

# PERFORMANCE AGREEMENT

Made and entered into by and between:

THE THEEWATERSKLOOF MUNICIPALITY

("the Municipality")

Represented by the Executive Mayor of the Municipality

and

HORACE STANLEY DUGMORE WALLACE  
MUNICIPAL MANAGER

(herein and after referred as Employee)

FOR THE

FINANCIAL YEAR: 1 JULY 2016 – 3 OCTOBER 2016



    
at

## 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 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 Employees to a set of outcomes that will secure local government policy goals.
- 1.4 The parties wish to ensure that there is compliance with Section 57(4B) and 57(5) of the Systems Act.

## 2. PURPOSE OF THE PERFORMANCE AGREEMENT IS TO:

- 2.1 Comply with the provisions of Section 57 (1)(b), 4(A), 4(B) and 5 of the Local Government: Municipal Systems Act as well as the employment contract entered into between the parties;
- 2.1 Specify objectives and targets defined and agreed with the employee and to communicate the employers expectations of the employees performance and accountabilities in alignment with the Integrated Development Plan (IDP), Service Delivery Budget Implementation Plan (SDBIP) and the budget of the municipality;
- 2.2 Specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;
- 2.3 Monitor and measure performance against set targeted outputs;
- 2.4 Use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;
- 2.5 In the event of outstanding performance, to appropriately reward the employee; and
- 2.6 Give effect to the employer's commitment to a performance orientated relationship with its employee in attaining equitable and improved serviced delivery.

   
at

**NOW THEREFORE** the parties record their agreement in writing,

### **3. PARTIES**

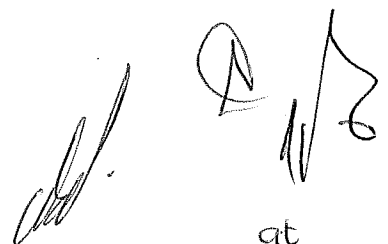
- 3.1 This performance agreement is concluded between the **Theewaterskloof Municipality** herein after referred to as the "municipality" and as the Employer on the one hand; and
- 3.2 **HORACE STANLEY DUGMORE WALLACE** hereinafter referred to as the Municipal Manager, as the Employee on the other hand.
- 3.3 The parties as set out in 3.1 and 3.2 above hereby record their agreement in writing.

### **4 COMMENCEMENT AND DURATION**

- 4.1 The agreement will come into effect on 01 July 2016 and will expire by no later than one month after the commencement of the new financial year of 2017/2018.
- 4.2 The agreement will terminate on the termination of the employee's contract of employment for any reason.
- 4.3 The content of this agreement may be revised at any given time during the abovementioned period to determine the applicability of the matters agreed upon.

### **5 CONDITIONS, OBLIGATIONS, PERFORMANCE MANAGEMENT SYSTEM, EVALUATION OF PERFORMANCE AND CONSULTATION PROCESS, MANAGEMENT OF EVALUATION OUTCOMES PROCESS AND DISPUTE RESOLUTION PROCEDURES**

As provided for in Government Notice R.805 of August 2006 Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers and Government Notice No 37245 of 17 January 2014.



at

## **6. PERFORMANCE PLAN**

As attached as Annexure A to the Agreement.

## **7. COMPETENCY SECTION**

As attached as Annexure B to the Agreement

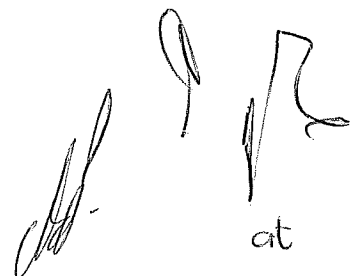
## **8. OBLIGATIONS OF THE EMPLOYER**

8.1 The Employer shall:

- 8.1.1 Create an enabling environment to facilitate effective performance by the employee;
- 8.1.2 Provide access to skills development and capacity building opportunities;
- 8.1.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee
- 8.1.4 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
- 8.1.5 Make available to the Employee such resources as the Employee may reasonable require from time to time assisting him/her to meet the performance objectives and targets established in terms of this agreement

## **9 CONSULTATION**

- 9.1 The employer agrees to consult the Employee timeously where the exercising of the power will have amongst others:
- 9.1.1 A direct effect on the performance of any of the Employee's functions;
  - 9.1.2 Commit the Employee to implement or to give effect to a decision made by the Employer; and
  - 9.1.3 A substantial financial effect on the Employer.



Handwritten signatures and initials, including the word "at" written below the initials.

