

**MOHOKARE LOCAL MUNICIPALITY
PERFORMANCE MANAGEMENT**
(Period: 1 July 2012 – 30 June 2013)

1. PARTIES

The parties to this agreement are –

Mohokare Local Municipality herein represented by Thabo Christian Panyani in his capacity as the Municipal Manager (hereinafter referred to as “the Employer”);

And

Mahlomola Naftali Tsoamotse in his capacity as the Director: Technical Services (hereinafter referred as “the Employee”)

WHEREBY IT IS AGREED AS FOLLOWS:

2. INTRODUCTION

- 2.1 The parties have entered into an employment contract in terms of section 57(1) (a) of the Local Government: Municipal Systems Act No. 32 of 2000 (hereinafter referred to as “the Systems Act”).
- 2.2 Section 57(1)(b) of the Systems Act, read with the employment contract entered into by parties, requires the parties to annually conclude a performance agreement one month after the beginning of the financial year of the municipality.
- 2.3 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.
- 2.4 The parties wish to ensure that there is compliance with sections 57(4A), 57(4B) and 57(5) of the Systems Act.

3. PURPOSE OF THIS AGREEMENT AND APPENDICES

The purpose of this agreement is to –

- 3.1 Comply with the provisions of Sec 57(1) (b), (4A), (4B) and (5) of the Systems Act as well as the Contract of Employment entered into between the parties
- 3.2 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.
- 3.3 Specify the core competency requirements which the Employee must acquire or possess and demonstrate

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- 3.4 Monitor and measure performance against set targeted outputs
- 3.5 Appropriately reward the Employee in accordance with the Employer's performance management policy in the event of outstanding performance

4. COMMENCEMENT AND DURATION

- 4.1 This agreement will commence on the 1st July 2012 and will remain in force until 30th June 2013. 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
- 4.2 The parties consulted will review the provisions of this 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 than the beginning of each successive financial year.
- 4.3 This Agreement shall terminate on:
 - 4.3.1 The date on which the employee's employment with the Employer terminates for whatever reason; or
 - 4.3.2 by 30 June 2013
 - 4.3.3 Not complying with the Minimum Competency levels by 01 January 2013 unless proof and acknowledgement by National Treasury of a "Special Merit Case" has been produced by the Municipal Manager.

5. PERFORMANCE OBJECTIVES

- 5.1 The performance plan contained in **Annexure A** to this agreement sets out
 - 5.1.1 The performance objectives and targets that must be met by the Employee during the current financial year;
 - 5.1.2 The time frames within which those performance objectives and targets shall be met; and
 - 5.1.3 The core competency requirements the Employee must acquire or possess and demonstrate.
- 5.2 the performance objectives and targets reflected in **Annexure A** are set by the Employer in consultation with the Employee and are based on the Integrated development plan, current service delivery and budget implementation plan (SDBIP) and the current budget, and it includes key objectives, key performance indicators, targets, dates and weightings.
- 5.3 the mere fact that a particular function, power or duty conferred upon or assigned or delegated to the Employee is not contained in **Annexure A**, does not release the Employee from the responsibility to perform such function, exercise such power and discharge such duty, as the case may be, to the best of his ability. The inclusion of a specific performance objective or performance target in the Employee's performance plan does not replace, reduce, substitute or in any other manner interfere with the Employee's obligation to perform the functions, exercise the powers and discharge the duties, as the case may be, which may have been conferred upon or assigned or delegated to him in any other manner. Nothing in this agreement diminishes the

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Employee's obligations, duties or accountability in terms of his employment contract or existing or new regulations, circulars, policies, directives or other instruments.

6. PERFORMANCE MANAGEMENT SYSTEM

- 6.1 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.
- 6.2 The Employer will consult the Employee about the specific performance standards that will be included in the PMS as applicable to the Employee
- 6.4 The Employee's assessment will be based on his performance in terms of outputs (performance targets) reflected on the Performance Plan which are linked to relevant KPA's /CCRs, key objectives and key performance indicators (KPIs) as agreed to between the Employer and the Employee.
- 6.5 The criteria upon which the performance of the Employee shall be assessed shall consist of two components with a weighting of 80:20, as indicated in **Annexure A**, namely –
- 6.5.1 Key performance areas at 80%; and
- 6.5.2 Core competency requirements/Core Managerial Competencies (CMC) at 20%
- 6.6 The Employee's assessment will be based on his performance in terms of the outputs/ outcomes (performance indicators) identified as per attached Performance Plan (**Annexure A**), which are linked to the KPAs, and will constitute 80% of the overall assessment results as per the weightings agreed to between the Employer and Employee.

