



**Mogale City**

*Local Municipality*

PERFORMANCE MANAGEMENT AGREEMENT

ENTERED INTO BY AND BETWEEN:

MOGALE CITY LOCAL MUNICIPALITY

AS REPRESENTED BY THE

EXECUTIVE MAYOR:

CLLR N.P. LIPUDI

AND


MUNICIPAL MANAGER

MAANDA PRINGLE RAEDANI

THE EMPLOYEE OF THE MUNICIPALITY

FOR THE

FINANCIAL YEAR: 01 JULY 2018 TO 30 JUNE 2019

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## PERFORMANCE MANAGEMENT AGREEMENT

### ENTERED INTO BY AND BETWEEN

**MOGALE CITY LOCAL MUNICIPALITY** herein represented by **Cllr. N.P. Lipudi** as the **Executive Mayor** (hereinafter referred to as the Employer or Supervisor)

**And**

**Maanda Pringle Raedani** as the **Municipal Manager** (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 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.
- 1.3 The parties wish to ensure that there is compliance with Sections 57(4A), 57(4B), 57(C) and 57(5) of the Systems Act, Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Manager, 2006 & Local Government: Competency Framework for Senior Managers, 2014.

### 2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to –

- 2.1 Comply with 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;

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- 2.3 Specify accountabilities as set out in the Performance Management Plan (Annexure A);
- 2.4 Monitor and measure performance against set targeted outputs;
- 2.5 Use the Performance Management Agreement and Performance Management 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 **01 JULY 2018** and will remain in force until **30 JUNE 2019**; where after a new Performance Management Agreement, Performance Management 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 February each year. The parties will conclude a new Performance Management Agreement and Performance Management 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.

### 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 within 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 DEVELOPMENT 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.
- 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 Competency Requirements (Leading & Core) (CRs) respectively.
- 6.2.2 Each area of assessment will be weighted and will contribute a specific part to the total score.

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6.2.3 KPAs covering the main areas of work will account for 80% weighting and CRs 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 %
Good Governance & Public Participation	5%
Financial Viability	43%
Municipal Transformation and Organizational Development	17%
Service Delivery and Infrastructure Development	30%
Local Economic Development	5%
<b>TOTAL</b>	<b>100%</b>

6.4 The Leading & Core Competencies will make up the other 20% of the Employee's assessment score. The competency framework consists of six (6) leading competencies which comprise of twenty (20) driving competencies that communicate what is expected for effective performance in local government.

The six (6) core competencies that act as drivers to ensure that the leading competencies are executed at an optimal level

LEADING COMPETENCY REQUIREMENTS		WEIGHTS %
Strategic Direction and Leadership	<ul style="list-style-type: none"> <li>Impact and influence</li> <li>Institutional Performance Management</li> <li>Strategic Planning and Management</li> <li>Organizational Awareness</li> </ul>	30%
People Management	<ul style="list-style-type: none"> <li>Human Capital Planning &amp; Development</li> <li>Diversity Management</li> <li>Employee Relations Management</li> <li>Negotiation and Dispute Management</li> </ul>	10%
Program & Project Management	<ul style="list-style-type: none"> <li>Program &amp; Project Planning and Implementation</li> <li>Service Delivery Management</li> <li>Program &amp; Project Monitoring &amp; Evaluation</li> </ul>	10%

LEADING COMPETENCY REQUIREMENTS		WEIGHTAGE %
Financial Management	<ul style="list-style-type: none"> <li>Budget Planning &amp; Execution</li> <li>Financial Strategy &amp; Delivery</li> <li>Financial Reporting &amp; Monitoring</li> </ul>	20%
Change Leadership	<ul style="list-style-type: none"> <li>Change Vision &amp; Strategy</li> <li>Process Design &amp; Improvement</li> <li>Change Impact Monitoring &amp; Evaluation</li> </ul>	10%
Governance Leadership	<ul style="list-style-type: none"> <li>Policy Formulation</li> <li>Risk and Compliance Management</li> <li>Cooperative Governance</li> </ul>	20%
<b>CORE COMPETENCIES</b>		
Moral Competence		
Planning and Organizing		
Analysis and Innovation		
Knowledge and Information Management		
Communication		
Result and Quality Focus		
<b>TOTAL</b>		<b>100 %</b>

## 7 EVALUATING PERFORMANCE

7.1 The Performance Management 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 must then be used to add the scores and calculate a final KPA score.

7.5.2 Assessment of the CRs

- (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 CR;
- (c) The applicable assessment rating calculator must then be used to add the scores and calculate a final CR score.

7.5.3 Overall rating

An overall rating is calculated by using the applicable assessment-rating calculator.

