

a world class African city

PERFORMANCE AGREEMENT

Made and entered into by and between

THE CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY

("the City")

(Represented by Trevor Fowler, City Manager, duly authorised by
Municipal Council Resolution)

and

Gerald Dumas

("the Chief Operations Officer ")

for the financial year: 1 July 2016 to 30 June 2017

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1. INTRODUCTION

- 1.1 The City has entered into a contract of employment with the Chief Operations Officer for a period of 5 years, ending on _____ in terms of Section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act").
- 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 Group Head reporting to the City Manager, to a set of actions that will secure local government policy goals.

2. PURPOSE OF THIS AGREEMENT

- 2.1 The parties agree that the purpose of this Agreement is to:
- 2.1.1 comply with the provisions of Section 57(1)(b), 4(A), (4B) and (5) of the Systems act; and the employment contract entered into between the parties;
- 2.1.2 specify objectives and targets established for the Group Head;
- 2.1.3 specify accountabilities as set out in the performance plan (scorecard) attached as Annexure 'A';
- 2.1.4 monitor and measure performance against set targeted outputs;
- 2.1.5 use the performance agreement and scorecard as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;
- 2.1.6 in the event of outstanding performance, to appropriately reward the employee in accordance with the City's performance management policy; and



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- 2.1.7 give effect to the City's commitment to a performance-orientated relationship with the Group Head in attaining equitable and improved service delivery.

3. COMMENCEMENT AND DURATION

- 3.1 Notwithstanding the date of signature hereof, this Agreement will commence on the date of appointment of the Group Head, and, subject to paragraph 3.3, will continue in force until a new performance agreement is concluded between the parties as contemplated in paragraph 3.2.
- 3.2 The parties will review the provisions of this Agreement during June each year. The parties will conclude a new performance agreement that replaces this Agreement at least once a year by not later than July each year.
- 3.3 This Agreement will terminate on the termination of the City Manager's contract of employment regardless of the reason for such termination.
- 3.4 The content of this agreement may be revised at any time during the abovementioned 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 be revised.

4. PERFORMANCE OBJECTIVES

- 4.1 The scorecard in Annexure "A" sets out:
- 4.1.1 the performance objectives and targets that must be met by the Group Head; and
- 4.1.2 the time frames within which those performance objectives and targets must be met.

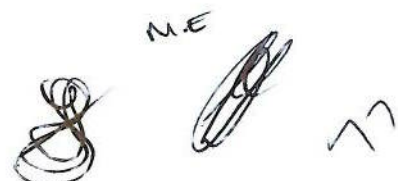
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- 4.2 The performance objectives and targets reflected in Annexure "A" (scorecard) are set by the City Manager and the Group Performance Audit Committee after consultation with the Group Head and are based on the Growth and Development Strategy, Integrated Development Plan, Mayoral Priorities Service Delivery and Budget Implementation Plan (SDBIP) and Budget of the City, and include key objectives; key performance indicators; target dates 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 Group Head's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the City's Integrated Development Plan.

5. PERFORMANCE MANAGEMENT POLICY

- 5.1 The Parties record that the City has a Performance Management Policy, which may be amended from time to time. It describes the systems and procedures of performance management in the City in which the Group Head will be required to engage in performing his job.
- 5.2 The Group Head agrees to participate in the performance management system that the City adopts or introduces.
- 5.3 The Group Head accepts that the purpose of the performance management policy and system is to provide a comprehensive system with specific performance standards to assist the City, City Manager and Group Head to perform to the standards required.

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5.4 The Group Head undertakes to actively focus towards the promotion and implementation of the Key Performance Areas (KPA's) (including special projects relevant to the employee's responsibilities) within the local government framework.

5.5 The Group Head's assessment will be based on his or her performance in terms of the outputs/outcomes (performance indicators) identified as per the performance plan which are linked to the KPA's.

6. EVALUATING PERFORMANCE

6.1 It is recorded that in terms of the City's performance management policy and system, for purposes of evaluation of the performance of the Group Head, a Group Performance Audit Committee / Performance Evaluation Panel has been established to assist the City Manager and in the process of evaluating the Performance of the Group Head.

