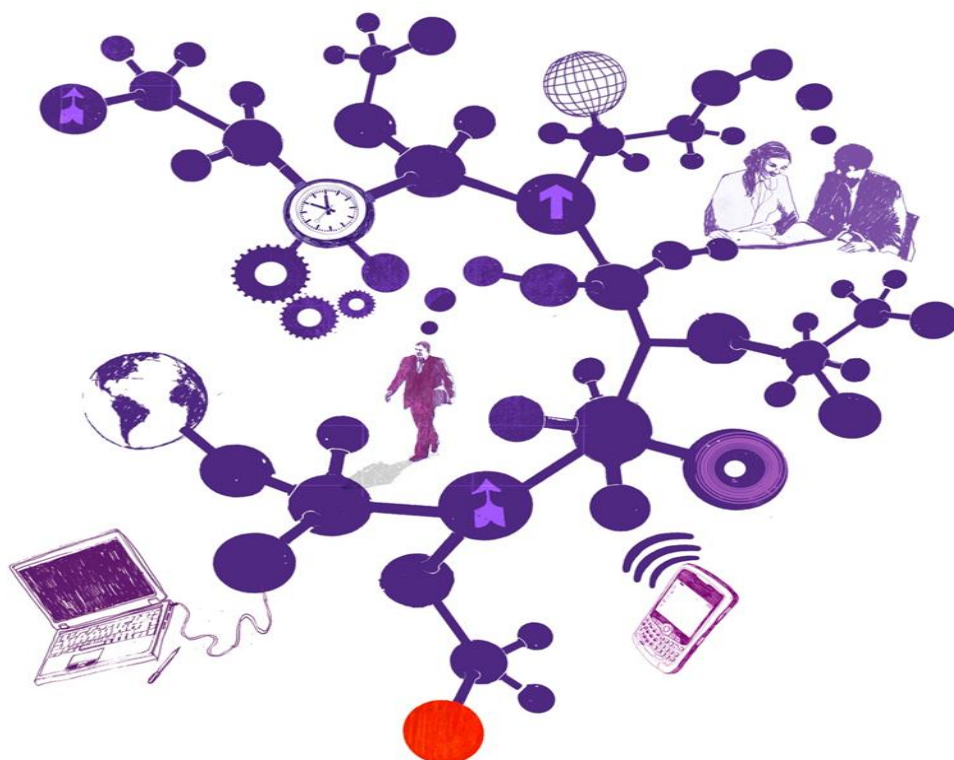


Performance evaluation Manual for employees in the Municipalities and third party services

Project name: Provision of technical assistance for the replication of Control Model Developed for LGUs in Albania in the framework of administrative and territorial reform (STAR Project).

April 2016



Important notice

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1. Introduction

1.1 Scope of work

In accordance with the Project assignment, Grant Thornton Shpk (“Grant Thornton”) prepared the Performance Evaluation Manual for employees in the Municipalities of the Republic of Albania and third party services (Contractors) (“the Manual”). The purpose of the Manual is to assist the administration of the Municipalities in the process of evaluation of the employees and third party services.

The Document consists of the following sections:

1. Introduction;
2. Performance Evaluation for Municipality Employees –general data
3. Evaluation of Results of services provided by third parties general data

Appendix A Evaluation Form – Descriptive Format

Appendix B Evaluation Form – Standard Format

Appendix C Contractor Evaluation Form

1.2 Sources of information and data

The Manual is prepared on the basis of the information and data obtained by the responsible personnel from the Municipalities, publicly available data as well as the performance evaluation market research, conducted by Grant Thornton. Furthermore the Consultant made use of guidelines and templates from Grant Thornton Libraries.

1.3 Assumptions and limitations

This document is based on the available data at the moment of preparation of the Manual, when the opinions stated in the Manual are expressed. The data incorporated in the Manual is in accordance with the latest published and available data and information;

The scope of our work is limited only to the area of activities and operations that were subject of consideration from our part. Other questions may appear, that may be relevant in the context of determination or decision making regarding the implementation of the manual.

