

PERFORMANCE MANAGEMENT AGREEMENT

ENTERED INTO BY AND BETWEEN:

MOGALE CITY LOCAL MUNICIPALITY

AS REPRESENTED BY THE

EXECUTIVE MAYOR:

COUNCILLOR K.C. SEERANE

AND

MUNICIPAL MANAGER:

DAN MASHITISHO

THE EMPLOYEE OF THE MUNICIPALITY

FOR THE

FINANCIAL YEAR: 1 JULY 2016 TO 31 OCTOBER 2016

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PERFORMANCE MANAGEMENT AGREEMENT

ENTERED INTO BY AND BETWEEN

MOGALE CITY LOCAL MUNICIPALITY herein represented by **CLLR. K.C. SEERANE** as the Executive Mayor (hereinafter referred to as the Employer or Supervisor)

And

DAN MASHITISHO as the **MUNICIPAL MANAGER** of **MOGALE CITY LOCAL MUNICIPALITY** (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 "the Parties".
- 1.2 Section 58(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 58(1)(b),(4A),(4B) and (5) of the Local Government Municipality Systems Act as well as the Contract of Employment entered into between the parties;





- 2.2 Specify objectives and targets established for the Employee and to communicate to the Employee the Employer's expectations of the Employee's performance expectations and accountabilities;
- 2.3 Specify accountabilities as set out in the Performance Plan (Annexure A);
- 2.4 Monitor and measure performance against set targeted outputs;
- 2.5 Use the Performance Agreement and Performance Plan as the basis for assessing whether the employee has met the performance expectations applicable to his job;
- 2.6 Appropriately reward the Employee in accordance with the Employer's performance management policy in the event of outstanding performance; and
- 2.7 Give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining equitable and improved service delivery.

3 COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the **1 JULY 2016** and will remain in force until **31 OCTOBER 2016**; where after 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 the 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 31 July.
- 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.




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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 and the Budget of the Employer, and shall include key objectives; key performance indicators; target and weightings.
- 4.3 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.
- 4.4 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.

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.

6 The Employee agrees to participate in the performance management and developments System that the Employer adopts:

- 6.1 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.

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6.2 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.

6.2.1 The Employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Core Competency Requirements (CCRs respectively.

6.2.2 Each area of assessment will be weighted and will contribute a specific part to the total score.

6.2.3 KPAs covering the main areas of work will account for 80 weighting and CCRs will account for 20 weighting of the final assessment.

6.3 The Employee's assessment will be based on his/her performance in terms of the outputs/ outcomes (performance indicators) identified as per attached Performance Plan (Annexure A), which are linked to the KPA's, and will constitute 80 weighting of the overall assessment result as per the weightings agreed to between the employer and Employee:

Key Performance Areas (KPA's)	Weighting
Infrastructure Development and Service Delivery	50
Municipal Transformation and Organizational Development	20
Local Economic Development (LED)	5
Municipal Financial Viability and Management	10
Good Governance and Public Participation	15
Total	100%

6.4 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:

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES		
CORE MANAGERIAL COMPETENCIES (CMC)	✓	WEIGHTS
Strategic Capability & Leadership	✓	20%
Customer Orientation	✓	20%
Financial Management	✓	20%
People and Diversity Management	✓	20%
Accountability and Ethical Conduct	✓	20%
		100%

7 EVALUATING PERFORMANCE

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- 7.1 The Performance Plan (Annexure A) to this Agreement sets out-
- 7.1.1 The standards and procedures for evaluating the Employee's performance; and
 - 7.1.2 The intervals for the evaluation of the Employee's performance.
- 7.2 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.
- 7.3 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.
- 7.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's IDP.
- 7.5 The annual performance appraisal will involve:
- 7.5.1 Assessment of the achievement of results as outlined in the performance Plan:
 - (a) 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 hoc tasks that had to be performed under the KPA;
 - (b) An indicative rating on the five-point scale should be provided for each KPA;
 - (c) 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.
 - 7.5.2 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) The applicable assessment rating calculator (refer to paragraph 6.5.1) must then be used to add the scores and calculate a final CCR score.

7.5.3 Overall rating

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An overall rating is calculated by using the applicable assessment-rating calculator. Such overall rating represents the outcome of the performance appraisal.

- 7.6 The assessment of the performance of the Employee will be based on the following rating scale for KPA's and CCRs:

Overall Performance	Rating	Performance Score
Unacceptable Performance Performance does not meet the standard expected for the job. The employee has failed to demonstrate the commitment level expected in the job despite management efforts to encourage improvement.	1	59% and below
Performance 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.	2	60 – 69 %
Performance Fully Effective Performance fully meets the standards expected in all areas of the job	3	70 – 79 %
Performance Significantly Above Expectations/ Exceptional Performance Performance is significantly higher than the standard expected in the job.	4	80 – 89 %
Outstanding Performance Performance far exceeds the standard expected of an employee at this level.	5	90 – 100 %

- 7.7 For purposes of evaluating the performance of the Employee, an evaluation panel constituted by the following persons will be established –

- 7.7.1 Executive Mayor;
- 7.7.2 Chairperson of the Audit Committee;
- 7.7.3 Ward committee member (on rotational basis), where applicable;
- 7.7.4 Member of the Mayoral Committee for Corporate Support Services; and
- 7.7.5 Mayor from another Municipality.