6.2 The performance of the Group Head in relation to his or her performance agreement shall be reviewed on a quarterly basis as follows:

First quarter : July – September

Second quarter : October – December

Third quarter : January – March

Fourth quarter : April - June

6.3 The City Manager shall ensure that the Group Performance Audit Committee be convened to conduct review sessions on the performance of the Group Head at least twice a year.

6.4 The City Manager shall ensure that a record is kept of the mid-year review and final review sessions.

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- 6.5 Performance feedback shall be based on the assessment of the Group Head's performance by the City Manager and Group Performance Audit Committee / Performance Evaluation Panel and may include recommendations for corrective steps to be taken to improve performance.
- 6.6 The City will be entitled to review and make reasonable changes to the provisions of the performance plan (scorecard) from time to time for operational reasons. The Group Head will be consulted before any such change is made.
- 6.7 Despite the establishment of agreed intervals for evaluation, the City Manager may, in addition, review the Group Head performance at any stage while the contract of employment remains in force.
- 6.8 Personal growth and development needs identified during any performance review discussion must be documented and, where possible, actions agreed.
- 6.9 The annual performance appraisal will involve assessment of the achievement of results as outlined in the performance plan and each KPA and CCR should be assessed according to the extent to which the specified standards or performance indicators have been met.

7. OBLIGATIONS OF EMPLOYER

The City must -

- 7.1 Create an enabling environment to facilitate effective performance by the employee;
- 7.2 Provide access to skills development and capacity building opportunities;
- 7.3 Work collaboratively with the Group Head to solve problems and generate solutions to common problems that may impact on the performance of the employee;


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- 7.4 On the request of the Group Head delegate such powers reasonably required by the Group Head to enable him or her to meet the performance objectives and targets established in terms of the agreement; and
- 7.5 Make available to the Group Head such resources as the Group Head may reasonably require from time to time to assist him or her to meet the performance objectives and targets established in terms of the agreement.

8. CONSULTATION

The City Manager agrees to consult the Group Head timeously in respect of decisions which will have a significant impact on the performance of the duties of the Group Head.

9. MANAGEMENT OF OUTCOMES

- 9.1 The evaluation of the Group Head's performance will form the basis for rewarding performance or correcting unacceptable performance.
- 9.2 A performance bonus not exceeding 14% may be paid to the Group Head in recognition of outstanding performance, in accordance with the City's policy and system referred to in this agreement.
- 9.3 An increase may be awarded to the Group Head in accordance with the City's policy and system referred to in this agreement.
- 9.4 Should the Group Head be entitled to a performance bonus referred to in paragraph 9.2, this will be paid out after the tabling of the annual report.
- 9.5 In the case of unacceptable performance, the City Manager shall provide systematic remedial or developmental support to assist the Group Head to improve his or her performance.
- 9.6 Where the City Manager is, at any time during the Group Head's employment, not satisfied with the Group Head's performance with respect to any matter dealt with

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in this Agreement, the City Manager will give notice to the Group Head to attend a meeting with the City Manager.

9.7 The Group Head will have the opportunity at the meeting to satisfy the City Manager of the measures being taken to ensure that the Group Head's performance becomes satisfactory and any programme, including any dates, for implementing these measures.

9.8 Where there is a dispute or difference as to the performance of the Group Head under this Agreement, the parties will confer with a view to resolving the dispute or difference.

10. DISPUTES

10.1 Any dispute arising out of this Agreement, shall be submitted to and determined by arbitration in accordance with the arbitration rules of an accredited private dispute resolution agency, as amended. The arbitrator shall be mutually agreed upon, and shall be selected from a list of arbitrators supplied by an accredited private dispute resolution agency.

10.2 The parties shall, prior to the arbitration date, be required to meet with the arbitrator in order to determine the appropriate terms of reference for the arbitrator, and his powers, and to submit an agreement in writing to the arbitrator.

