



PERFORMANCE AGREEMENT

Made and entered into by and between

THE CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY

("the City")

(Represented by **Councillor Mpho Phalatse, Executive Mayor**, duly authorised by Municipal Council Resolution)

and

("the City Manager")

for the financial year: 1 July 2022 to 30 June 2023

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1. INTRODUCTION

- 1.1 The City has entered into a contract of employment with the City Manager 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 City Manager reporting to the Executive Mayor, 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 City Manager;
- 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 their 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
- 2.1.7 give effect to the City's commitment to a performance-orientated relationship with the City Manager in attaining equitable and improved service delivery.

3. COMMENCEMENT AND DURATION

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- 3.1 Notwithstanding the date of signature hereof, this Agreement will commence on the date of appointment of the City Manager, 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, with the current Executive Mayor, may terminate on the termination of the Executive Mayor's appointment regardless of the reason for such termination and a new performance agreement may be entered into with a new Executive Mayor.
- 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 City Manager; 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" (scorecard) are set by the Executive Mayor and the Group Performance Audit Committee after consultation with the City Manager 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 City Manager'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 City Manager will be required to engage in performing their job.

- 5.2 The City Manager agrees to participate in the performance management system that the City adopts or introduces.


- 5.3 The City Manager 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, Executive Mayor and City Manager to perform to the standards required.


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

- 5.5 The City Manager's assessment will be based on their performance in terms of the outputs/outcomes (performance indicators) identified as per the performance plan which are linked to the KPAs.

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 City Manager, a Group Performance Audit Committee and Performance Evaluation Panel have been established to assist the Executive Mayor in the process of evaluating the Performance of the City Manager.


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6.2 The performance of the City Manager in relation to their performance agreement shall be reviewed on a quarterly basis as follows:

First quarter : August – September

Second quarter : October – December

Third quarter : January – March

Fourth quarter : April - June

6.3 The City Manager must avail himself for scheduled performance reviews.

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



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

6.6 Performance feedback shall be based on the assessment of the City Manager's performance by the Executive Mayor and Group Performance Audit Committee, as well as the Performance Evaluation Panel and may include recommendations for corrective steps to be taken to improve performance.

6.7 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 City Manager will be consulted before any such change is made.

6.8 Despite the establishment of agreed intervals for evaluation, the Executive Mayor may, in addition, review the City Manager performance at any stage while the contract of employment remains in force.

6.9 Personal growth and development needs identified during any performance review discussion must be documented and, where possible, actions agreed.


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- 6.10 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 City Manager to solve problems and generate solutions to common problems that may impact on the performance of the employee;
- 7.4 On the request of the City Manager delegate such powers reasonably required by the City Manager 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 City Manager such resources as the City Manager 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 Executive Mayor agrees to consult the City Manager timeously in respect of decisions which will have a significant impact on the performance of the duties of the City Manager.

9. MANAGEMENT OF OUTCOMES

- 9.1 The evaluation of the City Manager'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 City Manager in recognition of outstanding performance, in accordance with the City's policy and system referred to in this agreement.

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- 9.3 An increase may be awarded to the City Manager in accordance with the City's policy and system referred to in this agreement.
- 9.4 Should the City Manager 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 Executive Mayor shall provide systematic remedial or developmental support to assist the City Manager to improve their performance.
- 9.6 Where the Executive Mayor is, at any time during the City Manager's employment, not satisfied with the City Manager's performance with respect to any matter dealt with in this Agreement, the Executive Mayor will give notice to the City Manager to attend a meeting with the Executive Mayor.
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- 9.7 The City Manager will have the opportunity at the meeting to satisfy the Executive Mayor of the measures being taken to ensure that the City Manager'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 City Manager under this Agreement, the parties will confer with a view to resolving the dispute or difference.
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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 their 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 Executive Mayor, either of the parties

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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 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 Executive Mayor 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 City Manager in terms of their contract or employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

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SIGNED at Braamfontein on this the 4th day of July 2022.

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



Cllr Mpho Phalatse
Executive Mayor

Witness:



Witness:




SIGNED at Braamfontein on this the 4th day of July 2022.