2. Performance evaluation for Municipality employees – general data

For the construction of this evaluation model we are based in best practices of other countries and in DCM 109 dated 26.02.2014 on civil servants. Our efforts are focused on employee evaluation process for employees of the municipality on the basis only of the Labor Code, which do not have the status of civil servant.

Performance evaluation system:

- a)Is the verification process of achieving the overall objectives set at the beginning of the evaluation period , as well as employee strengths or weaknesses in the performance of duties
- b)Serves to make objective decisions about probation period, promotion , suspension of contract , salary advancement and determine the needs for training and professional development of employees .

Objectives of performance evaluation

- Recognition on employees performances;
- Capacity development;
- Creating opportunities for development in public services,
- The overall empowerment, support and capacity building for full functionality of an improved system of local public governance, capable of and more efficient in managing the territory and serving its citizens with much higher standards,

2.1 How to make the performance evaluation

The performance evaluation is a process that is repeated one or more times during a calendar year depending on the internal rules of the Municipality. In case of performance evaluation at the end of an employee's probation period, the evaluation period is calculated from the date of signing the contract to begin work.

Steps to follow to carry out the process of performance evaluation for employees of the Municipality:

- Meeting with the supervisor ("the evaluator") and the employee ("subject of evaluation"). First they will review prior year's goals/objectives, performance and outcomes. Then they can start current year performance evaluation.
- Prior year's forms should be submitted by the employee to the supervisor 10 days prior to the meeting
- Performance evaluation data from prior year's should be reviewed and compared by the supervisor before the meeting.
- On the meeting, the supervisor and employee will discuss about the performance evaluation.
- On the meeting supervisor and the employee will create mutual goals/objectives to enhance employee performance and successful completion of departmental and municipal goals and objectives.
- Upon conclusion of the meeting for performance evaluation, the employee and supervisor sign the evaluation form.
- Supervisor sends the signed copy to the higher level supervisor for approval and signature.
- When the evaluation form will be approved and signed, the original document is sent to the archive office of Human Resources department. An electronic copy may be provided to the employee upon employee request.

2.2 Rights and obligations of "The subjects being evaluated" and "The evaluators"

The performance evaluation for the employee (" the subject ") of the Municipality is carried out jointly by the employee (" the evaluator 2 ") that directly overlooks in the organizational hierarchy line the employee to be assessed ; and the employee (" the evaluator 1 ") that directly overlooks the ("evaluator 2") .

"The evaluator 2" is required to:

- a) Determine the time required to arrange the meeting with the employee to be evaluated
- b) give enough authority and responsibility to the subject being evaluated that he fully and satisfactorily perform his duties ;
- c) present the evaluation in quantitative terms , as a supplement to qualitative evaluation standards in those circumstances where such a thing is possible and appropriate ;
- d) hold regular meetings with the subject being evaluated to monitor their performance and to make them aware of the progress of their work . Intermediate meetings may take place several times during the year and should be structured and timely ;

- e) to discuss openly with the subject being evaluated the realization of the objectives and professionalism ;
- f) to provide advice and clarification regarding the evaluation of individual results at the request of the subject being evaluated

“The evaluator 1” plays an important role in making an objective performance evaluation of employees and provides that the assessment reflects the general policy criteria. He is also responsible for ensuring that the objectives set address the general needs of the work.

“The evaluator 1” has the main responsibility to ensure that the group of employees assessed by him is evaluated in an objective manner. He has a duty to ensure that all second evaluators have full knowledge of the system and any needs for training is identified.

Evaluation Indicators are the basic work requirements according to the individual job descriptions and the scope of work in accordance with the objectives of the municipality where the employee works.

The Evaluator is required to:

- a) Actively participate in the performance evaluation process;
- b) Analyse the tasks specified in the job description and contribute to the definition of objectives of performance evaluation process;
- c) Establish a clear understanding of the individual objectives and consult with the evaluator / supervisor for any possible ambiguity
- d) Contribute with suggestions during the interim talks
- e) Suggest trainings and other opportunities to his/her professional development

Performance evaluations variants

The Manual developed by us consists of two variants of the performance evaluation : descriptive variant (A) and that of the standard evaluation criteria (standardized) (B) .