KEY PERFORMANCE AREAS (KPA's)	WEIGHTING
Basic Service Delivery	40 %
Municipal Institutional Development and Transformation	20 %
Local Economic Development (LED)	15 %
Municipal Financial Viability and Management	15 %
Good Governance and Public Participation	10 %
Total	100%

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- 6.7 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 MANAGERIAL COMPETENCIES	WEIGHT
Financial Management	10
People Management and Empowerment	20
Client Orientation and Customer Focus	20
Strategic Capability and Leadership	10
Problem Solving and Analytical Thinking	10
Programme and Project Management	10
Competency in Policy Conceptualisation and Implementation	10
Honesty and Integrity	10
	100%

7. EVALUATION PERFORMANCE

- 7.1 The performance plan (**Annexure A**) to this agreement sets out –

7.1.1 The standards and procedure 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:

7.5.1.1 Each KPA should be assessed according to the extent to which specified standards or performance indicators have been met and with due regard to ad hoc that had to be performed under the KPA.

7.5.1.2 An indicative rating on the five-point scale detailed in **Annexure A** should be provided for each KPA.

7.5.1.3 The applicable assessment rating calculator (refer to paragraph 6.5 above) must then be used to add the scores and calculate a final KPA score.

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7.5.2 Assessment of the CMC's

- 7.5.2.1 Each CMC will be assessed according to which the specified standards have been met.
- 7.5.2.2 An indicative rating on the five-point scale will be provided for each CMC.
- 7.5.2.3 This rating will be multiplied by the weighting given to each CMC to provide score
- 7.5.2.4 The applicable assessment rating calculator will then be used to add the scores and calculate a final CMC score

7.5.3 Overall rating

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

8 PERFORMANCE ASSESSMENTS

8.1 The Employee's performance shall be assessed after the end of each quarter, as follows –

Quarter		Assessment before
1	July – September	30 September 2012
2	October – December (hereinafter referred to as “ the mid-year performance review”)	31 January 2013
3	January - March	30 April 2013
4	April – June (hereinafter referred to as “the annual performance appraisal”)	31 July 2013

8.2 The Employee's mid-year performance review and annual performance appraisal shall be conducted by an evaluation panel consisting of –

- 8.2.1 The Municipal Manager
- 8.2.2 The Chairperson of the performance audit committee or, if the Employer does not have a performance audit committee, the audit committee
- 8.2.3 A councillor of the Employer's Council designated by the Council
- 8.2.4 The municipal manager of another municipality designated by the Municipal Manager,
- 8.2.5 Ward Committee member
- 8.2.6 The Municipal Manager has the priority to ask external consultants/expects to conduct the entire evaluation.

8.3 The assessments for the first quarter (July – September) and the third quarter (January - March) shall be conducted by the Municipal Manager, provided that the Municipal Manager may request any member(s) of the evaluation panel to assist him during such assessment.

- 8.4 The assessment of the performance of the Employee will be based on the following rating scale for KPA's and CMCs.

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	Outstanding performance	The performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA and performance plan and maintained this in all areas of responsibility throughout the year.					
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.					
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan					
2	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. The review/assessment indicates that the Employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.					
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the Employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement					

- 8.4.1 The mid-year performance review and annual performance appraisal shall involve –
Assessment of the achievement of key performance indicators and targets in the key performance areas:

- 8.4.1.1 Each key performance area shall be assessed according to the extent to which the performance indicators have been met with due regard to ad hoc tasks that may have been performed under any key performance area.
- 8.4.1.2 An indicative rating on the five – point scale set out in clause 8.4 shall be provided for each key performance area.
- 8.4.1.3 The rating contemplated in paragraph (b) shall be multiplied by the weighting given to each key performance area to provide a score.

8.4.1.4 The assessment rating calculator shall be applied to add the scores and calculate a final key performance area score.

- 8.5 The employer shall keep the a record of the mid- year review and annual assessment meetings
- 8.6 Performance feedback shall be based on the Employer's assessment of the Employee's performance.
- 8.7 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.
- 8.8 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.
- 8.9 The Employer must –
- 8.5.1 Keep a written record of the mid-year review and annual appraisal meetings, and
 - 8.5.2 Cause secretarial services to be provided to the evaluation panel
- 8.10 Despite the establishment of agreed intervals for evaluation as set out in clause 8.1 above, the Employer may in addition review the Employee's performance at any time whilst this Agreement remains in force.
- 8.11 The Employer shall supply a copy of any assessment in terms of this clause to the Employee within a reasonable time after such assessment has been completed and shall invite the Employee to attend and participate in a performance interview, which shall be conducted by the Municipal Manager, provided that the Municipal Manager may request any member(s) of the evaluation panel to assist him during such an interview. A performance interview shall be conducted within 30 days after the date on which the Municipal Manager or the evaluation panel, as the case may be, has conducted a performance review or assessment, on a date agreed between the Parties.
- 8.12 The Employee has the right, during a performance interview, in respect of any performance objective, target or core competency requirement to –
- 8.12.1 Request and receive an explanation for any points awarded;
 - 8.12.2 Submit additional and/or supplementary evidence of performance/achievement; and
 - 8.12.3 Provide an explanation for any below standard performance

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 may 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 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 assisting him 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 (12) months service at the current remuneration package on 30 June (end of financial year) subject to a fully effective assessment.
- 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 performance; and
 - 12.4.2 After appropriate performance counselling 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 duties.