10.3 Should the parties fail to agree on the identity of the arbitrator within a period of 14 days after the date of the submission of the dispute to the City Manager, either of the parties shall be entitled to request a private dispute resolution agency, to appoint the arbitrator. The accredited private dispute resolution agency, in making the appointment, shall have regard to the nature of the dispute, and shall have regard to the parties' requirement of speedy arbitration in the selection of arbitrators. If the appointment is to be made in this manner, preference shall be



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arbitrators. If the appointment is to be made in this manner, preference shall be given to the attorneys or advocates on the Panel of arbitrators of the accredited private dispute resolution agency.


- 10.4 The arbitrator shall be entitled further to determine the procedure to be followed in the arbitration, but to ensure that each party has the right to be heard, lead appropriate witnesses, submit documentation, and to argue in respect of the appropriate outcome and remedy. The arbitrator shall, in determining the procedures to be followed, be guided by the parties intention to have the dispute finally adjudicated upon within as short as possible a period from the date of the dismissal, or of the dispute, arising.
- 10.5 The parties shall be entitled to be represented by a representative of choice at the arbitration, and the outcome of the arbitration shall be final and binding. The Chief Operations Officer shall be bound to the dispute resolution procedures contained herein.
- 10.6 The fact that any dispute has been referred to, or is the subject of an arbitration, as well as any information submitted or furnished to the arbitrator, or in any other matter forming part of the record of any arbitration proceeding, shall be kept confidential by the parties to such proceeding.

11. GENERAL

- 11.1 The contents of the Agreement and the outcome of any review conducted in terms of Annexure "A" (scorecard) will not be confidential, and may be made available to the public by the City, where appropriate.
- 11.2 Nothing in this Agreement diminishes the obligations, duties or accountabilities of the Chief Operations Officer in terms of his contact or employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

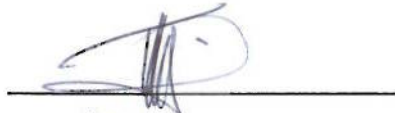
SIGNED at Braamfontein on this the 28th day of July 2016

For: **THE CITY OF JOHANNESBURG**
METROPOLITAN MUNICIPALITY



Chief Operations Officer

Witness:



Witness:



SIGNED at Braamfontein on this the 28th day of July 2016



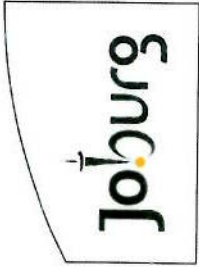
City Manager

Witness:



Witness:





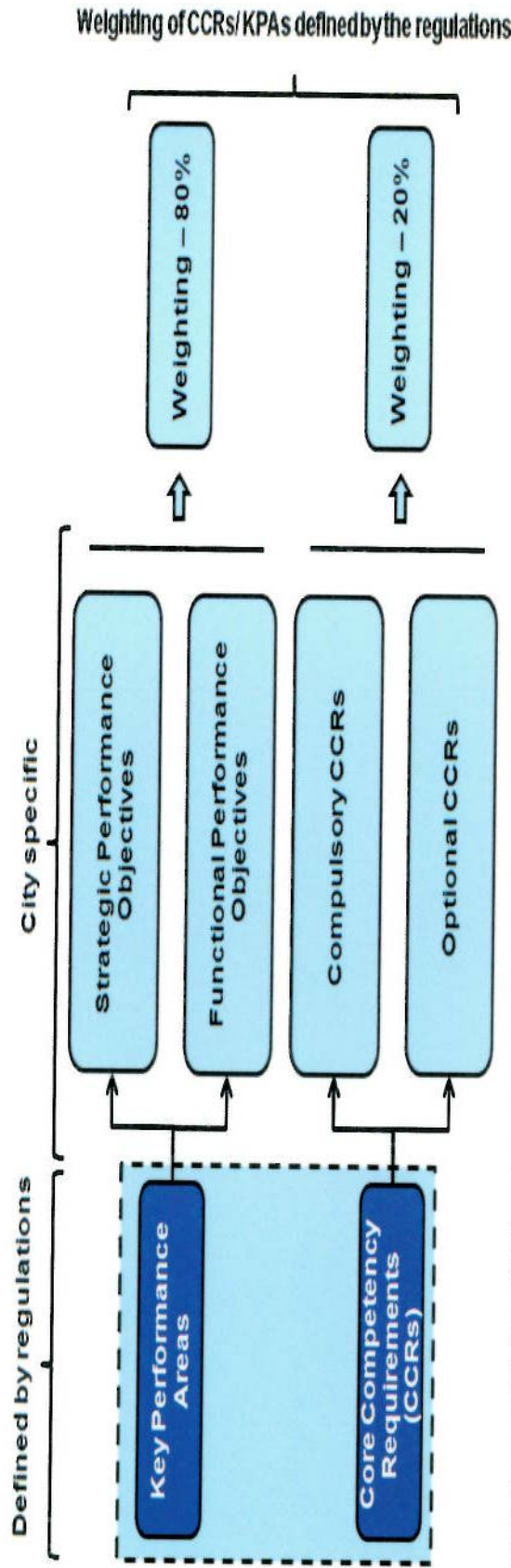
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ANNEXURE "A"

