

**PERFORMANCE AGREEMENT**

MADE AND ENTERED INTO BY AND BETWEEN:

**THE SWARTLAND MUNICIPALITY  
AS REPRESENTED BY THE MUNICIPAL MANAGER**

**JJ Scholtz**

AND

**PAC Humphreys**

**THE EMPLOYEE OF THE MUNICIPALITY**

FOR THE

**FINANCIAL YEAR: 1 JULY 2010 - 30 JUNE 2011**

## PERFORMANCE AGREEMENT

### ENTERED INTO BY AND BETWEEN:

The **Swartland Municipality** herein represented by **Joachim Jacobus Scholtz** (ID 620902 5118 085) in his capacity as Municipal Manager (hereinafter referred to as the **Employer**)

and

**Philip Albert Clarence Humphreys** (ID 600315 5133 083) (hereinafter referred to as the **Employee**).

### WHEREBY IT IS AGREED AS FOLLOWS:

#### 1. INTRODUCTION

- 1.1 The **Employer** has entered into a contract of employment with the **Employee** in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The **Employer** and the **Employee** are 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 Systems Act as well as the employment contract entered into between the parties;
- 2.2 specify objectives and targets defined and agreed with the **Employee** and to communicate to the **Employee** the **Employer's** expectations of the **Employee's** performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the **Employer**;
- 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**; 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 2010** and will remain in force until **30 June 2011**, after which 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 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 KPA's (including special projects relevant to the **Employee's** responsibilities) within the local government framework.
- 5.5 The criteria upon which the performance of the **Employee** shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.
  - 5.5.1 The **Employee** must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPA's) and the Core Competency Requirements (CCR's) respectively.
  - 5.5.2 Each area of assessment will be weighted and will contribute a specific part to the total score.
  - 5.5.3 KPA's covering the main areas of work will account for 80% and CCR's 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 and targets) 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 following weightings agreed to between the **Employer and Employee**:

Key Performance Areas (KPA's)	Weight
Management	40%
Municipal Police Services	30%
Fire and Emergency Services	20%
Harbour: Yzerfontein	10%
<b>Total</b>	<b>100%</b>

- 5.7 The CCR's will make up the other 20% of the **Employee's** assessment score. The following CCR's were agreed to between the **Employer and Employee**:

CORE COMPETENCY REQUIREMENTS (CCR's)	
Core Managerial and Occupational Competencies	Weight
Strategic capability and leadership	10%
Financial management	10%
Service delivery innovation	10%
Problem solving and analysis	10%
People management and empowerment	10%
Client orientation and customer focus	10%
Communication	10%
Knowledge of developmental local government	10%
Knowledge of Performance Management and Reporting	10%
Interpretation of and implementation within the legislative and national policy frameworks	10%
<b>Total percentage</b>	<b>100%</b>

## 6. EVALUATING PERFORMANCE

- 6.1 Paragraph 7 of this Agreement sets out -
- 6.1.1 the 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.
- 6.5 The annual performance appraisal will involve:
- 6.5.1 Assessment of the achievement of results as outlined in the performance plan:
- 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.
  - An indicative rating on the five-point scale should be provided for each KPA.
  - 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 6.5.3) 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:

Rating	Terminology	Description
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the <b>Employee</b> has achieved above fully effective results against all performance criteria and indicators as specified in the 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 <b>Employee</b> 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 <b>Employee</b> has fully achieved effective results against all significant performance criteria and indicators as specified in the 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 appraisal indicates that the <b>Employee</b> has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the Performance Plan.
1	Unacceptable performance	Performance does not meet the standard expected for the job. The appraisal indicates that the <b>Employee</b> has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the Performance Plan. The <b>Employee</b> 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, an evaluation panel constituted of the following persons must be established -

- 6.7.1 Municipal Manager;
- 6.7.2 Chairperson of the audit committee;
- 6.7.3 Member of the mayoral committee
- 6.7.4 Municipal manager from another municipality.

6.8 The **Employer's** manager responsible for human resources must provide secretariat services to the evaluation panels referred to in sub-regulations (d) and (e).

## 7. SCHEDULE FOR PERFORMANCE MONITORING, REVIEW AND ASSESSMENT

- 7.1 The performance of each **Employee** in relation to his/her Performance Plan shall be -
- 7.1.1 monitored on a monthly basis;
  - 7.1.2 reviewed on a quarterly basis on the following dates:

First quarter (July-September 2010):	October 2010
Second quarter (October-December 2010):	January 2011
Third quarter (January-March 2011):	April 2011
Fourth quarter (April-June 2011):	July 2011
  - 7.1.3 formally assessed on an annual basis in September 2011.
- 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 **Employer** 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** timely 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 ASSESSMENT OUTCOMES**

- 11.1 The annual assessment of the **Employee's** performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- 11.2 The **Employee** will not be eligible for a performance bonus or any other monetary incentive.
- 11.3 The **Employer** may make provision for non-monetary incentives in recognition of outstanding performance.
- 11.4 In the case of unacceptable performance, the **Employer** shall –
  - 11.4.1 provide systematic remedial or developmental support to assist the **Employee** to improve his or her performance; and
  - 11.4.2 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 a member of the municipal council within thirty (30) days of receipt of a formal dispute from the **Employee**, provided that such member was not part of the evaluation panel provided for in Paragraph 6.7 of this Agreement. The decision of this member shall be final and binding on both parties.
- 12.2 In the event that the mediation process contemplated above fails, the dispute resolution stipulations in the Contract of Employment shall apply.