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- 12.5 A performance bonus calculated as a percentage of the Employee's all-inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance, as follows:

Score	Performance bonus
≥ 129%	0%
130%	5%
133%	5%
135%	6%
137%	6%
138%	7%
140%	8%
142%	8%
143%	8%
145%	8%
147%	9%
148%	9%
150%	10%
152%	10%
153%	10%
155%	14%

- 12.6 Any performance bonus that may be payable to the Employee, shall only be paid out after –
- 12.6.1 30 June 2013
- 12.6.2 The Employer's Council has approved the Employee's annual performance appraisal as required by section 57(4B) of the Systems Act; and
- 12.6.3 The annual report relating to the 2012/2013 has been tabled in the Employer's Council and the Council adopted it.
- 12.7 In the case of unacceptable performance, the Employer –
- 12.7.1 Shall provide systematic remedial or developmental support to assist the Employee to improve her performance; and
- 12.7.2 May, after appropriate performance counselling and having provided the necessary guidance and/or support as well as reasonable time for improvement on grounds of unfitness or incapacity to carry out his 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 provided for, shall be mediated by the Mayor within 30 days of receipt of a formal dispute.
- 13.2 A decision by the Mayor in terms of clause 13.1 shall be final and binding on the Parties.

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14. GENERAL

- 14.1 The Employer shall make the contents of this agreement available to the public.
- 14.2 The Employer may make the outcome of any performance review, evaluation or appraisal conducted in terms of this agreement available to the public.

Thus done and signed at ZASTRON on 27 July 2012

AS WITNESSESS:

1.


EMPLOYEE

2.



Thus done and signed at ZASTRON on 27 July 2012

AS WITNESSESS:

1.


MUNICIPAL MANAGER

2.



**PERSONAL PERFORMANCE PLAN 2012/13:
DIRECTOR TECHNICAL SERVICES**

KEY PERFORMANCE AREA: BASIC SERVICES

Performance objective [Main tasks]	Weight	Key Performance Indicator [Evidence of performance]	Target Date	Achievements/Progress/ Comments/Reference to evidential documents	Rating
To provide trafficable roads/ routes and functional streets	40	Upgraded internal roads/ routes and storm water in Zastron/ Matlakeng	30 June 2013		
		Upgraded internal roads/ routes and storm water in Rouxville/ Roleleyathunya	30 June 2013		
		Upgraded internal roads/ routes and storm water in Smithfield/ Mofulatshepe	30 June 2013		
To provide a safe and sustainable sanitation management and infrastructure development		152 household with access to water borne toilets in Matlakeng	31 July 2012		
		52 households with access to water borne toilets in Mofulatshepe	31 July 2012		
		Meet SANS standards and requirements (Green Drop Compliance)	30 June 2013		
To provide world class up-to- standard water services to promote development and fulfil basic service needs		All formal households with access to basic to basic sanitation services	30 June 2013		
		All formal households with access to basic water service	30 June 2013		
		Implementing a water leak tracing and fixing in the network	30 June 2013		
		Meet SANS standards and requirements (Blue Drop Compliance)	30 June 2013		
		Complete construction and upgrade of the water treatment works in Rouxville	31 March 2013		
		Development of the Water Services Development Plan (WSDP)	30 June 2013		
		Development of an Operation and Maintenance plan(water)	30 June 2013		

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Performance objective [Main tasks]	Weight	Key Performance Indicator [Evidence of performance]	Target Date	Achievements/Progress/ Comments/Reference to evidentiary documents	Rating
An effective management of electricity supply to residents		Completion of an electricity asset register	30 June 2013		
		Provision of electricity to 209 households in Smithfield/ Mofutshepe	30 March 2013		
		Provision of households with solar heating panels	30 June 2013		
		Development of business plan of 16 high mast lights and 66 street lights in Refengkhoto, Ezibeleni and Phomolong	30 June 2013		
TOTAL					

KEY PERFORMANCE AREA: LOCAL ECONOMIC DEVELOPMENT

Performance objective [Main tasks]	Weight	Key Performance Indicator [Evidence of performance]	Target Date	Achievements/Progress/ Comments/Reference to evidentiary documents	Rating
Ensure that projects are designed to prefer labour intensive construction methodologies, in accordance with the EPWP	15	Bid specifications for construction projects contain conditions relating to: A Employing local labour; and A Engaging local sub-contractors	On-going		
TOTAL					