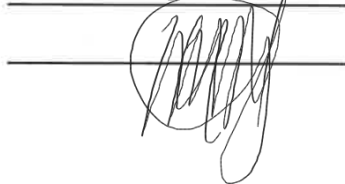


City Manager

Witness:



Witness:





a world class African city

ANNEXURE "A"

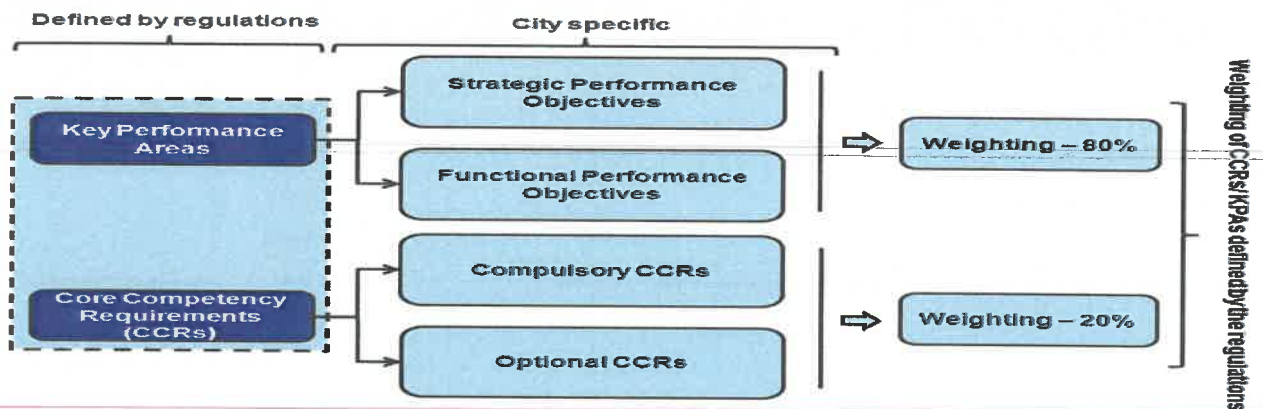
PERFORMANCE SCORECARD	
Employee Name:	City Manager
Manager:	Councillor Mpho Phalatse: Executive Mayor
Position Purpose	The City Manager is the Head of Administration and the Accounting Officer of the City of Johannesburg as provided for in section 55 of the Municipal Systems Act 32 of 2000 and section 60 of the Municipal Finance Management Act 56 of 2003.
KEY PERFORMANCE AREAS	<p>As per the provisions of the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Manager of 2006; Regulations 25 and 26, the following Key Performance Areas (KPA's) will inform the City Manager's performance:</p> <ul style="list-style-type: none"> • Basic Service Delivery; • Local Economic Development; • Well-run City • Municipal Planning and Governance; • Procurement and Contract Management; • mSCOA compliance; • Municipal Financial Viability and Management • Performance and Staff Management • Customer Focus and Orientation
The period of this Performance Plan is from 1 July 2022 to 30 June 2023	

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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) which shall have a relative weighting of 50%: to 30% to 20% respectively. 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 cluster-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%.


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SECTION 1: STRATEGIC PERFORMANCE OBJECTIVES


STRATEGIC PERFORMANCE OBJECTIVES (TOTAL WEIGHT = 50%)						
KPA No.	Key Performance Area	KPI No.	Key Performance Indicators (KPIs)	Baseline	Target	Means of Verification
1	Basic Service Delivery	1.1	Number of indigent households benefitting from ESP (free basic services)	120 000	1 = 80 000 indigent households 2 = 90 000 indigent households 3 = 140 000 indigent households 4 = 150 000 indigent households 5 = 160 000 indigent households	Midyear SDBIP Assessment Reports approved by Council Audited Annual Report
		1.2	Percentage decrease in road fatalities	3%	1 = less than 2% 2 = 2% 3 = 3% ¹ 4 = 5% 5 = 7%	Midyear SDBIP Assessment Reports approved by Council Audited Annual Report
		1.3	Number of mixed housing units constructed	2029	1 = 2300 2 = 2400 3 = 2644 mixed housing units constructed 4 = 2645 5 = 2646 or more	Midyear SDBIP Assessment Reports approved by Council Audited Annual Report
		1.4	Percentage budget spent on city-wide infrastructure ²	95%	1 < 93% Capex spent 2 = 93% Capex spent 3 = 95% Capex spent 4 = 97% Capex spent 5 = 100% Capex spent	Midyear SDBIP Assessment Reports approved by Council Audited Annual Report


¹ Comparison of the current performance with previous financial year performance e.g., Q1 current performance with Q1 previous financial year performance, Q2 current performance with Q2 previous financial year performance, Q3 current performance with Q3 previous financial year performance and Q4 current performance with Q4 previous financial year performance. It should be noted that the statistic used in this KPI is done by JMPD accident Unit.