PERFORMANCE SCORECARD – SECTION 57 EMPLOYEE	
Employee:	Gerald Dumas: Chief Operations Officer (COO)
Manager:	Trevor Fowler: City Manager
Department:	Office of the City Manager
Responsibilities:	<ul style="list-style-type: none"> • Audit Strategy • Project Management Office Capital Projects • Service Delivery Strategy • Customer Relations Management • Strategic Projects
Vision	<p>"Johannesburg – a World Class African City of the Future – a vibrant, equitable African city, strengthened through its diversity; a city that provides real quality of life; a city that provides sustainability for all its citizens; a resilient and adaptive society."</p>
Mission	<p>The City of Johannesburg commits itself to pro-active delivery and the creation of a city environment in 2040 that is resilient, sustainable and livable. It aims to achieve this through long term 2040 plans, targeted programmes, services and enabling support that drives economic growth, optimal management of natural resources and the environment, the development of society and the individuals within it, and the practice and encouragement of sound governance, in all the City does.</p>
<p>The period of this Performance Plan is from 1 July 2016 to 30 June 2017</p>	



The individual performance scorecards shall be made up of Key Performance Areas (KPA) (divided into Functional Performance Objectives (FPO) and Strategic Performance Objectives (SPO)) and Core Competency Requirements (CCR). Therefore, the scorecard is separated into three sections, namely, Functional Performance Objectives, Strategic Performance Objectives and Core Competency Requirements.



Strategic Performance Objectives (SPOs) are those KPAs which are derived from key citywide and sector based objectives and strategies. Of the total 80% KPA weighting, the relative weighting for SPOs should not be less than 50%. The SPOs are developed to reflect the City's strategic priorities within the individual employee scorecard.

Functional Performance Objectives (FPOs) relate to the employee's functional areas, objectives and responsibilities. Of the total 80% KPA weighting, the relative weighting for FPOs should not exceed 30%.



SECTION 1: STRATEGIC PERFORMANCE OBJECTIVES (SPO)

KPA No	GDS Outcome	Key Performance Area	Weighting	KPI No.	Key Performance Indicators (KPIs)	Baseline	Target	Means of Verification
1.	Outcome 4: "A high performing metropolitan government that pro-actively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region"	Integrated, sustainable and resilient service delivery	50	1.1	% Implementation of the PMO action plan	New indicator	1=75% implementation 2=80% implementation 3=85% implementation 4= 90% implementation 5= 95% implementation	Quarterly reports reflecting % achievement of Action Plan
				1.2	% Achievement of Service Level Standards on key entities / departments: <ul style="list-style-type: none"> • Power • Water • Refuse • Call Centre • City Parks • JRA 	41.07%	1= 70% 2= 80% 3= 90% achievement 139 ¹ Service Level Standards 4= 95% 5= 100%	Monthly/ quarterly performance reports Mayoral Committee minutes
				1.3	% of 47 approved CBP community projects implemented	39.4% of 47 approved CBP community projects implemented	1= 70% 2=80% 3=90% of 47 approved CBP community projects 2 implemented	Quarterly compliance audit report Mayoral Committee Minutes

¹ The following departments and entities contribute to the 139 service level standards: City Power (9); Joburg Water (9); Pikitup (10); Johannesburg Road Agency (9); City Parks and Zoo (9); Johannesburg Social Housing Company (7); Johannesburg Property Company (8); Joburg Market (7); Metro Bus (7); Joburg Theatre (7); Emergency Services (8); Joburg Metropolitan Police (10); Health (8); Housing (5); Community Development (8); Development Planning (10).