A. Descriptive format variant

The purpose of using the descriptive performance evaluation is to express a narrative assessment of the competences of the employee before expressing the evaluation on the core competences. Appendix 1 – *Descriptive version*, is a form that must be completed by the supervisor during the evaluation process . The scale of assessment for the evaluation process of non- civil servant employees is designed to 6 scales - A, B , C , D , E and N / A. The Scales used are similar to those used for civil servant with the exception of the addition of one intermediate scale which imparts better the needs of Supervisors to provide feedback and the needs of employees to be informed about aspects to work on for professional improvement. During the evaluation process, the supervisor decides to form his comments in the narrative assessment section of competencies evaluations in supporting his choice of the performance scale.

B. Standard format variant

Bashkia mund të zgjedhë mes Variantit A dhe B për të adoptuar atë që me mirë i përshtatet strategjisë dhe qellimeve operationale dhe modelit të manaxhimit të aplikuar prej saj.

The purpose of using the standardized format of performance evaluation is to determine the level of assessment for each function according to the attributes within each competence. *Appendix 2 –Standard Variant* , is a form that must be completed by the supervisor during the evaluation process . The scale of assessment for the evaluation process of non- civil servant employees in this variant is designed to contain 5 scales : -1,2,3,4,5 where 5 is the maximum evaluation and 1 is the minimum. The Scales used are similar to those used for the civil service . During the evaluation process, the evaluator selects the assessment level of competence in the competencies evaluation section by placing a number from 1 to 5 in the evaluation section to express the achievements of employees and rates the achievement of each attribute contained in each competence.

In the end the total number of points of the section " overall evaluation " sets the overall level of employee evaluation.

The municipality can choose to adopt Version A or B, the one that fits best with its strategy, operational goals and management model.

2.3.1 Personal Information

In both proposed variants The Evaluator/Supervisor fills in all the personal data of the employee in the table below.

Personal Information

MUNICIPALITY EMPLOYEE PERSONAL INFORMATION				
Employee Name and Surname:		Municipality:		
Position Title:		Organizational Department:		
Performance Evaluation Period:	Date:			

Source: Grant Thornton

2.3.2 Instructions

The instructions for the evaluation process of the employees are presented in the following table.

Tabela 1. Instructions

PERFORMANCE EVALUATION FORM – (To be completed by Supervisor)
<p>PERFORMANCE EVALUATION FORM INSTRUCTIONS</p> <p>Marking the rating that best describes the employee performance should be done for each competency. Selecting N/A should be done only if the competency is not applicable. In the NARRATIVE ASSESSMENT or STANDART sections, supervisor should provide specific examples. When supervisor will be selecting a rating of “Approaches Expectations” or “Does Not Meet Expectations”, than the explanations are required.</p>

Spurce: Grant Thornton

The rating scale for the evaluation process of the employees in both variants is presented in the table below.

Table 2. Rating

RATING SCALE	DEFINITION
O = Outstanding	Means that objectives and standards are clearly and significantly outdone. Regularly and significantly exceeds all performance expectations and standards. This is the highest performance level. Employee demonstrates a personal commitment to a high level of performance and results, even under challenging work goals.
E = Exceeds Expectations	Means that employee frequently exceeds job requirements. Employee makes its contributions well beyond the basic job demands. Seizes initiative in implementation of challenging work goals. Each employee work task is done systematically and on time.
M = Meets expectations	Means that employee performance is what is expected of a person who is fully qualified and experienced for his position. All work task objectives and standards are met by the employee. Employee meets all performance standards. Errors are on minimal level and occasionally repeated. This employee requires normal supervision and follow-up. Almost always completes work or projects in the time plan and schedule.
A = Approaches expectations	Means that objectives and standards are generally met but full task results are almost not always totally completed. Employee occasionally falls short of regularly meeting the performance and standards. Can be found that some performance aspects were not met – and employee needs minor improvement. (This could result for an employee being newly appointed to the position – continuing to learn all aspects of the position.)
N = Does not meet expectations	Means that objectives and standards are regularly not met. Employee always and consistently fails to meet performance and standards. Employee needs significant improvement on his work tasks. Also this means that employee has been on the job position long enough to have shown better performance but still he can't provide. In this case excessive attention by supervisor is required and also corrective action is required.
N/A = Not applicable	Means that this employee does not apply to job performance expectations

Source: Grant Thornton

3. . Evaluation of Results of services provided by third parties- general data

For better administration of the services received from third parties it is necessary to perform an annual assessment of each service contract, regardless of duration. This evaluation is important to assess the extension of the contract, its termination or delay in other cases the extension of the contract.

