

**PERFORMANCE CONTRACT
HOLA MUNICIPALITY**



PREAMBLE

This Performance Contract (hereinafter referred to as "Contract") is entered into between the County Department of Roads, Transport, Public Works, Housing and Urbanization (hereinafter referred to as the "Department") represented by the CECM of P.O. Box 29 - 70101, HOLA (together with its assignees and successors) of the one part, and the Board of the Municipality of Hola (hereinafter referred to as "Municipality") represented by the Chairperson (together with its assignees and successors) of P.O. Box 3-70101, HOLA of the other part.

WHEREAS,

The Department is committed to ensuring that public offices are well managed and they are cost effective in delivering quality service to the public in line with provisions of the Constitution of Kenya.

The Department recognizes that the Municipality role is key in the implementation of County priority programmes and projects; other national priorities including the "BETA" Initiatives in order to make the county competitive and improve the quality of lives of the people of Tana River County.

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 County in line with the provisions of the Constitution and by requiring the Municipality to adapt systems that enable innovativeness and adaptability of public services to the needs of users.

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

Therefore, the parties hereto agree as follows:

PART 1: Statement of Responsibility by the Chairperson of the Board

The Mandate of the Municipality, pursuant to the provisions of Section 3 of 2019 of the Urban Areas and Cities Amendment Act and Hola Municipal Charter is to undertake:

- i) Develop or adoption of policies, plans, strategies, programs for service delivery on set targets.

- ii) Formulate and implement an integrated development plan.
- iii) Control land use, land sub-division, land development and zoning by public and private sectors for any purpose, including industry, commerce, markets, shopping and other employment centers, residential areas, recreational areas, parks entertainment, passenger transport, agriculture, and freight and transit stations within the framework of the spatial and master plans for the municipality as delegated by the County Government of Tana River
- iv) Promoting and undertaking infrastructure development.
- v) Developing and managing schemes in collaboration with agencies.
- vi) Facilitate and regulate public transport.
- vii) Promote a safe and healthy environment.
- viii) Oversee the affairs of the Municipality
- ix) Facilitating and regulating public transport
- x) Promoting a safe and healthy environment
- xi) Establishing, implementing and monitoring performance management systems
- xii) Settling and implementing tariff, rate, and debt collection policies as delegated by the County Government of Tana River
- xiii) Monitoring the impact and effectiveness of any services, policies, programs or plans
- xiv) Preparing and submitting its annual budget estimates to the relevant County treasury for consideration and submission to the County Assembly for approval as part of the Annual County Appropriation Bill
- xv) Monitoring and, where appropriate regulating municipal services where those services and provide by service provider other than the board of the Municipality.
- xvi) Entering into contracts, partnership or joint ventures as it may consider necessary for the discharge of its functions.
- xvii) Implementing applicable national and County legislation
- xviii) Maintained a comprehensive database and information system of the administration.
- xix) Administering and regulating its internal affairs

in designing suitable plans and strategies that will contribute to high and sustainable socio-economic development. It is my undertaking to ensure that the Municipality of Hola have a credible Strategic Plan and Performance Contract that will deliver the desired goals.

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

PART II: Vision, Mission and Strategic Objectives

a) Vision

To be a premier municipality in service delivery.

b) Mission

To produce international class citizen by fostering socio-economic environmental wellbeing of the community

c) Strategic Objectives

The Strategic objectives for the Municipality of HOLA are: -

- i) Promotion, regulation and provision of refuse collection and solid waste management services.
- ii) Storm water management
- iii) Improve non-motorised transport
- iv) Develop recreational parks and green spaces
- v) Enhance traffic controls and parking
- vi) Provide bus and Taxi stands

Construction and Maintenance of storm water drainage and floods control.

Construction and Maintenance of walkways and other non –motorised transport infrastructure

Construction and Maintenance of recreational parks and green spaces

Construction and Maintenance of street lighting.

Construction, Maintenance, and regulation of traffic controls and parking facilities.