² As outlined in the CBP priority projects report adopted by Mayoral committee in 2015. Vegetable garden; resurface and stabilise gravel roads – gravelling; resurfacing of Nanyuki Rd from Sunninghill Hospital to Mallindi Rd; vegetable garden at Skills Centre, Diepsloot; tarring and completion of tarring of Buleiwa Makomane str, tarring of Phakwe and Xinimbela streets; Street calming measures in Ebony Park Primary; multi-purpose sports facility in Rivelea; municipal hall in region C; RDP/informal settlement (installation of water pipes);tunnel farming in Meadowlands Zone 10; park development in Meadowlands Zone 3;Installation of Traffic Signals in Protea Glen on the Major Impala intersection; park development in Dobsobville Ext 3; installation of Traffic Signals in Glen Ridge Ext. 16 on Randfontein Road Intersection; establishment of a buy back centre and sorting facility for reclaimers; upgrading of Blandford Rd between Hyperton and Witkoppen Rd; refurbishment of staircases for 47 blocks of flats in Alexandra; multipurpose court: Klipfontein View; Upgrade of Glenhazel Park; upgrading of foot bridges in region E; gabions in Region E; purchase of 3000 240l bins; upgrading of Phase 1 Park IN Region E; Procurement of caravans as mobile police units in the Region E; building of a small bridge in Region F; Food Production Program in Region F; Agents of Change women's development centre in Region G ; Go Green and Clean (Youth Organisation) Centre in Region G; multi-purpose sports field in Region G; Sincediseni Women Organisation (women's centre) in Region G; revive sports field in Region G; community vegetable Garden in Region G; develop a Community park in Orange Farm; multi-purpose sports field in Region G; development in Thulamntwana; sports field development in Finetown; roads maintenance in Region G; develop community park in Region G; develop multi-purpose sports facility in Region G; develop multi-purpose sports facility including Swimming Pool in Region G; revamp community Centre in Region

KPA No	GDS Outcome	Key Performance Area	Weighting	KPI No.	Key Performance Indicators (KPIs)	Baseline	Target	Means of Verification
2.		Financial prudence City with clean audits by the Auditor General, risk, compliance and internal controls		1.4	% Implementation of risk mitigation plans in identified big ticket projects and contracts in departments	New indicator	4 =95of 47% 5= 100 of 47%	Monthly/ quarterly performance reports Mayoral Committee minutes
							1= 75% 2=80% 3=85% 4 =90% 5= 100%	
							1= Adverse Audit report ³ 2= Qualified Audit Report ⁴ 3= Unqualified Audit Report ⁵ 4= Unqualified report without material other matters ⁶ 5=Unqualified audit report without other matters	
				2.1	Audit Opinion	Unqualified Audit Report	1=5 2=6 3=7 4=9 5=11	Audited Financial Report Auditor General management report and Audit Report
				2.2	Number of entities with Clean Audit Reports	6		Auditor General management report and Audit Report
				2.3	% Of critical audit findings resolved	New indicator	1=80% 2=85% 3=90% 4=95% 5=100%	Auditor General management report and Audit Report

G; develop Dzadza community parks Projects in Region G; road maintenance in Region G; upgrade community garden in Region G; purchase mobile theatre; hostel upgrading project; and upgrade Avalon cemetery fence.

² 2.4, 3.1-3.2: : For departments under the COO's performance management (Housing, CRUM, Social Development and Community Development)

³ This is where AGSA is unable to and does not express an audit opinion due to uncertainty.

⁴ This is where there is a disagreement between AGSA and COJ on fair presentation & disclosure.

⁵ This is where fair presentation is achieved but there are matters that require highlighting although these do not have impact on the auditor's opinion.