Periodic evaluation of services is a prerequisite for any further administrative action. Contractual relations should be monitored continuously. A PM(“ Project Manager") shall be assigned for each service contract ,who should be provided with all the tools and necessary resources to monitor the contractual relations for services provided by third parties. Failure by the project manager to efficiently monitor contractors in performing timely and quality services may have operational and financial consequences. These failures can cause the termination of the contracted services or automatic extension of an undesirable agreement. The project manager will also be responsible for evaluating the services by third parties. The project manager must present valid arguments and supporting evidence while assessing the contractor performance. The evaluation process should be a separate and professional process and should not have retrospective effect. The evaluation process is not responsibility of the procurement of contractual services units.

An integral part of this document is the Contractor services evaluation from, presented below in Appendix 3

Appendix 1 Evaluation Form – Descriptive Format

Evaluation

CORE COMPETENCIES	NARRATIVE ASSESSMENT OF COMPETENCIES
I. JOB KNOWLEDGE	
<ul style="list-style-type: none"> • Person understands how position supports the institution's strategic plan and program, • Person demonstrates knowledge and skills necessary to perform the tasks and job effectively and applies to critical work issues in a timely manner, • Person demonstrates enthusiasm to learn new skills, methods, processes to improve tasks and job performance, • Person performs the full range of duties and responsibilities associated with the job. 	
	RATING:
II. INTERPERSONAL SKILLS, COOPERATION, COLLABORATION	
<ul style="list-style-type: none"> • Person demonstrates effective, efficient and positive public service, • Person develops and maintains professional working relationships with internal and external parties, • Person encourages collaboration. 	
	RATING:
III. COMMUNICATION SKILLS	
<ul style="list-style-type: none"> • Person speaks, writes and communicates clearly and accurately, • Person listens well and is responsive to inquiries, directions, and suggestions from internal and external parties. 	
	RATING:

IV. PLANNING, ORGANIZING, AND ACHIEVING RESULTS	
<ul style="list-style-type: none"> • Person develops goals, plans, and priorities to achieve, • Person meets deadlines in a timely and efficient manner, • Person services public in a timely and efficient manner, • Person uses resources well. 	
	RATING:
V. PROBLEM ANALYSIS AND DECISION MAKING	
<ul style="list-style-type: none"> • Person collects and analyzes appropriate information before making decisions, • Person seeks information and input from other participants as applicable, • Person develops and implements effective explanations and decisions. 	
	RATING:
VI. COMMITMENT TO DIVERSITY / INCLUSION	
<ul style="list-style-type: none"> • Person determines due concern for others, • Person takes participation in programs that promote diversity/equal opportunity. 	
	RATING:
VII. LEADERSHIP	
<ul style="list-style-type: none"> • Person determines commitment and provides leadership through personal example and professional knowledge and expertise, • Person demonstrate the capability to motivate coworkers, • Person present an openness to new ideas and supports an environment of constant improvement. 	
	RATING:
VIII. SUPERVISION <i>*Applies to those in supervision/management positions</i>	
<ul style="list-style-type: none"> • Supervisor sets clear goals and expectations, • Supervisor provides suitable support for employees to complete their work tasks, • Supervisor creates a positive work environment that inspires employee commitment to teamwork, municipal goals, and municipal plan and program, • Supervisor offers informal and continuing feedback to employees; and also offers formal performance 	

COMMENT ON AREAS FOR EMPLOYEE GROWTH OR CHANGE**GOALS SET FROM CORE TEAM & COMMENTS****PRIOR YEAR EMPLOYEE GOAL(S)****GOALS FOR UPCOMING YEAR**

