



REPUBLIC OF KENYA



**COUNTY GOVERNMENT OF TANA RIVER
PERFORMANCE CONTRACT**

BETWEEN

H.E. THE GOVERNOR

AND

**THE BOARD OF DIRECTORS
TANA WATER & SANITATION COMPANY LIMITED**

FOR THE PERIOD

1ST JULY 2025 TO 30TH JUNE 2026

*Vetted for and ready
for signing
J. J. J. J.
10/9/2025.*

PREAMBLE

This Performance Contract (hereinafter referred to as "Contract") is entered into between the County Government of Tana River (hereinafter referred to as (CG) represented by H. E. the Governor of P.O. Box 29 - 70101 Hola (together with its assignees and successors) of the one part, and the Board of Directors, Tana Water and Sanitation Company Limited (hereinafter referred to as the Company or WSP or TAWASCO, represented by the Chairperson (hereinafter referred to as "The board") together with its assignees and successors) of P.O. Box 90-70101 Hola, of the other part.

WHEREAS,

The County Government is committed to ensuring that the Water Service Providers are well managed and they are cost effective in delivering quality service to the consumers in line with provisions of the Constitution of Kenya;

The County Government recognizes that WSPs hold a key role in the anchor of the VISION 2030 PILLARS in order to improve the quality of life of the citizens and make the County globally competitive and business oriented.

The purpose of this Performance Contract is to establish the basis for ensuring that efficient and effective services are delivered to the people of Tana River in line with the provisions of the Constitution. WSPs are required to adopt systems that enable effective and efficient water services delivery to their consumers and ensure they maintain the sector benchmarks to attract financial stability and consumer trust.

This Performance Contract therefore represents a basis for continuous performance improvement that meets the needs and expectations of the county residents.

Therefore, the parties hereto agree as follows:

PART 1: Statement of Responsibility by the Chairperson

The Mandate of TAWASCO as provided in the memorandum of association and the Performance Improved Action Plan (PIAP) of the company, is to;

1. Provide Water Services

This is the core responsibility of the WSP, encompassing;

- Developing, maintaining, and operating water supply and sanitation systems
- Ensuring sufficient water quantity and quality to meet national standards.
- Providing equitable access to water services for all
- Metering water consumption and collecting tariffs

2. Compliance with Regulations

The WSP must comply with the legal and regulatory requirements including;

- Operating under a valid water services provision license
- Have a valid tariff
- Comply with drinking water and effluent quality standards
- Established systems for customer management

3. Be Financially Sustainable

The act emphasizes the need for WSPs to be financially sustainable. This includes;

- Setting tariffs that cover operational costs and reinvestment
- Minimizing Non-Revenue Water (Water Loss)
- Operating efficiently and transparently

4. Be Accountable to Consumers

TAWASCO has a responsibility to;



- Provide accurate information about water services
- Respond promptly to consumer complaints
- Address consumer concerns fairly and transparently

5. Serve Underserved Areas

The Act recognizes the need to provide water services to unserved and underserved areas. While commercial viability is considered, measures must be implemented to provide water in these areas, even if not commercially viable.

It is our responsibility to provide the required leadership in designing suitable plans and strategies, that will deliver the desired goals and contribute to high and sustainable socio-economic development

It is also our undertaking that I perform my responsibilities diligently and to the best of my abilities to support the achievement of the agreed performance targets.

PART II: Vision Statement, Mission Statement and Strategic Objectives of TAWASCO

Vision Statement

To be a Water Service Provider that gives adequate and reliable water and sanitation services to residents of Tana River County.

Mission Statement

To ensure provision of efficient and suitable water and sanitation services.

Strategic Objectives

The Strategic objectives for the WSP are to:

1. To provide reliable, safe, equitable and inclusive access to improved water and sanitation services.
2. Improve Operational efficiency

3. Improve Customer service.
4. Enhance Financial sustainability
5. Strengthen organization capacity and crisis management.