**13. GENERAL**

- 13.1 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 **Employer**.
- 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 .....on this the..... day of ..... 2010

**AS WITNESSES:**

1. \_\_\_\_\_

\_\_\_\_\_  
**EMPLOYEE**

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

**AS WITNESSES:**

1. \_\_\_\_\_

\_\_\_\_\_  
**MUNICIPAL MANAGER**

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

**SWARTLAND MUNICIPALITY  
STRATEGIC MANAGEMENT SYSTEM**



***2010/1 - CORPORATE PERFORMANCE MANAGEMENT***

***02 June 2010***

Performance Objectives (Prosperity Partnership)	Key Performance Indicators	Qtr	Target(s)
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National KPA: Basic service delivery and infrastructure development

**Humphreys, Philip - Director: Protection Services**

**Corporate Objective: To lead and manage the Protection Services Department effectively and efficiently**

**KPA: Management (Weight = 40%)**

pd-09-0100: Ensure that capital expenditure is in line with budget and time frames	1: % of capital budget spent as confirmed by the director	1	
		2	
		3	
		4	Between 95% and 105%
pd-09-0101: Implement capital projects	1: Average % completion of capital projects	4	90%
pd-09-0102: Ensure that operating expenditure is in line with budget and time frames	1: % of operating budget amount spent	1	25%
		2	50%
		3	75%
		4	Between 90% and 100%
pd-09-0103: Ensure that the workforce is appropriately skilled	1: % of planned training sessions realised	1	100%
		2	100%
		3	100%
		4	100%
pd-09-0104: Implement all council decisions	1: % of due council decisions initiated	1	100%
		2	100%
		3	100%
		4	100%
pd-09-0105: Participate in the regular performance monitoring	1: No of months with performance assessments	1	3
		2	2
		3	3
		4	2
pd-09-0106: Ensure legal compliance in relation to the annual report	1: Departmental report submitted by due date? Yes or No	2	Yes
pd-09-0107: Facilitate adequate budget planning	1: Budget requests provided to financial department by due date? Yes or No	2	Yes
pd-09-0108: Complete all assignments from the municipal manager by set date	1: No of months during which no written warning from municipal manager were received	1	3

Performance Objectives (Prosperity Partnership)	Key Performance Indicators	Qtr	Target(s)
pd-09-0108: Complete all assignments from the municipal manager by set date	1: No of months during which no written warning from municipal manager were received	2	3
		3	3
		4	3
pd-09-0109: Address all correspondence in a timely manner	1: No of months during which 80% of all correspondence as recorded by Collaborator were less than 60 days old	1	3
		2	3
		3	3
pd-09-0110: Implement transformation in the organisation	1: % of employment opportunities applied for appropriate equity appointments	4	3
		1	75%
		2	75%
pd-09-0111: Ensure that all procurement comply with the legal process	1: % compliance with SCM policy with the exception of approved deviations	3	75%
		4	75%
		1	100%
pd-09-0112: Resolve all audit issues	1: % of audit queries for which an action plan was submitted within 10 working days	2	100%
		3	100%
		4	100%
pd-09-0112: Resolve all audit issues	2: % of actions implemented within agreed time frame	1	90%
		2	90%
		3	90%
pd-09-0112: Resolve all audit issues	2: % of actions implemented within agreed time frame	4	90%
		1	100%
		2	100%
pd-09-0113: Identify risks and implement controls	1: Confirmation of risk assessment by May annually? Yes or No	3	100%
		4	100%
		4	100%
pd-09-0114: Ensure that financial reconciliation takes place continuously	1: No of meetings between Director and Finance Department to reconcile departmental records of expenditure with finance records	1	Yes
		1	2
		2	2
		3	3
		4	3
		4	3

Performance Objectives (Prosperity Partnership)	Key Performance Indicators	Qtr	Target(s)
pd-09-0115: Ensure employee involvement through communication	1: % of invocoms held according to approved schedule	1	100%
		2	100%
		3	100%
		4	100%
pd-10-0031: Ensure proper monitoring of the Client Service Charter	1: Number of complaints (written or email) in respect of telephone calls not answered within 5 ringtones	1	5 pm maximum
		2	5 pm maximum
		3	5 pm maximum
		4	5 pm maximum
pd-10-0031: Ensure proper monitoring of the Client Service Charter	2: % of written and e-mail enquiries for which acknowledgement of receipt were issued within 5 working days, or immediately after capture by an SMS system	1	100%
		2	100%
		3	100%
		4	100%
pd-10-0031: Ensure proper monitoring of the Client Service Charter	3: % of written and e-mail enquiries answered within 10 working days, or where feedback is provided if not settled, or immediately after capture by an SMS system	1	100%
		2	100%
		3	100%
		4	100%
pd-10-0031: Ensure proper monitoring of the Client Service Charter	4: % of telephonic enquiries answered within 10 working days, or where feedback is provided if not settled, or immediately after capture by an SMS system	1	100%
		2	100%
		3	100%
		4	100%
pd-10-0031: Ensure proper monitoring of the Client Service Charter	5: % of personal enquiries answered within 10 working days, or feedback is provided if not settled	1	100%
		2	100%
		3	100%
		4	100%
pd-10-0032: Reduce the average duration of vacancies	1: Average duration of vacancies	1	3 months
		2	3 months
		3	3 months

Performance Objectives (Prosperity Partnership)	Key Performance Indicators	Qtr	Target(s)
pd-10-0032: Reduce the average duration of vacancies	1: Average duration of vacancies	4	3 months
pd-10-0033: Promote a productive workforce	1: % of person days lost per month	1	4% pm maximum
		2	4% pm maximum
		3	4% pm maximum
		4	4% pm maximum

# ANNEXURE B

## PERSONAL DEVELOPMENT PLAN

Performance gap to be addressed	Proposed interventions	Responsibility	Time-frame	Expected outcome

Employee's signature: \_\_\_\_\_

Manager's signature: \_\_\_\_\_

Date: \_\_\_\_\_