

**PERFORMANCE AGREEMENT**

**MADE AND ENTERED INTO BY AND BETWEEN**

***CLLR. VUYISILE VICTOR KHEN***

**THE MAYOR OF PHOKWANE MUNICIPALITY, ON BEHALF OF COUNCIL**

**AND**

***MOEKETSI PIET DICHABA***

**THE MUNICIPAL MANAGER OF PHOKWANE LOCAL MUNICIPALITY**

***FOR THE PERIOD***

***1 JULY 2010 TO 30 JUNE 2011***

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**PHOKWANE LOCAL MUNICIPALITY  
PERFORMANCE AGREEMENT: MUNICIPAL MANAGER  
2010/2011**



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**PERFORMANCE AGREEMENT**

**1. BACKGROUND**

To ensure a fair and **objective** performance review process the parties wish to ensure that they are clear about the **performance objectives**, measurements and targets to be achieved, and to secure the **commitment** of the Manager to achieve the developmental mandate of the Municipality and to **implement** actions that will secure the implementation of local government policy and **goals**.

**2. PURPOSE OF THIS AGREEMENT**

The parties agree that **the** purposes of this Agreement are to:

- 2.1. Comply with **the** provisions of Section 57(1)(b) of the Systems Act;
- 2.2. Specify the key **accountabilities** and Key Performance Areas of the Manager;
- 2.3. Clearly state **the** performance objectives, measurements and targets established for the Manager;
- 2.4. Agree to the **review** procedure in assessing the performance of the Manager;
- 2.5. Agree to **appeal**, dispute resolution and consequences of sub standard performances.
- 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. CONTEXT OF AGREEMENT**

The parties agree to **the** following:

- The parties agree **that** the agreement is contract is established pursuant to clauses 9(4), 10(3)(1)(5) of the employment contract and section 57(1)(b) of the Local Government: **Municipal Systems Act, 2000**.
- No variation or **mutually** agreed cancellation of this agreement has of any force or effect unless it **had** been reduced to writing and signed by or on behalf of both parties.
- No indulgence **that** the parties may grant to each other with regard to the compliance with any of the **obligations** in terms of this contract prejudices or constitutes a waiver of any parties' **rights** in terms of this agreement.
- Whenever the **municipality** fails to comply with any provision of this agreement, the manager must **notify** the municipal manager in writing of the specific breach.
- The municipality **must** repair any breach of this agreement within 30 (thirty) days of receiving the **notification** of the manager.
- Should the **municipality** fail to comply with a notice, the manager may, notwithstanding clause 11 of the **employment** contract, terminate the employment contract in writing without notice.
- Termination of **the** employment contract does not affect any recourse that the manager may have in **terms** of the law.

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- The performance of the manager will be measured against the criteria set out in the Performance Charter as an annexure to this document.
- The performance of the Municipal Manager will be measured by the Mayor, and Internal Audit Manager who will report the outcome of the review procedure to the Audit Committee, Council or the Executive committee.
- The manager's performance will be measured annually.
- That reasonable and fair steps be taken to correct areas of non-performance and that steps are taken as specified in the employment contract.

**4. LEGAL REQUIREMENTS**

**4.1 LOCAL GOVERNMENT MUNICIPAL SYSTEMS ACT 2003**

Section 57 of the Municipal Systems Act provides the following requirements in terms of Performance Agreements of the Municipal Manager and other senior personnel:

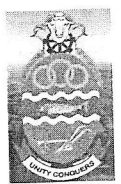
- "(1) A person to be appointed as the municipal manager of a municipality, and a person to be appointed as a manager directly accountable to the municipal manager, may be appointed to that position only-*
- (a) In terms of a written employment contract with the municipality complying with the provisions of this section; and*
  - (b) Subject to a separate performance agreement concluded annually as provided for in subsection (2).*
- (2) The performance agreement referred to in subsection (1)(b) must –*
- (a) Be concluded within a reasonable time after a person has been appointed as the municipal manager or as a manager directly accountable to the municipal manager and, thereafter, within one month after the beginning of the financial year of the municipality;*
  - (b) In the case of the municipal manager, be entered into with the municipality as represented by the Mayor or executive Mayor, as the case may be; and*
  - (c) In the case of a manager directly accountable to the municipal manager, be entered into with the municipal manager.*
- (3) The employment contract referred to in subsection (1)(a) must include, subject to applicable labour legislation, details of duties, remuneration, benefits and other terms and conditions of employment,*
- (4) The performance agreement referred to in subsection (1)(b) must include—*
- (a) Performance objectives and targets that must be met, and the time frames within which those performance objectives and targets must be met;*
  - (b) Standards and procedures for evaluating performance and intervals for evaluation; and*
  - (c) The consequences of substandard performance.*
- (5) The performance objectives and targets referred to in subsection (4)(a) must be practical, measurable and based on the key performance indicators set out from time to time in the municipality's integrated development plan.*