9.2 The Employer agrees to inform the Employee of the outcomes of any decision taken pursuant to the exercise of powers contemplated in clause 10.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

## **10 MANAGEMENT OF EVALUATION OUTCOMES**

10.1 Where the Employer is, at any time during the Employee's employment, not satisfied with the manager's performance with respect to any matter dealt with in the agreement, the Employer will give notice to the Employee to attend a meeting;

10.2 The Employee will have the opportunity at the meeting to satisfy the Employer of the measures being taken to ensure that his performance becomes satisfactory and any programme, including any dates, for implementing these measures;

10.3 Where there is a dispute or difference as to the performance of the Employee under this agreement, the Parties will confer with a view to resolving the dispute or difference; and

10.4 In the case of unacceptable performance, the Employer shall:

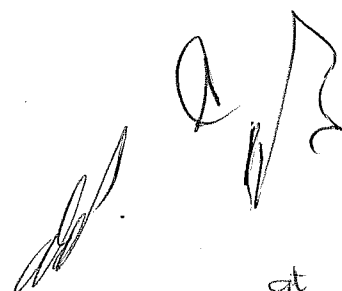
10.4.1 Provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and

10.4.2 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.

## **11 DISPUTE RESOLUTION**

11.1 In the event that the Employee is dissatisfied with any decision or action of the Council in terms of this agreement, or where a dispute or difference arises as to the extent to which the employee has achieved the performance objectives and targets established in terms of this agreement, the Employee may within 3 working days meet with the Employer with a view to resolving the issue. The employer will record the of the meeting in writing;

11.2 If the Parties could not resolve the issues within 10 working days, an independent arbiter, acceptable to both Parties, should be appointed to resolve the matter within thirty days; and



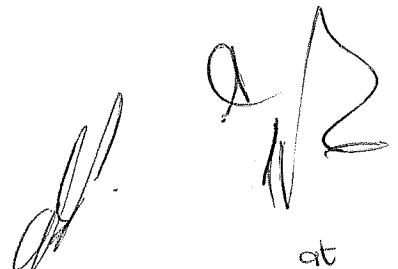
Handwritten signatures and initials, including a large signature on the left and initials 'at' on the right.

11.3 In the event that the mediation process contemplated above fails, the relevant clause of the Contract of Employment shall apply.

## 12 GENERAL

12.1 The contents of this agreement and the outcomes of any review conducted in terms of Annexure A may be made available to the public by the Employer; and

12.2 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.



at

THUS DONE AND SIGNED at **Caledon** on this 28 day of July..... 2016,  
in the presence of the undersigned witnesses

**AS WITNESSES:**

1. Alshabe

2. Bant

For and on behalf of the Theewaterskloof Municipality

[Signature]  
He/She being duly authorized

THUS DONE AND SIGNED at Caledon on this 27 day of July..... 2016,  
in the presence of the undersigned witnesses.

**AS WITNESSES**

1. Bant

2. Alshabe

[Signature]  
**HORACE STANLEY DUGMORE WALLACE**

[Signature]      [Signature]  
at

**THEEWATERSKLOOF MUNICIPALITY**

**Performance Plan of Stan Wallace for the period 1 July 2016 to 3 October 2016**

This contract is in the main focussed on a smooth and successful hand over of the Administration to my successor and in facilitating the establishment and takeover of the newly elected Council.

<b>Objective</b>	<b>KPI</b>	<b>Performance Standard</b>	<b>Outcome</b>	<b>Value</b>
------------------	------------	-----------------------------	----------------	--------------

***Service Delivery : 30***

Updating the newly elected Council on the state of service delivery in the municipality and challenges faced by such a Council	Presentation made to new Council	Presentation to Council during its orientation workshop not later than September 2016	To ensure continuity and a seamless transfer of governance. Important not to redesign the wheel and to continue where we have ended with the previous Council	10
Updating the Service Delivery Plan in accordance with the views and expectations of the newly elected Council	A workshop on service delivery completed	Workshop on service delivery to be completed by September 2016 and which can form part of the orientation workshop for the new council	Important to get a clear indication from Council and any directional changes it requires	20




**Corporate Governance**

<p>Managing the Governance risk that comes with the election of a new council</p>	<p>Agreement on a risk plan with the new incoming Mayor and his or her Executive Committee</p>	<p>Reach agreement with the new Mayor and his or her Executive Team within the first month after the election</p>	<p>With a new Mayor and Executive Team it is critical that corporate governance remain a priority and that the working relationship between the political and administrative leadership is firmly established</p>	<p>10</p>
---	--	---	---	-----------

**Financial Sustainability**

<p>Updating the new Council on the Financial sustainability state of the Municipality and the challenges faced by the new Council</p>	<p>Presentation made to new Council</p>	<p>Presentation to Council during its orientation workshop not later than September 2016</p>	<p>To ensure continuity and a seamless transfer of governance. Important not to redesign the wheel and to continue where we have ended with the previous Council</p>	<p>10</p>
<p>Review the financial sustainability and financial plans of the Municipality in accordance with the expectations and visions of the new Council</p>	<p>A workshop on service delivery completed</p>	<p>Workshop on service delivery to be completed by September 2016 and which can form part of the orientation workshop for the new council</p>	<p>Important to get a clear indication from Council and any directional changes it requires</p>	<p>15</p>



  
 at

***Institutional Capacity***

<p>Updating the new Council on the state of infra structure and the overall institutional capacity of the Municipality</p>	<p>Presentation made to new Council</p>	<p>Presentation to Council during its orientation workshop not later than September 2016</p>	<p>To ensure continuity and a seamless transfer of governance. Important not to redesign the wheel and to continue where we have ended with the previous Council</p>	<p>10</p>
<p>Review infra structure development and upgrading and institutional development plans in accordance with the expectations and preferences of the newly elected Council</p>	<p>A workshop on service delivery completed</p>	<p>Workshop on service delivery to be completed by September 2016 and which can form part of the orientation workshop for the new council</p>	<p>Important to get a clear indication from Council and any directional changes it requires</p>	<p>15</p>