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KEY PERFORMANCE AREA: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

Performance objective [Main tasks]	Weight	Key Performance Indicator [Evidence of performance]	Target Date	Achievements/Progress/ Comments/Reference to evidentiary documents	Rating
Improve the Municipality's project management capacity	20	Establish and staff the project management unit	On-going		
Employees assigned to the Department undergo training in terms of the approved workplace skills plan		Nomination and attendance records of employees who attended training	On-going		
Submissions/ reports/ items for submission to the Council or a committee are submitted to the Director: Corporate Services at least 7 working days before the date of the relevant meeting		Register of submissions/ reports/ items received at Corporate Services	On-going		


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KEY PERFORMANCE AREA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Performance objective [Main tasks]	Weight	Key Performance Indicator [Evidence of performance]	Target Date	Achievements/Progress/ Comments/Reference to evidential documents	Rating
Suppliers engaged by the Department meet performance standards in terms of quality, budgets and timelines	15	Set input, output and outcome indicators for each service-provider appointed for the Department	On-going		
No irregular, unauthorised or fruitless and wasteful expenditure is committed, made, authorised or incurred		Measure performance of service-providers against agreed indicators	On-going		
Expediently respond to internal and external audit enquiries relating to the department		No expenses incurred by/ on behalf of the Department are disallowed for being irregular, unauthorised or fruitless and wasteful	On-going		
Contract variations are comprehensively documented, approved and annexed to the principal contract as a properly executed and signed addendum		Written response to audit queries and variance reports are submitted within 5 working days after receipt	As and when required		
		Documented contract variations	As and when required		
TOTAL					


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KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Performance objective [Main tasks]	Weight	Key Performance Indicator [Evidence of performance]	Target Date	Achievements/Progress/ Comments/Reference to evidentiary documents	Rating
Promotion of the Good governance principles	10	Attendance of Public and sector engagement meetings for development of IDP, SDBIP and Budget, etc.	On-going		
Enhancement of Intergovernmental relations		Submissions of report to Corporate Services for publication to community and other stakeholders	As and when required		
		Attendance of meetings in line with the Intergovernmental Relations Framework Act No. 13 of 2005	On-going		
TOTAL					

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CORE COMPETENCY REQUIREMENTS

Competencies	Weight	Description/Definition	Achievements/Progress/Comments/Reference to evidentiary documents	Rating
Financial management	10	Compiles and manages budgets, controls cash flow, institutes risk management and administers supply chain management processes in accordance with legal prescripts and generally recognised accounting practices in order to ensure the achievement of the Municipality's strategic objectives.		
People management and empowerment	20	Manages and encourages people, optimises their outputs and effectively manages relationships in order to achieve the Municipality's strategic objectives.		
Client orientation and customer focus	20	Willing and able to deliver services effectively and efficiently in order to put the spirit of customer service (Batho Pele) into practice.		
Strategic capability and leadership	10	Provides a vision, sets the direction for the administration and inspires others to deliver on the municipality's mandate.		
Problem solving and analysis	10	Systematically identifies analyses and resolves existing and anticipated problems in order to reach optimum solutions in a timely manner.		
Programme and project management	10	Plans, manages, monitors and evaluates specific activities in order to deliver the desired outputs and outcomes.		
Honesty and integrity	10	Displays and builds the highest standards of ethical and moral conduct in order to promote confidence and trust in the Municipality.		
Competence in policy conceptualisation, analysis and implementation	10	The ability to draft and implement a policy due to the arriving at a concept or a generalisation as a result of seeing things, experiencing things, being informed of something as well as the ability to analyse, comprehend and implement a policy drafted by somebody else.		
TOTAL				

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RATING ASSESSMENT CALCULATOR

KEY PERFORMANCE AREAS

Key performance area	Weight	Rating	Score
Basic Service Delivery	40		
Municipal Institutional Development and Transformation	20		
Local Economic Development	15		
Municipal Financial Viability and Management	15		
Good Governance and Public Participation	10		
Total score			
Total weight, key performance areas			80%
Weighted score, Key performance areas			

CORE COMPETENCY REQUIREMENTS

Core competency requirement	Weight	Rating	Score
1 Financial management	10		
2 People management and empowerment	20		
3 Client orientation and customer focus	20		
4 Strategic capability and leadership	10		
5 Problem solving and analysis	10		
6 Programme and project management	10		
7 Honesty and integrity	10		
8 Competence in policy conceptualisation, analysis and implementation	10		
Total score			
Total weight, core competency requirements			20%
Weighted score, core competency requirements			


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PERSONAL DEVELOPMENT PLAN

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