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- (6) The employment contract for a municipal manager must—
- (a) Be for a fixed term of employment not exceeding a period ending two years after the election of the next council of the municipality;
  - (b) Include a provision for cancellation of the contract, in the case of non-compliance with the employment contract or, where applicable, the performance agreement;
  - (c) Stipulate the terms of the renewal of the employment contract, but only by agreement between the parties; and
  - (d) Reflect the values and principles referred to in section 50, the Code of conduct set out in Schedule 2, and the management standards and practices contained in section 51.
- (7) A municipality may extend the application of subsection (6) to any manager directly accountable to the municipal manager."

**4.2 MUNICIPAL FINANCE MANAGEMENT ACT 56, 2003**

Section 53 of the Act requires the following from the Mayor of a Municipality with regard to the performance agreement of the senior managers:

**Section 53 (1) (c)**

- "(c) Take all reasonable steps to ensure -
- iii) that the **annual performance agreements** as required in terms of section 57(1)(b) of the Municipal Systems Act **for the municipal manager and all senior managers-**
    - (aa) **comply with this Act** in order to promote sound financial management
    - (bb) **are linked to the measurable performance objectives approved with the budget** and to the service delivery and budget implementation plan; and
    - (cc) **are concluded in accordance with section 57(2j) of the Municipal Systems Act.**"

**5. COMMENCEMENT AND DURATION**

- 5.1. The performance agreement must be entered into for each financial year of the municipality, or part thereof and specifically the period from 1 July 2010 to 30 June 2011;
- 5.2. The parties must review the provisions of this agreement during June each year and must conclude a new performance agreement that replaces the previous agreement at least once a year within one month after the commencement of the new financial year;
- 5.3. The agreement will terminate on the termination of the employee's contract of employment for any reason;

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- 5.4. If at any time during the validity of the agreement the work environment alters to the extent that the content of the agreement are no longer appropriate, the content must by mutual agreement between the parties, immediately be revised.

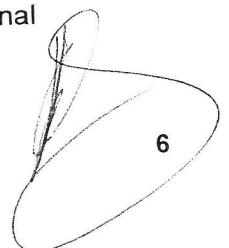
**6. PERFORMANCE PLAN**

- 6.1 The performance plan sets out:
- (a) The performance objectives and targets that must be met by the employee; and
  - (b) The time frames within which those performance objectives and targets must be met.
- 6.2. The performance objectives and targets reflected in the performance plan 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 municipality, and shall include key objectives; key performance indicators; target dates and weightings;
- 6.3. The key objectives describe the main tasks that need to be done. The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other;
- 6.4. The employee's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the employer's Integrated Development Plan.

**7. PERFORMANCE STANDARD AND CRITERIA**

- 7.1 The employee agrees to participate in the performance management system that the Employer adopts or introduces for the municipality;
- 7.2 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;
- 7.3 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;
- 7.4 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;
- 7.5 The criteria upon which the performance of the Employee must be assessed shall be assessed consist of two components, both of which shall be contained in the Performance Agreement. The Employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Core Managerial Competencies (CMCs) respectively. Each area of assessment will be weighted and will contribute a specific part to the total score. KPAs covering the main areas of work will account for 80% and CMCs will account for 20% of the final assessment;

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- 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 between the Employer and Employee and must be considered with due regard to the proficiency level agreed to.