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

Overall Performance	Rating	Performance Score
<b>Unacceptable Performance</b> 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
<b>Performance Not Fully Effective</b> 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 %
<b>Performance Fully Effective</b>		

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<b>Overall Performance</b>	<b>Rating</b>	<b>Performance Score</b>
Performance fully meets the standards expected in all areas of the job	3	70 – 79 %
<b>Performance Significantly Above Expectations / Exceptional Performance</b> Performance is significantly higher than the standard expected in the job.	4	80 – 89 %
<b>Outstanding Performance</b> Performance far exceeds the standard expected of an employee at this level.	5	90 – 100 %

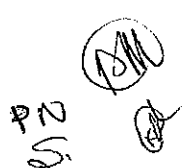
7.7 For purposes of evaluating the annual performance of managers directly accountable to the Municipal Manager, an evaluation panel constituted of the following persons must be established –

- i. Municipal Manager;
- ii. Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee;
- iii. Member of the Mayoral Committee; and
- iv. Municipal Manager from another Municipality.

## 8 SCHEDULES FOR PERFORMANCE REVIEWS

8.1 The performance of each Employee in relation to his or 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:

<b>Quarter</b>	<b>Timeline</b>	<b>Date of the Review</b>
First Quarter	July – September 2018	October 2018
Second Quarter	October – December 2018	January 2019
Third Quarter	January – March 2019	April 2019
Fourth Quarter	April – June 2018	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;

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.

Performance Rating			Bonus Amount
1.	0% - 59%	Performance Unacceptable	0% of total package
2.	60% - 69%	Performance Not Fully Effective	
3.	70% - 79%	Performance Fully Effective	Remuneration Progression
4.	80% - 89%	Performance Significantly Above Expectations/ Exceptional Performance	<ul style="list-style-type: none"><li>• Remuneration Progression</li><li>• 5% - 9% of Total Package</li></ul>
5.	90% - 100%	Outstanding Performance	<ul style="list-style-type: none"><li>• Remuneration Progression</li><li>• 10% - 14% of total package</li></ul>

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 month (12) service at the current remuneration package on 30 June (end of financial year) subject to a fully effective performance assessment results and above.

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 Executive Mayor within thirty (30) days of receipt of a formal dispute from the Employee; or

13.1.2 Any other person appointed by the Executive Mayor.

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 27<sup>th</sup> day of July 2018

AS WITNESSES:

1.

MUNICIPAL MANAGER (EMPLOYEE)

2.

Thus done and signed at Mogale City on this the 27 day of July 2018

AS WITNESSES:

1.

EXECUTIVE MAYOR

2.

MOGALE CITY LOCAL MUNICIPALITY PERFORMANCE MANAGEMENT PLAN FOR 2018/2019																
INCUMBENT: MAANDA P. RAEDANI																
POST TITLE: MUNICIPAL MANAGER																
SDBIP Ref. No	PLANNING LEVEL	MSCOA PROJECT	KEY PERFORMANCE INDICATOR	WEIGHTING	UNIT OF MEASURE	BUDGET	BASELINE	ANNUAL TARGET	QUARTER	PROGRAMME/PROJECT MILESTONE	TYPE OF EVIDENCE PER QUARTER	RESPONSIBLE PERSON	PERFORMANCE MEASUREMENT	PERFORMANCE RESULTS		
													1= 3.4 2= 3.5 3= 3.6 4= 3.8 5= 4	SELF ASSESSMENT	SUPERVISOR ASSESSMENT	FINAL ASSESSMENT
<b>Good Governance and Public Participation : 5%</b>																
KPI 1	Outcome	MM - Executive Management and Governance	% improvement on Risk Maturity Result	5%	%	R 3 413 681	3.4	3.6	Q1 Q2 Q3 Q4		National Treasury Maturity results	Municipal Manager				
<b>KPA: FINANCIAL VIABILITY 43%</b>																
KPI 2	Outcome	MM - Executive Management and Governance	Liquidity ratio	35%	Ratio	-	From AFS	0:101	Q1 Q2 Q3 Q4		In-year monitoring report	Municipal Manager				
KPI 3	Outcome	MM - Executive Management and Governance	% revenue base increase	8%	%	-	New Target	2%	Q1 Q2 Q3 Q4		Section 71 report, AFS/MOUS	Municipal Manager				
<b>KPA: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT 17%</b>																
KPI 4	Outcome	MM - Executive Management and Governance	% of overall organisational performance	15%	%	-	85%	90%	Q1 Q2 Q3 Q4	90%	Quarterly performance analysis reports	Municipal Manager				
KPI 5	Outcome	MM - Executive Management and Governance	% reduction of labour related disputes	2%	%	-	New Target	25%	Q1 Q2 Q3 Q4	25%	Q1-Q4: Quarterly statistical report from OSS	Municipal Manager				

