of financial interest Nature Nominal value Name of Company or entity

Number of shares / extent of financial interest	Nature	Nominal value	Company
271 (SATRIX 1M&I)		6208-61	SATRIX
264 (SATRIX 40)		6811-20	SATRIX
		<u>13019 81</u>	

2. Directorships and Partnerships

See information sheet: Note (2)

Name of Corporate entity, partnership or firm	Type of business	Amount of Remuneration or Income
<u>Ratshitlho Makokoma Trdg</u>	<u>General CK (New)</u>	<u>None so far</u>
<u>Itsing William CIVIL Engineering</u>	<u>Construction/Safety</u>	<u>None so far</u>

3. Remunerated work outside the Municipality (As sanctioned by Council)

Name of Employer	Type of work	Amount of Remuneration or Income	Council sanction confirmed: Resolution
N/A		N/A	

See information sheet: Note (3)

Signature of Municipal Manager: _____ Date: _____

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4. Consultancies and retainerships

Name of client	Nature	Type of business activity	Value of benefits received
N/A			

See information sheet: Note (4)

5. Sponsorships

See information sheet: Note (5)

Source of sponsorship	Description of sponsorship	Value of sponsorship
NOT APPLICABLE		

5. Gifts and hospitality from a source other than a family member

Gift or Hospitality	Description	Value
N/A		

See information sheet: Note (6)

Description	Value	Source
N/A		

7. Land and property

See information sheet: Note (7)

Description	Extent	Area Value
Dwelling house	600m ²	R150 000-00.



SIGNATURE OF EMPLOYEE
 DATE: 29/07/2011

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OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer

YES

(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer

NO

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer

YES

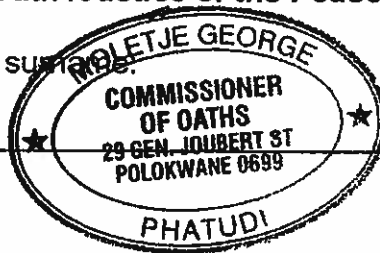
2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true". The signature/mark of the deponent is affixed to the declaration in my presence.

M. G. Phatudi

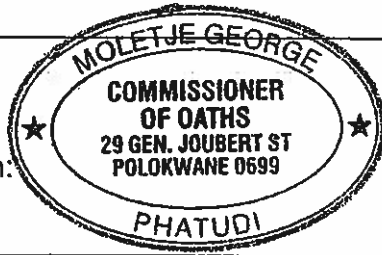
Commissioner of Oath /Justice of the Peace

Full first names and surname

(Block letters)



Designation(rank): _____ Ex Officio
Republic of South Africa



Street address of institution: _____

Date: _____ PLACE _____

CONTENTS NOTED: MUNICIPAL MANAGER:

DATE: _____