Core Managerial and Occupational Competencies		Weight
Core Managerial Competencies:	Description	10
Strategic Capability	The capability to define and understand the long term strategic challenge and position of the municipality and how to address it	
Programme and Project Management	Capability to apply programme and project management principals and processes in implementing programmes and projects	
Financial Management	The capability to understand and interpret the financial position of the municipality and applying sound financial management.	
Change Management	Understanding and applying change management principles and processes in dealing with internal and external influences and changing environment	
Service Delivery Innovation	Finding innovative solutions in providing effective and efficient services despite a lack of resources	
Problem Solving and Analytical Thinking	Ability to analyze situations and solve problems that allows effective management decisions	
People and Diversity Management	Understanding the diversity of the organisation and ability to manage the human resources in a motivational manner	
Client Orientation and Customer Focus	Create an environment where all staff is focused on customer service in providing services.	
Communication	Ability to communicate effectively with all stakeholders in the organisation on all issues of strategic and service delivery importance	
Honesty and Integrity	To deal with all stakeholders in a honest and transparent way and with integrity always putting the interest of the organisation first.	

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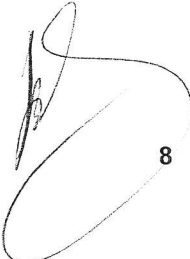
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<b>Core Occupational Competencies:</b>		
Competence in Self Management	Be able to apply effective time management and self discipline in achieving organisational goals and objectives	<b>10</b>
Interpretation of and implementation within the legislative and national policy frameworks	Be able to interpret legislation and policies on how to apply it to the organisation	
Knowledge of developmental local government	To have a very good understanding and knowledge on the functioning of a municipality, its powers and functions.	
Knowledge of Performance Management and Reporting	Have a good knowledge and understanding on the principles and application of performance management	
Knowledge of global and South African specific political, social and economic contexts	Have a good knowledge and understanding of the political and socio- economic conditions of the country and the local area.	
Knowledge of more than one functional municipal field / discipline	Have a good knowledge of the key disciplines and key performance areas of the municipality	
Skills of mediation	Be able to mediate and facilitate all aspects of conflict in order to mediate solutions	
Skills of Governance	Understand the key aspects of effective and responsible governance and how to apply sound governance principles	
Competence as required by other national line sector departments	Understand the powers and functions of sector departments and how to integrate them with local government	
Exceptional and dynamic creatively to improve the functioning of the municipality	Be able to identify and apply creative solution s in improving the functioning and organisational performance of the municipality	
<b>Total weighting</b>		<b>20</b>

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**8. EVALUATING PERFORMANCE**

- 8.1 The AGREEMENT sets out -
- (a) the standards and procedures for evaluating the Employee's performance; and
  - (b) the intervals for the evaluation of the Employee's performance.
- 8.2. 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.
- 8.3. Scorecard and evidence file: during the year all performances will be recorded on an input sheet that will be translated into an evidence file where copies will be kept of all KPI documents as proof of the recorded performances
- 8.4. 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.
- 8.5. The annual performance appraisal will involve:
- (a) Assessment of the achievement of results as outlined in the performance plan supported by scorecard and evidence file:
    - (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.
  - (b) Assessment of the CCR's
    - (i) Each CCR should be assessed according to the extent to which the specified standards have been met.
    - (ii) An indicative rating on the five-point scale should be provided for each CCR.
    - (iii) The rating should be multiplied by the weighting given to each CCR during the contracting process. To provide a score.
    - (iv) The applicable assessment-rating calculator must then be used to add the scores and calculate a final CCR score.
    - (v) To be able to assess the performance of the employee a data sheet must be used reflecting all the measurable indicators. The purpose of the data sheet is to capture the data relating to key performance indicator and must be supported by the necessary proof or evidence of the recorded performance levels. The data sheet will be used to by the panel to assess the performance.
  - (c) Overall rating
    - (i) An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcome of the performance appraisal.
    - (ii) The assessment of the performance of the Employee will be based on the following rating scale for KPA's and CCR's:

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RATING SCALE	DESCRIPTION
5	Outstanding performance
4	Performance significantly above expectation
3	Fully effective
2	Performance not fully effective
1	Unacceptable performance

- d) For purposes of evaluating the performance of the Municipal Manager, an evaluation panel constituted by the following persons will be established –
- (i) Mayor;
  - (ii) Chairperson or nominated member of the Audit Committee;
  - (iii) Municipal Manager from the District Municipality; or his/her representative
  - (iv) Member of the Executive Committee.