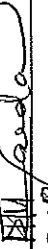
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SDBIP Ref. No	PLANNING LEVEL	MSCOA PROJECT	KEY PERFORMANCE INDICATOR	WEIGHTING	UNIT OF MEASURE	BUDGET	BASELINE	ANNUAL TARGET	QUARTER	PROGRAMME/PROJECT MILESTONE	TYPE OF EVIDENCE PER QUARTER	RESPONSIBLE PERSON	PERFORMANCE MEASUREMENT	PERFORMANCE RESULTS			
														SELF ASSESSMENT	SUPERVISOR ASSESSMENT	FINAL ASSESSMENT	
KPA: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT 30%																	
KPI 6	Outcome	MM - Executive Management and Governance	% implementation of services delivery in terms of Section 43 of the MSA	30%	%	-	New Target	100%	Q1 Q2 Q3 Q4	100% 100%	Mid-Year assessment reports/annual report Gap analysis report	Municipal Manager	1= 50% Implementation 2= 50% Implementation 3= 100% Implementation 4= 5=	SELF ASSESSMENT	SUPERVISOR ASSESSMENT	FINAL ASSESSMENT	
KPA: LOCAL ECONOMIC DEVELOPMENT 6%																	
KPI 7	Outcome	MM - Executive Management and Governance	The number of jobs created through local economic development initiatives including capital projects	5%	Number	-	1000	1200	Q1 Q2 Q3 Q4	- - - 1200	Job creation report (development projects externally and EPWP report)	Municipal Manager	1 = 202 employment opportunities 2 = 1136 employment opportunities 3 = 1200 employment opportunities 4 = 1264 employment opportunities 5 = 1328 employment opportunities	SELF ASSESSMENT	SUPERVISOR ASSESSMENT	FINAL ASSESSMENT	
CORE MANAGERIAL COMPETENCIES																	
			WEIGHTING		KPI			PERFORMANCE MEASUREMENT			EVIDENCE			SELF ASSESSMENT	SUPERVISOR ASSESSMENT	FINAL ASSESSMENT	
			20	Implementation of the strategic focus of the municipality as outlined within the Revised IDP 2018/2019 Section 3				1=55% and Below 2=55-60% Implemented 3=61% Implemented 3=84% Implemented 5=85% Implemented			Gap Analysis from Strategic Management Services						
			10	No. of individual Performance Management Agreements signed with S59 Managers by 31 July 2018 and with the Manager: SS by 31 August 2018				1= 8 S59 Performance Management Agreements signed after the 30/09/2018 and with the Manager: SS after the 30/09/2018 2= 9 S59 Performance Management Agreements signed after the 31/08/2018 and with the Manager: SS after the 15/09/2018 3= 9 S59 Performance Management Agreements signed by the 31/07/2018 and with the Manager: SS by the 31/08/2018 4= 9 S59 Performance Management Agreements signed by the 28/07/2018 and with the Manager: SS by the 20/08/2018 5= 9 S59 Performance Management Agreements signed by the 21/07/2018 and with the Manager: SS by the 15/08/2018			2018/2019 Performance Management Agreements signed with S59 Managers and Manager: SS						
			10	Development of Personal Development Plans (PDPs) for Senior Managers				1=PDPs developed by 31 October 2018 2=PDPs developed by 30 September 2018 3=PDPs developed by 31 August 2018 4=PDPs developed by 15 August 2018 5=PDPs developed by 31 July 2018			Proof on the submission of PDPs for Senior Managers to Learning and Development Sub-division for implementation						
			10	Service Delivery Management				1= 80% implementation of the SDBIP 2= 85% implementation of the SDBIP 3= 90% implementation of the SDBIP 4= 92% implementation of the SDBIP 5= 94% implementation of the SDBIP			Annual Performance Report 2018/2019						
			10	% Negative Variance on operational budget spent				1= 8% unauthorised expenditure 2= 0% unauthorised expenditure 3= 0% unauthorised expenditure 4= 5% savings 5= 10% savings			1 July 2018 to 30 June 2019 in year monitoring report						
			10	% of MIG funded capital budget spent at the end of financial year				1= 62% Spent 2= 84% Spent 3= 95% Spent 4= 88% Spent 5= 100% Spent			1 July 2018 to 30 June 2018 in year monitoring report						


Change Leadership	10	Communication to employees	1= 2 meetings 2= 3 meetings 3= 4 meetings 4= 5 meetings 5= 6 meetings		Agenda and Attendance Register EXCO and Other Levels of Management			
			1=59% and Below 2=60-79% 3=80% 4=81-90% 5=91-100%	Revised and Developed Policies vs Policies submitted to Council in the 2018/20's financial year for Approval				
Governance Leadership	10	Revision and Development of Policies	1=59% and Below 2=60-79% 3=80% 4=81-90% 5=91-100%		Revised and Developed Policies vs Policies submitted to Council in the 2018/20's financial year for Approval			
	10	% Implementation of the annual risk management implementation plan	1=59% and Below 2=60-79% 3=80% 4=82% 5=84%		Dashboard Risk Management Reports from M&E			
Total=100								

Signed and Accepted By the Municipal Manager

Maanda Pringle Reedani 

Date: 23/07/2018

Approved by the Executive Mayor

Cllr N.P. Lipudi 

Date: 27/07/2018