Part III: Statement of Strategic Intent by the Chairperson

In carrying out my duties, I intend to put all my efforts towards contributing effectively and efficiently to the achievement of the County development agenda as espoused in the Kenya Vision 2030 and CIDP III, Water & Sanitation Strategy and Investment Plan, TAWASCO's Performance Improved Action Plan, keeping in mind the specific priorities of the Company. Including but not limited to striving for operational excellence, financial stability, customer centricity, environmental stewardship, and ethical governance.

Part IV: Commitments and Obligations of the County Government

Acknowledgement of receipt of correspondences and approval of requests are made within the timelines stipulated in the Citizens' Service Delivery Charter and the Performance Improved Action Plan (PIAP).

Part V: Reporting Requirements

TAWASCO will submit its Quarterly and Annual performance reports in the prescribed format to the Water Services Regulatory Board (WASREB), County Executive Committee Member Offices (for water and for finance) for the purpose of monitoring progress and annual performance evaluation. The reports shall be submitted 15 days after the end of the quarter.

Part VI: Duration of the Performance Contract

This Performance Contract will run for one Financial Year, from 1st July 2025 to 30th June 2026 or as per the specified contract period.



Part VII: Signatories to the Performance contract

For and on behalf of Tana Water and Sanitation Company Limited

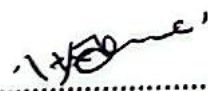
SIGNATURE: .....DATE: 19th sept 2025

SAID WALDEA OMARA
CHAIRMAN – BOARD OF DIRECTORS

SIGNATURE:DATE: 19th sept 2025

AMBARI GALGALO
INDEPENDENT BOARD MEMBER (FINANCE COMMITTEE)

WITNESSED BY:

SIGNATURE: .....DATE: 19th sept 2025

MADAM HARUFA ALGI
CECM WATER & ENERGY

FOR AND ON BEHALF OF THE COUNTY

SIGNATURE: DATE:

H.E. MAJOR (RTD) PROF. DHADHO GADHAE GODHANA

GOVERNOR

Page - 7 - of 18

Tana Water & Sanitation Company Limited BoDs Performance Contract

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ANNEX I: PERFORMANCE CONTRACT MATRIX FOR TAWASCO

S/No.	Performance Criteria and Indicators	Unit of Measure	Weight	Baseline/ Status FY 2024/25	Annual Target FY 2025/26
A	FINANCIAL STEWARDSHIP AND DISCIPLINE				
	Billing of Services	KShs.	4	38,251,580	39,075,000
	Revenue Collection	KShs.	5	28,948,478	31,260,000
	Absorption of Externally mobilized Resources	%	3	100	100
	Pending Bills Ratio	%	3	10.58	<1
	Approved annual budget aligned to the tariff	Report	3	80%	100
	Compliance to the budget	%	2	96%	100
	Payment of statutory deductions	%	3	100%	100
	Investment realization	%	4	100%	100%
	Auditor General's Report against the status of the last audited reports	%	3	80%	100%
	Weight Sub Total		30		
B	SERVICE DELIVERY:				
	Implementation of Citizen's Service Delivery Charter	%	2	20	100
	Digitization of Government Services	%	2	70	100
	Resolution of Public Complaints	Report	1	45	100
	Customer Satisfaction Surveys	%	1		
	Weight Sub Total		6		
C	CORE MANDATE:				
	Improving Water Service Coverage	%	6	55%	60
	Compliance to Drinking Water quality and effluent standards	%	6	94%	100
	Reliability of supply	Hrs per day	6	15	18
	Non-Revenue Water	%	11	61%	58
	Staff Productivity (No. of staff/1000 connections)	No.	5	19	11
	Staff Costs as % of O&M	%	6	30%	25
	Metering Ratio Increased	%	6	53%	65