**9. SCHEDULE FOR PERFORMANCE REVIEWS**

- 9.1. The performance of the 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:

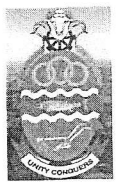
Quarter	Period	Review date
First quarter	July – September 2010	Not later than 31 October 2010
Second quarter	October – December 2010	Not later than 31 January 2011
Third quarter	January 2011 – March 2011	Not later than 30 April 2011
Fourth quarter	April 2011– June 2011	Not later than 31 July 2011

- 9.2. The Employer shall keep a record of the mid-year review and annual assessment meetings. A rating sheet will be kept for these purposes;
- 9.3. Performance feedback shall be based on the Employer's assessment of the Employee's performance based on the information provided on the input sheet, scorecard and supporting proof of performance (as kept in the evidence file);
- 9.4. The Employer will be entitled to review and make reasonable changes to the provisions of the performance plan from time to time for operational reasons on written agreement between both parties;
- 9.5. 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 between both parties in writing.

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**10. DEVELOPMENTAL REQUIREMENTS**

The Personal Development Plan (PDP) for addressing developmental gaps must form part of the performance agreement.

**11. OBLIGATIONS OF THE EMPLOYER**

**The Employer must –**

- 9.6. create an enabling environment to facilitate effective performance by the employee;
- 9.7. provide access to skills development and capacity building opportunities;
- 9.8. work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;
- 9.9. 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
- 9.10. 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.

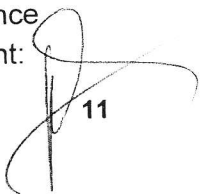
**12. CONSULTATION**

- 12.1 The Employer agrees to consult the Employee timeously where the exercising of the legislative powers and Council decisions powers will have amongst others –
  - (a) a direct effect on the performance of any of the Employee's functions;
  - (b) commit the Employee to implement or to give effect to a decision made by the Employer; and
  - (c) a substantial financial effect on the Employer.
- 12.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in sub-regulation (1) as soon as is practicable, to enable the Employee to take any necessary action without delay.

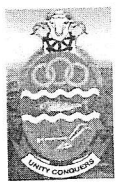
**13. MANAGEMENT OF EVALUATION OUTCOMES**

- 13.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- 13.2 A performance bonus of not more than 14% of the inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance. In determining the performance bonus the relevant percentage is based on the overall rating, calculated by using the applicable assessment rating calculator based on the following achievement:
  - (a) An overall score of 80% to 90% is awarded a performance bonus not more than 5%
  - (b) An overall score of 90% and above is awarded a performance bonus ranging from 6% to 8%.
  - (c) The achievement of the following specific targets is awarded a performance bonus ranging between 9% to 14% depending on the level of achievement:

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13.3 In the case of unacceptable performance, the employer shall:

- (a) provide systematic remedial or developmental support to assist the employee to improve his or her performance; and
- (b) after appropriate performance counseling and having provided the necessary guidance and/or support and reasonable time for improvement in performance, and performance does not improve, 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.

13.4 In the case where the employment of the employee is terminated, for whatever reason, during the period of the review any additional remuneration in terms of this section is also terminated. If the employee completes the review cycle and a performance review is conducted in terms of this agreement the employee will qualify for the payment of the additional remuneration in terms of this section.

**14. APPEAL AGAINST RATING**

The manager has the right to appeal in terms of any rating given by the appraiser or on the basis for rating used by the appraiser. The manager has the right to appeal to any comment made by the appraiser in the appraisal report that is, in her/his opinion, prejudicial.

An appeal, stating the reasons for the appeal, must be submitted in writing within 7 (seven) working days after the final appraisal report has been submitted.

The council must determine a date for the hearing of the appeal and must inform the appraiser and the manager of the date, time and venue of the hearing.