⁶ This is where fair presentation is achieved. There are no further significant matters that require disclosure by the auditors

Performance Scorecard 2016/2017: Chief Operations Officer (COO)

KPA No	GDS Outcome	Key Performance Area	Weighting	KPI No.	Key Performance Indicators (KPIs)	Baseline	Target	Means of Verification
				2.4	% Resolution of AOPO issues	95%	1=94% 2=95% 3=96% 4=98% 5=100% Resolution	Completed Audit Strategy

SECTION 2: FUNCTIONAL PERFORMANCE OBJECTIVES (FPO)

FUNCTIONAL PERFORMANCE OBJECTIVES

(TOTAL WEIGHT MUST NOT EXCEED 30%)

KPA No	Key Performance Area	KPI No.	Key Performance Indicators (KPIs)	Baseline	Target	Means of Verification
1	To manage the departmental, project and contract risk to acceptable tolerance levels.	1.1	% Implementation of risk mitigation plans in identified big ticket projects and contracts in departments	New indicator	1= 75% 2=80% 3=85% 4 =90% 5= 100%	<ul style="list-style-type: none"> Monthly/quarterly performance reports Mayoral Committee minutes
2	To promote accountability of employees and organisations in using resources and ensuring that implementation objectives are met	2.1	% Achievement of the institutional SDBIP set performance measures		1 = 70% of departmental SDBIP set performance measures achieved. 2 = 80% of departmental SDBIP set performance measures achieved. 3 = 85% of departmental SDBIP set performance measures achieved. 4 = 90% of departmental SDBIP set performance measures achieved. 5 = +95% of departmental SDBIP set performance measures achieved.	<ul style="list-style-type: none"> Annual Institutional SDBIP report SMC Minutes

SECTION 3: CORE COMPETENCY REQUIREMENTS

Performance Scorecard 2016/2017: Chief Operations Officer (COO)

KEY PERFORMANCE AREA: CORE MANAGERIAL COMPETENCIES

(TOTAL WEIGHT MUST BE 20%)

No	Core Competence	KPI No	Competency Indicator's	Baseline	Target	Means of Verification
Financial Competence (Compulsory)						
1	Financially and administratively sustainable and resilient city	1.1	% Spent of allocated Capex citywide		1 = Overspending 2 = 50% Capex 3 = 95% Capex Expenditure ⁷ 4 = 96% Capex 5 = 97% Capex	Annual financial expenditure report by Group Finance
		1.2	% Spent of allocated Opex budget citywide		1 = 10 % Opex 2 = 50% Opex 3 = 95% Opex Expenditure ⁸ 4 = 97% Opex 5 = 100% Opex	Annual financial expenditure report by Group Finance
People Management and Empowerment (Compulsory)						
2	Knowledge of Performance Management and Reporting 10	2.1	% Of employees receiving performance coaching and review as per the policy		1= Less than 100% of employees with signed performance scorecards (including ILPs) 2 = 100% of employees with signed performance scorecards (including signed ILPs) 3 = 100% of employees received performance coaching and review as per the policy 4 = 50% of employees achieved 90% achievements of their scorecards set targets 5 = +60% of employees achieved 90% achievements of their scorecards set targets	Database of signed scorecards, ILPs and review session dates Final review report and signed spreadsheet with final scores signed by HCM
Customer Orientation and Customer Focus (Compulsory)						

⁷ The Capital expenditure will be implemented in line with the SDBIP budget expenditure projections

⁸ The Operational expenditure will be implemented in line with the SDBIP budget expenditure projections



KEY PERFORMANCE AREA: CORE MANAGERIAL COMPETENCIES

(TOTAL WEIGHT MUST BE 20%)

No	Core Competence	KPI No	Competency Indicator's	Baseline	Target	Means of Verification
3	Improve perception of the City's performance and service offering	3.1	% Improvement in the customer perception as per the Customer Service Survey for the City of Johannesburg	59	1=Action Plan 2=CSI <59 3=CSI >59 4=CSI >60 5=CSI >62	Customer Satisfaction Survey rating results

By signing this performance scorecard the manager and employee hereby indicate their full understanding of, and agreement with the contents of the scorecard. The manager and the employee both acknowledge that this is in full compliance with the City's Performance Management Policy.

Signed : Gerald Dumas Chief Operations Officer		Signed: Trevor Fowler City Manager		Date: 28.07.2016
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