	Weight Sub Total		46	0	
D	PRESIDENTIAL/ GOVERNORS DIRECTIVES				
	Governor's Directives Implemented****	%	2	0	100
	Weight Sub Total		2		
E	AFIRMATIVE ACTION IN GOVERNMENT PROCUREMENT				
	Access to Government Procurement Opportunities	KShs	2	0	100
	Promotion of Local Content in Procurement	KShs	2	0	100
	Weight Sub Total		4		
F	CROSS – CUTTING ISSUES:				
	Youth Internship/Industrial attachment/apprenticeship	No.	1	15	35
	Asset Management	%	2	0	100
	National Values and principles of governance		1		
	Weight Sub Total		4		
G	PUBLIC PARTICIPATION IN THE DECISION-MAKING PROCESS				
	Publication of information in the website	Report	1	2	12
	Implementation of community outreach and public awareness activities	No	1	4	10
	Sub-Total PP		2		
H	HUMAN RESOURCE MANAGEMENT				
	HR Policy approved by the BoD and adhered to by management	Report	1	0	1
	Performance Management System of staff in place and implemented	Report	1	0	1
	Competitive recruitment is carried out as per the public recruitment law	Report	1	1	1

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	Training and Competence Development	Report	1	1	1
			4		
	Sub-Total HR				
I	MONITORING AND EVALUATION				
	Compliance to statutory reporting requirements	%	2	70	100
			2		
	Sub-Total M&E		100		
	Total Weight				

ANNEX II: EXPLANATORY NOTES FOR EACH PERFORMANCE TARGET

A. FINANCIAL STEWARDSHIP AND DISCIPLINE

A1. Billing of Services

A	Financial Stewardship			
	Billing			
	Introductory Statement			
	The chairman commits to bill KShs. 39,075,000 by the end of the Financial Year			
	Source of Funds	Unit of Measure	Target	Completion Date
1	Water Sales	KShs.	35,000,000	30 th June 2026
2	Other Sources (Please Define)	KShs.	4,075,000	30 th June 2026

A2. Revenue Collection

	Collection			
	Introductory Statement:			
	The chairman commits to collect KShs. 31,260,000 by the end of the Financial Year. This translates to a Collection Efficiency of 75%			
	Source of Funds	Unit of Measure	Target	Completion Date
1	Water Sales	KShs	28,948,478	30 th June 2025

A3: Absorption Of Externally Mobilized Resources

Absorption Of Externally Mobilized Resources
Introductory Statement;

The chairman commits to absorb externally mobilized resources 100% by the end of the Financial Year. The target for externally mobilized resources is KShs. 20,000,000

Source of Funds	Unit of Measure	Target	Completion Date
1 County Government of Tana River	KShs	20,000,000	30 th June 2026

A4: Pending Bills Ratio

Pending Bills Ratio

Introductory Statement;

During the end of FY 2025/2026 the Company had pending bills amounting to KES. 10,000,000,

In the FY 2025/2026 The CECM commits to clear pending bills accumulated.

SUB INDICATOR	TARGET	COMPLETION DATE	OUTPUTS	SUB INDICATOR
1 Pending bills	≤1	By 30 th June 2026	Expenditure Returns	Pending bills

A5: Approved Budget Aligned to Budget

Approved Budget: Aligned to Budget

Introductory Statement;

The Chairperson commits to ensure that funds are distributed in a way that; Recurrent budget - 30% of the budget

Development budget- 70% of the budget

Approved Budget	KShs.	125,200,000	30 th June 2026
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A6: Compliance to Budget

Compliance to the Budget

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Introductory Statement; Compliance to the budget has been maintained by ensuring that all expenditures strictly align with the approved budget				
		KShs.	Target	Completion Date
Approved Budget			125,200,000	30 th June 2026

A6: Payment of Statutory Deductions

Payment of Statutory Deductions				
Introductory Statement In this year under review, the Chairman commits to payment all statutory deductions. Such include NSSF, NHIF, SHA, KRA deductions.				
		KShs	1,758,676	30 th June 2026
Statutory Deduction Compliance				