The municipality is not liable for making any arrangements regarding, or carrying any cost in respect of, such representation. The manager is entitled to be assisted during the hearing by a representative of choice. Should the manager elect to be assisted during the hearing and the representative is absent, the hearing must continue. The manager should inspect any documents submitted during the hearing by the appraiser and must submit supporting documents in respect of the appeal. The manager may present her/his case and lead witnesses and cross-examine any witness called by the appraiser.

After having heard the parties, the Council must recuse the manager and make a final finding.

The Municipal Manager must reduce his/her finding to writing and submit it, together with the appraisal report to the executive committee at its first meeting next ensuing for its information. The manager must be informed on the final findings of the appeal directly after the meeting. The finding of this Appeal Committee is deemed to be final and binding with regard to the reviewed procedure.

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**15. DISPUTE RESOLUTION**

Despite the appeal conditions set out in par 8 of this document, the parties agree on the following dispute resolution mechanisms, when a matter in terms of the Performance Agreement needs to be resolved:

- 15.1 The party raising the dispute must give written notice of such a dispute within 7 days after the arousal of such a dispute. The notice must contain the reasons for the dispute and why it cannot be resolved between the parties. All relevant facts to the dispute must be explained in the document. The effected party, after having received such a dispute notice, must respond to the notice in writing within 7 days, providing his relevant comments and facts to the matter in dispute. The Municipal Manager must notify the council of such a dispute and process to be followed.
- 15.2 The Municipal Manager must hand both the written notice and the response to the notice to the Municipal Manager of the District Municipality with the request to conduct an informal dispute hearing to resolve the dispute. The Municipal Manager of the District Municipality together with the Municipal Manager of the District will determine a date for an informal dispute hearing with the purpose to resolve the dispute and to formulate recommendations in this regard. The Municipal Manager of the district municipality must commence with such a dispute hearing within 14 days after having received the dispute notice. During the dispute hearing both parties will be afforded the opportunity to state their case. If the dispute hearing committee is able to resolve the matter, the Municipal Manager of the District Municipality will minute the recommendations of the dispute hearing committee. Both parties will sign the document and this will be a final and binding document.
- 15.3 If the dispute hearing committee fails to reach a satisfactory outcome, the matter will be referred to the MEC for Cooperative Governance for a final decision. The decision of the MEC will be final and binding.
- 15.4 The outcome of the dispute must be reported to the Council for final adoption.

**16. CONSEQUENCES OF SUBSTANDARD PERFORMANCES**

If the appraiser has found that the performance of the manager is substandard in general with regard to the specified indicators and targets or substandard with reference to specific indicators, he must indicate the areas of substandard performances on the scorecard. When completing the Performance Rating Report, he must make reference of the substandard performance and agree on corrective steps with the manager to improve the areas of substandard performance. The strategies and action must also be reflected on the learning and development plan. Apart from the final Performance Rating Report the municipal Manager must notify the manager in writing of the areas of sub standard performance together with the corrective strategies and action. He must indicate a timeline (three or six months) in which areas of substandard performance must be corrected. On the lapse of the notice period the mayor must conduct a follow up review on the areas of substandard performance to determine whether there is improvement and to agree on a new target for the remainder of the measurement period. If the performance of the manager on the identified

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areas is still of substandard performance, the manager must be issued with a last written notice to correct the problem areas. If the performance has not improved after the second review, the conditions for non-performance must be applied as specified in the employment contract and the necessary action instituted accordingly.

**17. GENERAL**

- 17.1 The contents of this performance agreement 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;
- 17.2 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;
- 17.3 The performance assessment results of the municipal managers must be submitted to the MEC responsible for local government in the relevant province as well as the national minister responsible for local government, within fourteen (14) days after the conclusion of the mid-year and final assessment or and when requested.