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8 SCHEDULE FOR PERFORMANCE REVIEWS

- 8.1 The performance of each 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	Timeline	Date of the Review
First Quarter	July – September 2015	October
Second Quarter	October – December 2015	N/A
Third Quarter	January – March 2016	N/A
Fourth Quarter	April – June 2016	N/A

- 8.2 The Employer shall keep a record of all formal and informal reviews, including the mid-year review and annual assessment meetings.
- 8.3 Performance feedback shall be based on the Employer's assessment of the Employee's performance.
- 8.4 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.
- 8.5 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.

9 DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure B.

10. OBLIGATIONS OF THE EMPLOYER

- 10.1 The Employer shall –

- 10.1.1 create an enabling environment to facilitate effective performance by the Employee;

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- 10.1.2 provide access to skills development and capacity building opportunities;
- 10.1.3 work collaboratively with the Employee to solve problems and generate solutions to common problems that my impact on the performance of the Employee;
- 10.1.4 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
- 10.1.5 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.

11 CONSULTATION

- 11.1 The Employer agrees to consult the Employee timeously where the exercising of the powers will have amongst others –
 - 11.1.1 a direct effect on the performance of any of the Employee's functions;
 - 11.1.2 commit the Employee to implement or to give effect to a decision made by the Employer; and
 - 11.1.3 a substantial financial effect on the Employer.
- 11.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 11.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

12 MANAGEMENT OF EVALUATION OUTCOMES

- 12.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- 12.2 A performance bonus of 5% to 14% of the inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance.
- 12.3 The Employee will be eligible for progression to the next higher remuneration package, within the relevant remuneration band, after completion of at least twelve months (12) service at the current remuneration package on 30 June (end of financial year) subject to a fully effective assessment.

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12.4 In the case of unacceptable performance, the Employer shall –

12.4.1 provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and

12.4.2 after appropriate counseling 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.

13 DISPUTE RESOLUTION

13.1 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 provide for, shall be mediated by –

13.1.1 the MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the Employee; or

13.1.2 any other person appointed by the MEC.

13.2 In the event that the mediation process contemplated above fails, clause 19.3 of the Contract of Employment shall apply.



14 GENERAL


14.1 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.

14.2 Nothing in this agreement diminished 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 Krugersdorp on this the 27th day of July 2016

AS WITNESSES:

1. 
 2. 


 EMPLOYEE

AS WITNESSES:

1. 
 2. 


 EXECUTIVE MAYOR

MOGALE CITY LOCAL MUNICIPALITY PERFORMANCE MANAGEMENT PLAN FOR 2016/ 2017

INCUMBENT: DAN MASHITISHO
POST TITLE: MUNICIPAL MANAGER

Key performance area	Weighting	Performance indicator	Performance measurements	Baseline information	Target			Evidence
					Time frame	Quality	Quantity	
1. Municipal Transformation and Organisational Development	10	Implementation of Mogale City's 2015-2018 Strategic Plan	1=59% and Below	83% Implementation of the 2015-2018 Strategic Plan			84%	Gap Analysis from Strategic Support
			2=60-91% implemented					
			3=84% implemented					
			4=85% implemented					
			5=86% implemented					
	2	No. of Individual Performance Management Agreements signed with S56 Managers	1= 8 Performance Management Agreements signed after the 31/09/2016	2015/ 2016 Performance Management Agreements signed by Managers	31/07/2016			Eight (8) 2016/ 2017 Performance Management Agreements signed with Executive Managers
			2= 8 Performance Management Agreements of Managers signed by 31/08/2016					
			3= 8 Performance Management Agreements of Managers signed by 31/07/2016					
			4= 8 Performance Management Agreements of Managers signed by 29/07/2016					
			5= 8 Performance Management Agreements of Managers signed by 28/07/2016					
	6	Individual Performance Management Agreement signed with the Manager: Strategic Support	1= Performance Management Agreement for the Manager: SS signed after the 30/09/2016	2015/2016 Performance Management Agreements signed by Managers	30/08/2016			2016/ 2017 Performance Management Agreement signed with the Manager: Strategic Support
			2= Performance Management Agreement for the Manager: SS signed by the 30/09/2016					
			3= 1 performance agreements of the Manager: Strategic Support signed by 30/08/2016					
			4= 1 performance agreements of the Manager: Strategic Support signed by 25/08/2016					
			5= 1 performance agreements of the Manager: Strategic Support signed by 20/08/2016					
			1= 31 May 2017	Approved				

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MOGALE CITY LOCAL MUNICIPALITY PERFORMANCE MANAGEMENT PLAN FOR 2016/ 2017