OBJECTIVES	EXPECTED OUTCOME/ MEASURABLE CRITERIA	TIMETABLE	ISSUE/COMMENTS
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OVERALL COMMENTS OF THE EVALUATOR

OVERALL COMMENTS OF THE EMPLOYEE	
SIGNATURES	DATE
<hr/> Employee Signature	<hr/> Date
<hr/> Supervisor Signature	<hr/> Date
<hr/> Second Level Supervisor Signature	<hr/> Date

Source: Grant Thornton

Appendix 2 Evaluation Form – Standard format

CORE COMPETENCES	NARRATIVE ASSESSMENT			RATING
I. JOB KNOWLEDGE				
Person understands how position supports the institution's strategic plan and program				5
Person demonstrates knowledge and skills necessary to perform the tasks and job effectively and applies to critical work issues in a timely manner,				5
Person demonstrates enthusiasm to learn new skills, methods, processes to improve tasks and job performance				5
Person performs the full range of duties and responsibilities associated with the job.				5
	Total Points	20	Mean Rating	5
II. INTERPERSONAL SKILLS, COOPERATION, COLLABORATION				
Person demonstrates effective, efficient and positive public service,				5
Person develops and maintains professional working relationships with internal and external parties,				5
Person encourages collaboration				5
	Total Points	15	Mean Rating	5

III. COMMUNICATION SKILLS				
Person speaks, writes and communicates clearly and accurately,				5
Person listens well and is responsive to inquiries, directions, and suggestions from internal and external parties.				5
	Total Points	10	Mean Rating	5
IV. PLANNING, ORGANIZING, AND ACHIEVING RESULTS				
Person develops goals, plans, and priorities to achieve,				5
Person meets deadlines in a timely and efficient manner,				5
Person services public in a timely and efficient manner,				5
Person uses resources well.				5
	Total Points	20	Mean Rating	5
CORE COMPETENCIES	NARRATIVE ASSESSMENT			RATING
V. PROBLEM ANALYSIS AND DECISION MAKING				
Person collects and analyzes appropriate information before making decisions,				5
Person seeks information and input from other participants as applicable,				5
Person develops and implements effective explanations and decisions.				5
	Total Points	15	Mean Rating	5
VI. COMMITMENT TO DIVERSITY / INCLUSION				
Person determines due concern for				5

others				
Person takes participation in programs that promote diversity/equal opportunity.				5
	Total Points	10	Mean Rating	5
VII. LEADERSHIP				
Person determines commitment and provides leadership through personal example and professional knowledge and expertise,				5
Person demonstrate the capability to motivate coworkers,				5
Person present an openness to new ideas and supports an environment of constant improvement.				5
	Total Points	15	Mean Rating	5
VIII. SUPERVISION <i>*Applies to those in supervision/management positions</i>				
Supervisor sets clear goals and expectations				5
Supervisor provides suitable support for employees to complete their work tasks,				5
Supervisor creates a positive work environment that inspires employee commitment to teamwork, municipal goals, and municipal plan and program,				5
Supervisor offers informal and continuing feedback to employees; and also offers formal performance evaluation of employees,				5
Supervisor supports development of employees,				5
Supervisor makes effective team decisions,				5

Supervisor manages unit effectively and efficiently,		5
Supervisor delegates work tasks and responsibility appropriately for all employees.		5
	Total Points	40
	Mean Rating	5

OVERALL RATING

OVERALL RATING (sum of total points))

MEAN RATING (1-5, using the above rating scale):

OVERALL EVALUATION

Consistent with the rates above, please evaluate the overall performance of the employee

NARRATIVE ASSESSMENT

COMMENT ON EMPLOYEE'S STRENGTHS**COMMENT ON AREAS FOR GROWTH OR CHANGE****GOALS SET BY CORE TEAM & COMMENTS****PRIOR YEAR EMPLOYEE GOAL(S)****GOALS FOR UPCOMING YEAR**