**18. SIGNATORIES OF PARTIES TO THIS AGREEMENT**

The content of this document have been discussed and agreed with the Municipal Manager

Name:

M.P. BICHABA

Signature of Municipal Manager:

[Signature]

Date:

01/09/2010

Place:

HARTSWATER

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[Signature]

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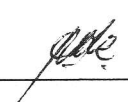


The contents of this document have been discussed and agreed, with the Municipal Manager

Name: MOEKETSI PIET BIKHABA

Signature: 

Date: 01/09/2010

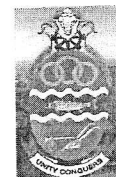
Witnesses: 

Place: HARTSWATER





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**Annexure A:** Performance Plan

**Annexure B:** Knowledge, Skills and Behaviour

## **ANNEXURE B - KNOWLEDGE, SKILLS AND BEHAVIOURS**

<b>Knowledge, Skills and Behaviors</b>	<b>Description / Definition / Observations</b>
<b>KNOWLEDGE</b>	
Local Government environment and legal requirements	This includes a working knowledge of Council Regulations, By Laws and Policies, National, Provincial and Local Government Structures and applicable legislation including the Municipal Finance Management Act, Municipal Structures Act and Municipal Systems Act, Administrative Justice Act and Access to Information Act.
Relevant Financial Legislation and requirements	Municipal finance Act, Property Rates Act, debt collection procedures, Division of Revenue Act and GAMAP.
General Management Principles	This includes knowledge concerned with the overall running of an organisation such as Finance, Marketing, Public Relations and Communications, Information Technology, Human Resources, Organisational Development, Operations and the Environment in which the organisation operates. This includes aspects of change management, leadership and management development.
Technical Knowledge	To have sufficient and practical knowledge of all the key functional areas within his department to be able to manage and direct the staff of the specific section and or area.
<b>SKILLS</b>	
Computer Literacy	Skills required to use office based computer equipment (terminals, printers, PCs) in order to do one's job. This may include word processing, developing and working with spreadsheets and creating reports.
Report Writing	Skills required writing complex reports by collecting and presenting relevant information and tailoring the report to the requirements of the reader.
Finance & Business Planning	Skills required measuring the general performance of processes within one's department or area of responsibility. This includes planning documents, budgets, research, delegations and authorizations. It involves being able to apply limits stipulated in budgets. It requires reporting when things do not go according to plan and then requires the appropriate corrective action to be taken.

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**PHOKWANE LOCAL MUNICIPALITY**  
**PERFORMANCE AGREEMENT: MUNICIPAL MANAGER**  
**2009/2010**



**Annexure A:** Performance Plan

**Annexure B:** Knowledge, Skills and Behaviour

**ANNEXURE B - KNOWLEDGE, SKILLS AND BEHAVIOURS**

Knowledge, Skills and Behaviors	Description / Definition / Observations
<b>KNOWLEDGE</b>	
Local Government environment and legal requirements	This includes a working knowledge of Council Regulations, By Laws and Policies, National, Provincial and Local Government Structures and applicable legislation including the Municipal Finance Management Act, Municipal Structures Act and Municipal Systems Act, Administrative Justice Act and Access to Information Act.
Relevant Financial Legislation and requirements	Municipal finance Act, Property Rates Act, debt collection procedures, Division of Revenue Act and GAMAP.
General Management Principles	This includes knowledge concerned with the overall running of an organisation such as Finance, Marketing, Public Relations and Communications, Information Technology, Human Resources, Organisational Development, Operations and the Environment in which the organisation operates. This includes aspects of change management, leadership and management development.
Technical Knowledge	To have sufficient and practical knowledge of all the key functional areas within his department to be able to manage and direct the staff of the specific section and or area.
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**PHOKWANE LOCAL MUNICIPALITY  
PERFORMANCE AGREEMENT: MUNICIPAL MANAGER  
2010/2011**