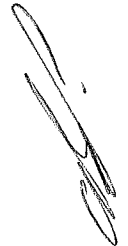
***Local Economic Development***

<p>Updating the newly elected Council on the state of the local economy and challenges faced by the Municipality and the newly elected</p>	<p>Presentation made to new Council</p>	<p>Presentation to Council during its orientation workshop not later than September 2016</p>	<p>To ensure continuity and a seamless transfer of governance. Important not to redesign the wheel and to continue where we have ended with the previous Council</p>	<p>5</p>
--	---	--	--	----------




at



Council	Review LED Strategies and plans in accordance with the expectations and preferences of the newly elected Council	A workshop on service delivery completed	Workshop on service delivery to be completed by September 2016 and which can form part of the orientation workshop for the new council	Important to get a clear indication from Council and any directional changes it requires	5
---------	--	--	--	--	---






at

**COMPETENCY FRAMEWORK STRUCTURE FOR THE 2016/17 YEAR**

<i>Core management and occupational competencies</i>		<i>Mayco</i>	<i>Panel</i>	<i>Choice</i>	<i>Value</i>
Strategic capabilities and leadership	This is about identifying the current undesired and the gap between that and the desired future and working out strategies to transform from where we are to where we would like to be. This in the main deals with the WHAT needs to be done rather than the HOW/WHO/WHEN. It is about the SWOT and considering priorities and setting practical and achievable targets. He needs to understand the risks and obstacles in the way of the strategy and in how to mitigate such strategies			1	15
Programme and project management	It is about understanding the problem or the challenge and setting a project plan in place in resolving or meeting a challenge. It deals with scoping of the project, identifying key stakeholders, defining the deliverables, defining the logical steps in respect of HOW, WHEN WHO and putting project capacity in place and managing the obstacles and pitfalls which places the project under risk			2	15
Problem Solving and analyses	Correct definition of problem, implications, cause, cause focussed solutions, development of realistic and practical optional solutions and making the right choices. It is about wisdom and actually solving issues which are aimed at the bigger picture and which takes the organisation forward as a whole. Should be holistically thinking and must be able to think at a conceptual level as well. He must also be able to obtain support and cooperation for his solutions			3	15
Exceptional and dynamic creativity to improve the functioning of the municipality	His input has made the organisation more effective and efficient and always able to come up with a positive and constructive solution to a challenge faced by the municipality and the organisation. Extremely proactive and innovative in the way he manages his function. Focuses on			4	10



  
at

	cause rather than symptom				
Financial Management	Here it is in the main his ability and competency in driving the Financial Sustainability turnaround strategy and the financial management rescue plan provided for in his contract			5	5
People Management	He must be able to form partnerships and be able to resolve conflict and even prevent destructive conflict. This does not mean that he cannot make a stand. Must be confident, deal with difficult customers and people and must be able to sell a point to a larger audience			6	10
Client Orientation	Must be able to establish a customer focus in his department and in the way he looks at policies, strategies, processes and in his problem solving. The customer is always an important consideration during such a process.			7	10
Change Management	It is about identifying the need for change in time and accurately, defining the change that is required accurately and manage the change process in an appropriate successful manner. This is in many ways about tactical management, using the most appropriate mechanisms and approach etc.			8	10
Interpretation of and implementation within the legislative and national policy frameworks	Here it is about his knowledge of applicable legislation and policy, including that of the Council itself. He is the specialist and his advice, interpretations and application is always sound and results in solutions and prevents non-compliance Understands the process of performance management, keeping his finger on the pulse and diagnostic in his assessments. Picks up early warning signals, proactive and remedial in his action and able take precautionary steps			9	5
Performance Management and Reporting	Understands the process of performance management, keeping his finger on the pulse and diagnostic in his assessments. Picks up early warning signals, proactive and remedial in his action and able take precautionary steps			10	5
<b>Total</b>					<b>100</b>
Total out of 20					
Total out of 5					

  
  
at

### Summary of Performance Plan rating

Service Delivery		
Corporate Governance		
Institutional Capacity		
Financial Management		
LED		
Total out of 100		
Total out of 80		
Total out of 5		

### Overall summary of ratings

Performance Plan	/80	/80
Competency	/20	/20
Total out of 100		
Total out of 5		




at