INCUMBENT: DAN MASHITISHO
POST TITLE: MUNICIPAL MANAGER

Key performance area	Weighting	Performance indicator	Performance measurements	Baseline information	Target			Evidence
					Time frame	Quality	Quantity	
	2	Submission of the Revised Organisational Structure	2= 30 April 2017 3= 15 April 2017 4= 31 March 2017 5= 15 March 2017	report on the revised 2015/2016 Organisational Structure	15-Apr-17			Report on the Organisational Structure review signed by the Municipal Manager and submitted to the Executive Mayor

MOGALE CITY LOCAL MUNICIPALITY PERFORMANCE MANAGEMENT PLAN FOR 2016/ 2017

INCUMBENT: DAN MASHITISHO
POST TITLE: MUNICIPAL MANAGER

POST TITLE: MUNICIPAL MANAGER

Key performance area	Weighting	Performance indicator	Performance measurements	Baseline information	Target			Evidence
					Time frame	Quality	Quantity	
2. Infrastructure Development and Service Delivery	50	% Corporate SDBIP projects successfully (Target and Baseline will be confirmed after the evaluation of the 4th Quarter SDBIP Report)	1=59% and Below projects implementation	80%			80%	2016/2017 Quarterly Performance Assessment Reports from M&E Division 2016/2017 Annual Report
			2=60-79% projects implementation					
			3=80% projects implementation					
			4=82% projects implementation					
			5=84% projects implementation					
3. Local Economic Development (LED)	5	% Total value of all procurement services allocated to local (Mogale City Based) BBBEE compliant service providers	1=29 and Below	28%			40%	Procurement Reports
			2=30-39%					
			3=40%					
			4=41-59 %					
			5=60-69%					
4. Municipal Financial Viability And Management	10	% of Revenue Collection Rate (The baseline used is for 2014/2015)	1=59% and Below	93%			94%	In-year Monitoring reports and/ or 2016/2017 Annual report
			2=60-95%					
			3=94%					
			4=95%					
			5=96%					
5. Good Governance and Public Participation	10	Audit Opinion Obtained	1=Disclaimer Opinion	UOWME		UOWME		AG`s Audit Report Management Letter
			2=Qualified Opinion					
			3=Unqualified Opinion with Matters of Emphasis (UOWME)					
			4=Unqualified Opinion with 50% reduction on Matters of emphasis compared 2015/2016					
			5=Unqualified Opinion without matters of emphasis					
	5	% participation in external committees	1=59% and Below participation	New Target			70%	Schedule of meetings and Attendance Registers for Meetings
			2=60-69% participation					
			3=70-79% participation					
			4=80-89 % participation					
			5=90-100 % participation					
TOTAL = 100%								

MOGALE CITY LOCAL MUNICIPALITY PERFORMANCE MANAGEMENT PLAN FOR 2016/ 2017

INCUMBENT: DAN MASHITISHO
POST TITLE: MUNICIPAL MANAGER

Key performance area	Weighting	Performance indicator	Performance measurements	Baseline information	Target			Evidence
					Time frame	Quality	Quantity	

Core Managerial Competencies (CMD)	Weighting	KPI	Evidence	Total Score
Strategic Capability and Leadership	20	84% Implementation of the approved 2015-2018 Strategic Plan	Gap Analysis from Strategic Support	
Financial Management	20	% Variance on operational budget spent	Variance Report In-year monitoring report for the period ending 30 June 2017	
		% Capital budget spent	Budget Report In-year monitoring report for the period ending 30 June 2017	
People and Diversity Management	20	Grievance and Disciplinary cases attended to	Report on Grievance and Disciplinary cases	
		Communication to employees	Agenda and Attendance Register of EXCO and/ or Departmental meetings	
		Meetings convened with Organised Labour	Agenda of meetings and/ or Attendance registers for the meetings and/ or Cancellation of meetings by Organised Labour	
Customer Orientation	20	Internal and External information requests responded to within 10 working days from date of receipt	Register on request received and written responses to internal and external stakeholders	

MOGALE CITY LOCAL MUNICIPALITY PERFORMANCE MANAGEMENT PLAN FOR 2016/ 2017

INCUMBENT: DAN MASHITISHO
POST TITLE: MUNICIPAL MANAGER

Key performance area	Weighting	Performance indicator	Performance measurements	Baseline information	Target			Evidence
					Time frame	Quality	Quantity	
Accountability and Ethical Conduct	20	Disclosure and Declaration of Interest Register Disciplinary cases related to ethics Minutes of Management meetings where standing item on Anti-Fraud and Corruption Policy is discussed	Disclosure and Declaration of Interest Register Disciplinary cases related to ethics					
Total: 100%								

Ps: The signed agreements will be enhanced after automation of PMS (ePMS) to enable progress in monitoring and reporting


Signed and accepted by Municipal Manager:
Dan Mashitisho

Date:27/07/2016.....


Signed by the Executive Mayor: Calvin Seerane

Date:28/07/16.....