Knowledge, Skills and Behaviors	Description / Definition / Observations
Negotiation Skills	Skills required negotiating favorable deals for the Municipality by preparing for negotiations, which require a risk analysis to be conducted since the outcome is not necessarily predictable. This includes applying skills and techniques of negotiating that show an understanding of the other parties' needs and agenda. This applies to both external and internal stakeholders.
Planning & Organising	Skills required planning and organising an activity so that a specific goal is achieved. This requires setting priorities and allocating time and resources. It involves being aware of the interrelationships among activities in a project and then planning tasks and resource allocation accordingly. It requires being able to work effectively under short deadlines.
<b>BEHAVIOURS</b>	
Customer Service	Whether providing a service to an internal or external customer this means trying to find out what the needs of the customers are and then meeting these needs. At a minimum employees are required to react to customer needs by following up on queries, keeping promises, keeping the customer up to date, being friendly and helpful and solving problems quickly and without argument. Ideally all employees, especially those at a management level are required to be proactive by trying to understand the underlying needs of the customer and providing an appropriate service based on these underlying needs. Commitment and understanding of the Batho Pele principles.
Teamwork	In order to be successful and to meet the service delivery requirements of the municipality, it is essential that all employees co-operate and communicate with each other. This is measured by the extent to which an employee does his/her share of the work; helps out in times of crisis, supports decisions taken by the municipality, makes an effort to communicate with team members so that he/she knows what is going on in other areas besides his/her own and provides information to others on what he/she is doing. At a management level employees are required to facilitate a friendly working environment where co-operation is encouraged, where conflicts are resolved quickly and amicably and where information is communicated so that there is a common knowledge and understanding of municipality activities.
Service Delivery	All employees are required to set goals and to achieve these goals so that the overall objectives of the municipality can be met. They are also required to look for new and better ways of doing things in order to improve speed, efficiency, quality, service and/or cost effectiveness. This involves setting goals, preparing plans to achieve these goals, implementing the plans and monitoring progress against these plans.

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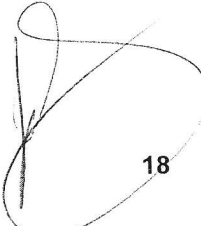
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**PHOKWANE LOCAL MUNICIPALITY  
PERFORMANCE AGREEMENT: MUNICIPAL MANAGER  
2010/2011**



Knowledge, Skills and Behaviors	Description / Definition / Observations
Ethics	This is about being open, transparent and honest in all dealings. It is about keeping promises that you make and about working within the policies, procedures and authorized delegations of Council.
Leading Teams	This is about how a manager leads a group of people so that they work well together as a team. This means holding regular meetings (that have set agendas and objectives) with his/her team so that information can be shared and so that the team is aware of decisions that may affect them. It involves sharing out the workload so that team members' skills are used appropriately and so that the work is evenly spread amongst team members. It involves making sure that the team has the necessary tools and resources in order to do their work. It involves motivating the team so that they are committed to achieving the goals of the department and ultimately the municipality.

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**PHOKWANE LOCAL MUNICIPALITY**  
**PERFORMANCE PLAN FOR 2010/2011 - MUNICIPAL MANAGER**  
**MP DICHABA**



**KEY PERFORMANCE AREAS (KPA's) and KEY PERFORMANCE INDICATORS (KPI's).**

Purpose: The performance plan defines Council's expectations of the Municipal Manager performance agreement to which this document is attached and Section 57(5) of the Municipal Systems Act, which provides the performance objectives and targets must be based on performance indicators (KPI's) as set in the Municipality's Integrated Development Plan as reviewed annually

**Key responsibilities:**

1. Provide democratic and accountable government to local communities
2. Ensure the provision of services to communities in a sustainable manner
3. Promote social and economic development
4. Promote a safe and healthy environment
5. Encourage the involvement of communities and community organisations in matters of local government