² The Capital expenditure will be implemented in line with the SDBIP budget expenditure projections



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STRATEGIC PERFORMANCE OBJECTIVES (TOTAL WEIGHT = 50%)						
KPA No	Key Performance Area	KPI No.	Key Performance Indicators (KPIs)	Baseline	Target	Means of Verification
2	Local Economic Development	2.1	Rand value investment attraction realised within the city	R27 029 billion investment attraction facilitated	1 = R25 billion investment facilitated 2 = R28 billion investment facilitated 3 = R35 billion investment facilitated 4 = R35.5 billion 5 = R36 billion or more	Midyear SDBIP Assessment Reports approved by Council Audited Annual Report
		2.2	Number of Expanded Public Works programmes (EPWP) work opportunities created City-wide	12 135	1= 17 400 2=17 450 3=17 504 4=17 515 5= 17 520	Midyear SDBIP Assessment Reports approved by Council Audited Annual Report
		2.3	Number of SMMEs supported by the City ³	8409 SMMEs supported by the City	1 = 14 300 SMMEs supported 2 = 14 400 SMMEs supported 3 = 14 500 SMMEs supported 4 = 14 600 SMMEs supported 5 = 14 700 SMMEs supported	Midyear SDBIP Assessment Reports approved by Council Audited Annual Report
		2.4	Percentage of hijacked ⁶ /problem	35.8%	1 = 45%	Midyear SDBIP Assessment

³ Support offered to SMMEs includes: 1. SMMEs have worked on a City project; 2. Received assistance or guidance by our Opportunity Centre's; 3. Attended a training workshop provided by the City's entities and departments; 4. Attended a course or programme facilitated or paid for by the City. 5. City facilitates funding by financial institutions; City assists with business registration documents, SARS transactions, business plan development, etc.

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STRATEGIC PERFORMANCE OBJECTIVES (TOTAL WEIGHT = 90%)						
KPA No	Key Performance Area	KPI No.	Key Performance Indicators (KPIs)	Baseline	Target	Means of Verification
			properties matters investigated and finalized		2 = 55% 3 = 65% 4 = 66% - 70% 5 = above 70%	Reports approved by Council Audited Annual Report
3	Well-run and Managed City	3.1	Audit opinion	Unqualified Audit Report with matters of emphasis	1= Adverse Audit report ⁴ 2= Qualified Audit Report ⁵ 3= Unqualified without material finding 4= Unqualified report with audit findings classified as other matters and administrative matters 5= Unqualified audit report with no findings (clean audit)	Auditor General Report Auditor General Management Letter
		3.2	Percentage of fraud and corruption matters investigated and finalized	35.7%	1 ≤ 45% 2 = 46%-55% 3 = 56%-65% 4 = 66% - 70% 5 = above 70%	Midyear SDBIP Assessment Reports approved by Council Audited Annual Report

⁴ The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements.

⁵ The financial statements contain material misstatements in specific amounts, or there is insufficient evidence to conclude that specific amounts are not materially misstated.

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SECTION 2: FUNCTIONAL PERFORMANCE OBJECTIVES


**FUNCTIONAL PERFORMANCE OBJECTIVES
(TOTAL WEIGHT = 30%)**

KPA No	Key Performance Area	KPI No.	Key Indicators (KPIs)	Baseline	Target	Means of Verification
1	Municipal Planning and Governance	1.1	Percentage review of the City's 2023/24 Strategic Plans	2022/27 IDP	1 = Approved 2023/24 IDP Process Plan 2 = Outcomes report from the Technical Budget Steering Committee resolutions 3 = 100% Draft 2023/24 IDP review noted by Council for public participation 4 = Final Council approved 2023/24 IDP Review 5 = Summary of the 2023/24 IDP (Community Version)	Council minutes of approved documents
		1.2	Percentage improvement in the level of public participation by the citizens of the City	2% (against a baseline of 8282 participants)	1= Regression 2= 2% or no change 3= 4% improvement 4= 4.5% 5=5%	Audited Annual Report
		1.3	Percentage completion of the City's Integrated Annual Report (IAR) for 2021/22 financial year	IAR 2020/21	1 = Draft IAR submission to AGSA by 31 August. 2 = Tabling IAR to Council by end January 2023. 3 = Final IAR adopted by Council by March 2023.	Council Minutes. Oversight Committee report.


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FUNCTIONAL PERFORMANCE OBJECTIVES (TOTAL WEIGHT = 30%)						
KPA No	Key Performance Area	KPI No.	Key Performance Indicators (KPIs)	Baseline	Target	Means of Verification
					4= IAR tabled at MPAC & resolutions implemented 5=Council approval of oversight report	
2	Procurement and Contract Management	2.1	% of UIFW expenditure investigations completed per approved UIFW strategy within defined timelines	UIFW investigations conducted	1 =0% Implementation of UIFW strategy by core departments (investigations; risk and control self-assessments) ⁶ 2 = 40% Implementation of UIFW strategy by core departments (investigations; risk and control self-assessments) 3 =75% Implementation of UIFW strategy by core Department (investigations; risk and control self-assessments) 4 = 85% Implementation of UIFW strategy by core Department (investigations; risk and control self-assessments) 5 = 1 advisory report on UIFW investigations completed.	Outcomes / progress reports on UIFW investigations