GOAL	EXPECTED OUTCOME/ MEASURABLE CRITERIA	TIMETABLE	ISSUE/COMMENTS

OVERALL COMMENTS OF THE EVALUATOR

OVERALL COMMENTS OF THE EMPLOYEE	
SIGNATURE	DATE
<div><div></div><div>Employee Signature</div></div>	<div><div></div><div>Date</div></div>
<div><div></div><div>Supervisor Signature</div></div>	<div><div></div><div>Date</div></div>
<div><div></div><div>Second Level Supervisor Signature</div></div>	<div><div></div><div>Date</div></div>

Appendix 3 Third party services Performance evaluation form

Contractor:		Contract type:	<input type="checkbox"/> CWC <input checked="" type="checkbox"/> LWC <input type="checkbox"/> One-Off
Contract title:			
Initial contract starting dd/mm/yy date:		Initial contract dd/mm/yy expiration date:	
MMC approval for: No. of years.....		Approved expenditure (total and/or annual):	
Current amendment - No.:...		Current expiration date - as amended:...	
Notice period for extension or termination		30 days written notice (according to the contract)	
Deadline for notification (extension / termination):		30 days written notice (according to the contract)	

Contract number:
Total value during current year:

In case of re-tendering:
Deadline for submission of new Terms of Reference / Specifications:

Section I: To be completed by the Project Manager according to the following scoring scale:

- 1 = Does not meet requirements
- 2 = Meets minimum requirements, but substantial improvements are desirable
- 3 = Meets requirements
- 4 = Exceeds requirements

An average score of 1 should result in a recommendation to terminate/not to extend the Contract.

An average score of 2 implies Contract extension, but subject to resolution of issues to be identified by the PM/BU.

An average score of 3 or 4 should result in Contract extension, unless the relevant goods or services are no longer required.

EVALUATION CRITERIA	EVALUATION			
Quality Were goods/services provided in compliance with contractual Terms of Reference or Specifications?	1	2	<u>3</u>	4
Timeliness Were goods/services delivered in a timely manner? Were deadlines/milestones/completion dates respected?	1	2	<u>3</u>	4
Documentation Were required documents such as VAT forms, certifications, manufacturer's authorisation, licences, etc., provided in a timely manner?	1	2	3	4
Key Personnel Did the Contractor provide competent personnel with the required qualifications? Were the Contractor's staff courteous and friendly?	1	2	<u>3</u>	4
Customer Orientation Were questions and concerns addressed and in a prompt and customer-oriented manner? Was the Contractor responsive to special requests?	1	2	<u>3</u>	4
Communication Did the Contractor provide regular feedback on problems with production, delivery, delays in provision of services, etc.?	1	2	<u>3</u>	4
Invoicing Were invoices accurate? Did the Contractor correct errors or issue credit notes expeditiously?	1	2	3	4
For goods only: Shipping Did the Contractor comply with packing/handling and shipping instructions?	1	2	3	4
For services only: Compliance with SLA Did the Contractor perform in accordance with the contractual Service Level Agreement? Was necessary technical support provided?	1	2	3	4

Section II: To be completed by the Project Manager

Please provide a sufficiently detailed assessment of the current contractor, including compliance with the Contract, the quality of goods or services provided, after-sales service (if relevant), and give any relevant information relating to value for money, statistics, etc.

Comments: (Required for any score less than 3).

Section III: To be completed by the Project Manager

Based on the results of Sections I and II of this CPEF the PM/BU makes the following recommendation to the CFA.

- ☐ To terminate/not to extend the current Contract and not to tender for a new contractor due to the fact that the relevant goods or services are no longer required.
- ☐ To terminate/not to extend the current Contract, and to tender for a new contractor. In this case the PM/BU acknowledges that the new tender will only be conducted after satisfactory Terms of Reference are provided to the PCU, and/or that there may be an operational need to keep the current Contract in place until a new agreement is reached in the case that aggregate maximum limit is not exceeded.
- ☐ To extend the current contract, subject to successful renegotiation of the following points (please summarize):
- X** To extend the current contract, without renegotiation of any material issue. In this case the PM must confirm that:
- ☐ the product/technology is not outdated or obsolete
- ☐ there has been no downward trend in prices;
- X** the rates of the contract still reflect best market prices

Estimated Annual Amount for future contract period (please specify the currency if different than EUR):	
Name of Programme Manager:	
Signature:	
Date:	dd.mm.yy