A7: Investment Realization

Investment Realization				
Introductory Statement; The chairman commits to an investment realization rate of 100%, meaning all planned resources will be fully utilized as intended. This demonstrates strong efficiency in implementing activities and converting financial commitments into tangible outputs. The full realization reflects effective planning, accountability, and alignment of investments with project objectives.				
		KShs.	Target	Completion Date
Actual Investments/ Planned Investments		30,000,000	30,000,000	30 th June 2026

A8: Auditor General's Report Against the Status of the Last Audited Accounts

Auditor General's report against the status of the last audited accounts				
Introductory Statement: The Auditor General's Report provides a comprehensive review against the status of the last audited accounts, highlighting progress made and areas requiring improvement. It assesses compliance with financial regulations, accuracy of records, and accountability in resource utilization.				

	Sub-Indicators	Unit of Measure	Target	Completion Date
1	Auditor General's Opinion	Report	1	30 th June 2026

B. SERVICE DELIVERY

B1: Implementation of Citizens Service Delivery Charter

	Implementation of Citizens Service Delivery Charter			
	Introduction Statement			
	During the FY 2025/2026 the Chairperson commits to: - Display the Citizens' Service Delivery Charter prominently at the point of entry/service delivery points in both English and Kiswahili using the prescribed format. - Sensitize all staff on the contents of the Citizens' Service Delivery Charter and cascade to all levels including customizing the charter at the grassroots institutions by factoring realistic timelines. - Train frontline staff on essentials of excellent customer service culture.			
	Sub Indicators	Unit of Measure	Target	Completion Date
1	Availability of charter	%	100	30 th June 2026
2	Stakeholder involvement	%	100	30 th June 2026
3	Customer feedback	%	100	30 th June 2026

B2: Digitization of Services

	Digitization of Services			
	Introduction Statement			
	The chairperson commits to 100% to undertaking automation (ICT) Base line survey as may be requested by ICT section under PSM.			
	Sub Indicators	Unit of Measure	Target	Completion Date
1	Installation of Financial Integrated System	No	1	30 th June 2026

B3: Resolution of Public Complaints

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	Resolution of Public Complaints			
	Introductory Statement During the FY 2025/2026 the Chairperson commits to register and promptly resolve public complaints referred to the Company directly or channeled through other sources.			
	Sub Indicators	Unit of Measure	Target	Completion Date
1	Maintain complaints handling Infrastructure	Reports	3	30 th June 2026
2	Access to Information - Reactive Disclosure	%	1	30 th June 2026
3	Conduct capacity building for complaints-handling officers	Reports/ Minutes	1	30 th June 2026

B4: Customer Satisfaction Surveys

	Customer Satisfaction Survey			
	Introductory Statement During the FY 2025/2026 the Chairperson commits to conduct Customer satisfaction as a key performance indicator for ensuring accountability and service improvement.			
	Sub Indicators	Unit of Measure	Target	Completion Date
1	Customer Satisfaction Survey Index	%	100	30 th June 2026

C: CORE MANDATE

C1: Water Coverage

	Water Coverage			
	Introductory Statement During the Contract Period, the Chairperson commits to increasing access to clean and safe drinking water from 55% in FY 2024/25 to 60% by 2025/2026 Note: $y\% \text{ population} = \text{number of customers} / \text{total population in service area}$.			
	Sub Indicators	Unit of Measure	Target	Completion Date

1	Increase Water Coverage from 55% to 60%	%	60	30 th June 2026
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C2: Drinking Water Quality

Drinking Water Quality				
Introductory Statement				
During the Contract Period, the chairperson commits to increasing the residual chlorine from 94% in FY 2024/2025 to 100% in 2025/2026				
	Sub Indicators	Unit of Measure	Target	Completion Date
1	Interventions towards 100% drinking water quality compliance	Report	12	30 th June 2026