⁶ Departmental workshop(s) inclusive of GRAS & GFIS officials on improvements in integrated approach to investigation of UIFWs to be included in UIFW Strategy

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FUNCTIONAL PERFORMANCE OBJECTIVES (TOTAL WEIGHT = 30%)						
KPA No	Key Performance Area	KPI No.	Key Performance Indicators (KPIs)	Baseline	Target	Means of Verification
3	mSCOA compliance	3.1	% Compliance with mSCOA unbundling process citywide	<40% compliance	1<65% Compliance with mSCOA data quality for NT strings submission 2= 65% Compliance with mSCOA data quality for NT strings submission 3= 70% Compliance with mSCOA data quality for NT strings submission 4= 75% Compliance with mSCOA data quality for NT strings submission 5= 80% Compliance with mSCOA data quality for NT strings submission	Quarterly mSCOA compliance reports

SECTION 3: CORE COMPETENCY REQUIREMENTS

CCR No	CORE COMPETENCY REQUIREMENT	CCR No.	Key Performance Indicators (KPIs)	Baseline	Target	Means of Verification
TOTAL WEIGHTING = 20%						
1	Municipal Financial Viability and Management	1.1	Percentage collection of revenue on property and billed services	90.3%	1 = 89% collection 2 = 89.5% collection	Audited Annual Report

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CCR No.	CORE COMPETENCY REQUIREMENT	CCR No.	Key Performance Indicators (KPIs)	Baseline	Target	Means of Verification
TOTAL WEIGHTING = 20%						
					3 = 90% collection ⁷ 4 = 91% collection 5 = 92% collection	
		1.2	Remuneration as % of Total Operating Expenditure ratio	26.8%	1= 30-28% of total operating expenditure 2= 27.9-26.5% of total operating expenditure 3= 26.6% of total operating expenditure 4= 26% of total operating expenditure 5< 25% of total operating expenditure	Audited Annual Report
		1.3	Capital cost (Interest and redemption) as a Total Operating Expenditure ratio	8%	1<3% of interest and redemption 2= 3%-8% of interest and redemption 3= 9% of interest and redemption 4= 10% of interest and redemption	Audited Annual Report

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

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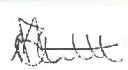
CCR No	CORE COMPETENCY REQUIREMENT	CCR No.	Key Performance Indicators (KPIs)	Baseline	Target	Means of Verification
TOTAL WEIGHTING = 20%						
					5= 11% of interest and redemption	
2	Performance and Staff Management	2.1	% Of managers directly accountable to the municipal manager receiving performance coaching and review as per the section 57 Group Performance Management Policy and Framework	100%	1= Less than 100% of employees with signed performance agreements 2 = 100% of employees with signed performance agreements 3 = 100% of employees received performance coaching and review as per the policy 4 = 30-50% of employees scored at least 3.1 of their scorecards set targets ⁸ 5 >50% of employees scored at least 3.1 of their scorecards set targets	Signed Performance Agreements Coaching and Review ADBS reports and Minutes Performance Evaluation Report approved by Council Council minutes
		2.2	Percentage of disciplinary cases resolved within 120 days ⁹	No cases in 2020/21	1 = <75% 2 = 75% 3 = 85% 4 = 95%	Disciplinary Case Reports

⁸ This will be scored only after fully achieving rating 3 above.


⁹ This KPI relates to all Section 57 managers only (core departments)

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CCR No	CORE COMPETENCY REQUIREMENT	CCR No.	Key Performance Indicators (KPIs)	Baseline	Target	Means of Verification
TOTAL WEIGHTING = 20%						
					5 = 100%	
3	Customer Focus and Orientation	3.1	Percentage increase in customer satisfaction levels ¹⁰	59% 2019/20 polling results	1 = decrease in satisfaction levels 2 = 0.5% increase in satisfaction levels or no change 3 = 1% increase in satisfaction levels 4 = 2% increase in satisfaction levels 5 > 2% increase in satisfaction levels	Polling Satisfaction Survey Results
<small>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</small>						
City Manager		Signature: 		Clr Mpho Phalatse Executive Mayor	Signature: 	Date: 4 July 2022

¹⁰ Every two years the Quality of Life survey is conducted in partnership with GCRO and GPG; and in alternate years a Customer Satisfaction Survey is carried out by COJ with a private sector service provider. 2021/22 (Customer satisfaction survey), 2022/23 (Polling survey) 2023/24 (Quality of Life survey), 2024/25 (Customer satisfaction survey) 2025/26 (Quality of Life survey). An action plan for implementation will be developed following the finalisation of survey results.

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