Key Performance Area	Key Performance Area	Measurement Indicator	Annual target	Rating	Max Rating	Comments at time of review
Good governance and public participation	Effectively support political interfaces	Nr of scheduled Council meetings taking place	4 per annum		5	
		Nr of EXCO meetings taking place	4 per annum		5	
		Supporting visits of the Cabinet, NCOP, District Municipality and other structures	Attending all visits and assisting in meetings taking place		5	
	Ensure effective public participation	Nr of IDP Representative Forum meetings taking place	4 Per annum		5	
		Nr of budget consultation meetings taking place	3 Per annum		5	
		Nr of Council Imbizo's held	2 Per annum		5	
	Ensure good and effective governance	Completion and approval of customer Care Plan approved by Council for implementation	Approved by Council by end March 2011		5	
		Nr of customer satisfaction surveys conducted	1 Per annum		5	
		Fraud and corruption plan approved by Council and implemented	Council approved by end of February 2011		5	
		Nr of Senior management meetings held	8 Senior Management Meetings to be held per annum		5	
		Nr of general staff meetings held	2 per annum		5	
		Annual reports submitted as prescribed in the MFMA	Complete end of February 2011		5	
		Nr of performance reports submitted by HOD's	HOD's to submit quarterly management meetings		5	
		% Implementation of council decisions	80% of Council decisions		5	
		Nr of newsletters distributed	Quarterly		5	
		Nr of radio talkshows conducted	At least 6 per annum		5	
		Nr of press releases	At least 6 per annum		5	
Municipal Institutional development and transformation	Implementing an effective Performance Management System	Nr of Performance management reports submitted to Council	4 per annum		5	
		% of Performance contracts signed by HOD's	100%		5	
		Nr of performance review with sections conducted	All sections quarterly		5	
		Nr of performance reviews conducted with direct reports	Quarterly reviews with all direct reports		5	
	Formulation and implementation of a credible IDP	Approval of 2010/11 IDP review by Council	Approved not later than May 2011		5	
		% Spending of IDP projects	100% project funding spent		5	
		% of IDP priority/ funded projects implemented	100% implementation of all priority projects		5	
	Formulation and implementation of effective policies and by-laws	% Spending of MIG Grants	100% spending of grant		5	
		Formulation of policy on the usage of sport and recreation facilities	To be formulated by March 2011		5	
		Nr of new policies approved	According to council resolution		5	
		% of existing policies reviewed	20% of all existing policies to be reviewed		5	
		Nr of new by-laws approved	According to council resolution		5	
		Nr of by-laws reviewed	3 - to be specified by Council		5	
	Effective organisational development	Strategic plan formulated and approved	No later than April 2011		5	
		Nr of personal development plans formulated for senior managers	1 plan per annum for all direct reports		5	



Key Performance Area	Key Performance Area	Measurement Indicator	Annual target	Rating	Max Rating	Comments at time of review
Municipal financial viability and management	Ensure effective financial management	% Payment level	80% payment level		5	
		% Attainment of revenue budget	95% of budget		5	
		% Attainment of expenditure budget	95% of budget		5	
		% Spending of all grants	100% of grant spending		5	
		Nr of internal audits conducted	Conduct 1 internal audits per quarter		5	
	Effective management of resources and assets	Formulation of policy on the utilization and protection of assets	Policy formulated by March 2011		5	
	Effective supply chain management	Nr of reviews conducted on Tender committees	At least 1 per annum		5	
		Nr of reports submitted on the implementation of the procurement policy	4 per annum - quarterly reports		5	
	Financial Management	Financial statement completed according to MFMA	Completed by August 2010		5	
		Nr of Section 71 reports submitted to treasury	Monthly Reports		5	
		Reduce AG audit queries	Reduce audit queries by at least 20% per annum		5	
		Proper evaluation roll completed	By end March 2011		5	
		Nr of financial reports submitted to council	Quarterly		5	
Basic Service Delivery	Provision of basic services	% Water losses	Reduce by 5% on current level		5	
		% Electricity losses	Reduce by 5% on current level		5	
		Nr of households provided with new water connections	600 Households		5	
		Nr of households provided with new sewerage connections	600 Households		5	
		Nr of household electricity connections provided - in area of responsibility	Plan submitted not later than Oct 2009		5	
	Bulk Services	Update of all infrastructure master plans	Completed by November 2010		5	
		% Spending on maintenance of infrastructure	100% of budget allocated		5	
		Assessment of bulk service availability on water and sewerage	Quarterly report		5	
Local economic development	Ensure the implementation of Local Economic Development	Nr of LED summits held	1 per annum		5	
TOTAL				0	270	

SCORECARD				
Weight	KEY PERFORMANCE AREA	Total Rating	Max Rating	Weighted rating
10	Good governance and public participation	0	85	0
10	Municipal Institutional Development and Transformation	0	65	0
20	Municipal Financial Viability and Management	0	65	0
25	Basic Service Delivery	0	40	0
15	Local Economic Development	0	5	0
80	Total	0	260	0

Core Competencies (CMC's)				
10	Core Managerial Competencies	0	55	0
10	Core Occupational Competencies	0	50	0
100	Total	0	365	0.0

I hereby agree to the measureable Key indicators and targets as set out in the Performance Plan above.

Signature: \_\_\_\_\_

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

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