C3: Reliability of Supply

Reliability of Supply				
Introductory Statement:				
During the Contract Period, the Board commits to Increasing the hours of supply from 10 to 15 hours per day by 2025/2026				
	Sub Indicators	Unit of Measure	Target	Completion Date
	1. Drilling of 2No. boreholes 2. Increase of storage by 200m ³	Hrs./day	24	30 th June 2026

C4: Non-Revenue Water

Non-Revenue Water				
Introductory Statement				
In the FY 2025/2026, the Chairperson commits to reducing Non-Revenue Water from 61% to 58% in FY 2025/2026				
	Sub Indicators	Unit of Measure	Target	Completion Date
1	Increasing Metering Ratio	%	58	30 th June 2026

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2	Reducing No. of bursts/ leakages	%	100	30 th June 2026
3	Replacement of dilapidated pipes	%	10	30 th June 2026

C5: Staff Productivity

Staff Productivity				
Introductory Statement: In the FY 2025/2026, the Chairperson commits to reducing Staff Productivity (No. of staff/ 1000 connections) from 19 to the sector benchmark of 11 in FY 2024/2025.				
	Sub Indicators	Unit of Measure	Target	Completion Date
1	Interventions for staff/1000 connections	%	11	30 th June 2026

C6: Staff Costs as % of O&M

Staff Costs as % of O&M				
Introductory Statement: During the Contract Period, the chairperson commits to reducing the staff costs from 30% in FY 2024/25 to 25% in 2025/2026				
	Sub Indicators	Unit of Measure	Target	Completion Date
1	Interventions include; 1. Increase no. of connections 2. Reduce DSA Costs	%	30	30 th June 2026

C7: Metering Ration

Metering Ratio				
Introductory Statement In reducing the Non-Revenue Water, increasing metering ration was identified as a major strategy in achieving the same. In the FY 2025/26, the chairman of the board commits to increasing the metering ration from 55% to 65%				

	Sub Indicators	Unit of Measure	Target	Completion Date
1	Increased no. of meters installed	%	65	30 th June 2026

D: PRESIDENTIAL DIRECTIVES

Presidential Directive				
Introductory Statement				
In implementing presidential directives, the Chairman shall ensure that all directives issued by the President and the Governor are executed as reflected in the approved TAWASCO budgets				
	Sub Indicators	Unit of Measure	Target	Completion Date
1	No. of activities implemented	No.	3	30 th June 2026

G. PUBLIC PARTICIPATION

G1: Public Participation on the website

Public Participation on the website				
Introductory Statement				
During the Contract Period, the Board commits to publish all public information to the website. This includes;				
1. Tenders 2. Recruitment 3. Audit Reports				
	Sub Indicators	Unit of Measure	Target	Completion Date
1	Information available on the website	Report	12	30 th June 2026

G2: Implementation of community outreach and public awareness activities

Implementation of community outreach and public awareness activities				

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	Introductory Statement			
	During the Contract Period, the Board commits to implement community awareness programs.			
	Sub Indicators	Unit of Measure	Target	Completion Date
1	Implementation of community awareness programs	Report	10	30 th June 2026

H. HUMAN RESOURCE MANAGEMENT

	Human Resource Management			
	Introductory Statement			
	The HR Policy highlights;			
	1. Workforce planning in the organograms 2. Training and development 3. Recruitment and selection 4. Reward and sanctions			
	Sub Indicators	Unit of Measure	Target	Completion Date
1	Implementation of community awareness programs	Report	10	30 th June 2026

I. MONITORING AND EVALUATION

	Monitoring and Evaluation			
	Introductory Statement			
	Introductory Statement			
	1. In the FY 2024/2025, the chairman commits to submit monthly, quarterly and annual reports as guided by the M&E guidelines			
	Sub Indicators	Unit of Measure	Target	Completion Date
1	Compliance to statutory reporting requirements	Report	100	30 th June 2026