Construction and Maintenance of bus stands and Taxi Stands.

Construction of maintenance of Fire Station, provision of firefighting services, emergency preparedness and disaster management

Promotion, regulation and provision of animal control and welfare.

Construction and Maintenance of administrative offices.

Part III: Statement of Strategic Intent by the Municipal Manager



In carrying out my duties, I Jacob Barisa Jarha the Municipal Manager and the Accounting officer of the Municipality of Hola shall pursuant to the provisions of section 148 of the public Finance Management Act, 2012

(1) Exercise the functions and powers assigned to an accounting officer in terms of this Act and

(2) Be responsible and accountable to the county assembly for the financial management and administration of the Municipality of Hola and

(3) Be responsible for the management of the revenue received by that urban area or city in accordance with section 172

I also intend to put all my efforts towards contributing effectively and efficiently to the achievement of the County development agenda as espoused in the CIDP and Kenya Vision 2030, keeping in mind the specific priorities of the Municipality

Bearing in mind the imperative of inclusivity, I will implement the following Strategic Intentions during the Financial Year: -

1. Development a realistic budget for the Municipality for operationalisation of activities
2. Conducting the four quarterly board meeting as prescribed in the Urban Area and Cities Act 2011
3. Development of the Municipal strategic plan.
4. Development of the Municipal Spatial Plan.
5. Development of the Municipal Integrated development plan.
6. Development of Municipal operational policies including waste management policy, animal and welfare management policy, disaster Management policy, Municipal By – Laws and other operational Manuals
7. Completion of the storm water drainage system
8. Construction and Maintenance of street lighting
9. Make sure Hola town is very clean and attractive.

. Part IV: Commitments and Obligations of the Municipality

- (i) Involvement of the public and relevant stake holders in identifying priorities in terms of projects implementation.
- (ii) Acknowledgement of receipt of correspondences, Memorandum and approval of resolution mechanisms systems to address public complaint.
- (iii) Adhere to the provisions and timelines stipulated in the Citizens' Service Delivery Charter.

(iv) Conducive environment to promote business, partnership and other investment.

Part V: Reporting Requirements

The Hola Municipality shall submit its Quarterly performance reports in the prescribed format to the designated agencies for monitoring progress and annual performance evaluation as per the schedule below:

Quarter 1	Mid – year	Quarter 3	Annual
15 th October 2025	15 th January 2026	15 th April 2026	15 th July 2026

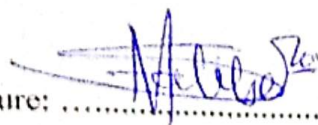
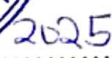
Part VI: Duration of the Performance Contract

The Performance Contract will run for one financial year, from 1st July 2025 to 30th June 2026.

Part VII: Signatories to the Performance contract

For: Municipality of Hola



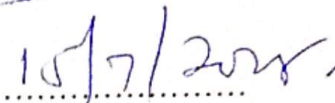
Signature:  Date: 

Sammy Abio Malibe

CHAIRMAN, HOLA MUNICIPAL BOARD

WITNESSED BY



Signature:  Date: 

ARI BODOLE

COUNTY CHIEF OFFICER PUBLIC WORKS, HOUSING AND URBANISATION

For: County Government of Tana River

Signature: Date:

STEPHEN WACHIRA KARIUKI

CEC MEMBER ROADS, TRANSPORT, PUBLIC WORKS, HOUSING AND URBANIZATION

Performance Contract Matrix for the Municipality of Hola

	CRITERIA CATEGORY	UNIT OF MEASURE	WEIGHT	CURRENT STATUS FY 2024/25	TARGET FY 2025/26
A	FINANCE & STEWARDSHIP				
A1	Absorption of Allocated Funds	%	4	82	100
A2	Development Index	%	2	56	85
A3	A-in-A	Kshs.	1	Kshs. 00.00	Kshs. 500,000
A4	Asset Management	%	1	30	100
A5	Pending bills	%	2	5	≤ 1
	Weight Sub Total		10		
B	SERVICE DELIVERY				
B1	Implementation of Citizens' Service Delivery Charter	%	2	N/A	100
B2	Customer Satisfaction	Report	2	0	1
B3	Application of service delivery Innovations	%	2	0	100
B4	Resolution of Public Complaints	%	2	0	100
B5	Automation (ICT)	Report	2	0	1
	Weight Sub Total		10		
C	INSTITUTIONAL TRANSFORMATION				
C1	Development of departmental Planning Framework	%	3		100
C2	Youth Internships/Industrial Attachments/Apprenticeships	No.	1	12	20
C3	Access to Government Procurement Opportunities (AGPO).	Kshs.	2	6	9
C4	Competence Development	%	2		100
C5	Knowledge Management	%	2		100
C6	Work Environment	%	1		100
C7	Safety and Security Measures	%	1		100
C8	Cascading of Performance Contracts	%	1.5		100
	Weight Sub Total		15		
D	CORE MANDATE:				
D1	County Revenue collection	Kshs.(M)	15	66	72.6
D2	Develop and implement relevant policies	%	2	0	100
D3	Issuance of circulars and guidelines	%	1	100	100

CRITERIA CATEGORY	UNIT OF MEASURE	WEIGHT	CURRENT STATUS FY 2024/25	TARGET FY 2025/26
D4 Financial reporting and Advisory	%	5	100	100
D5 Budget formulation policy documents	Report	5	6	6
D6 Monitoring and Evaluation	Report	5	0	4
D7 Preparation of consolidated County work plans for FY 2025/2026	%	5	100	100
D8 Implement procurement and Disposal procedures	%	5	100	100
D9 Adopt E-procurement	%	3	10	100
D10 Build capacity	%	2		100
D11 Ease of Doing Business	%	2		100
D12 Compliance with statutory obligations	%	2		100
D13 Project completion rate	%	2		100
D14 County development index	%	3	27	100
D15 County asset management	%	3	30	100
Weight Sub Total		60		
E CROSS – CUTTING ISSUES:				
E1 Prevention of Alcohol and Drug Abuse	%	0.5	N/A	100
E2 Prevention of HIV/AIDS Infections	%	0.5	N/A	100
E3 Environmental sustainability	%	1	N/A	100
E4 Disability Mainstreaming	%	0.5	N/A	100
E5 Gender Mainstreaming	%	0.5	0	100
E6 Corruption prevention	%	40	0	40
E7 National cohesion and values	%	1	0	100
Weight Sub Total		5		
OVERALL TOTAL WEIGHT		100		

**MINUTES OF THE SPECIAL BOARD MEETING HELD AT THE HOTEL SAPPHIRE
BOARDROOM ON THE 3RD OF OCTOBER 2025**

Members Present

- | | |
|--------------------------------|--|
| 1. Eng. Stephen Wachira | CEC Member Roads, Public Works, Housing & Urbanization |
| 2. Mr. Hussein Bodole | Chief Officer Housing and Urbanization |
| 3. Mr. Sammy Abio Malibe | Member |
| 4. Bsp. Richard Yaro Abio | Member |
| 5. Mr. Mohamed Bahola Suleiman | Member |
| 6. Mr. James M Onchanga | Member |
| 7. Md.Saddia Halima Koro | Member |
| 8. CPA. Jacob Jarha | Secretary |

AGENDA

1. Opening minutes
2. Performance vetting and signing
3. A.O.B

MIN/1/15/07/2025 OPENING REMARKS

The meeting was called to order at 9:00 Am with award of prayers from Sammy Malibe . The chairperson welcomed every

FY 2025-2026 EXPLANATORY NOTES FOR PERFORMANCE TARGET

	Agreed Targets	Explanatory Notes
A	Finance and Stewardship	
1	Absorption of Allocated Funds	The Hola Municipality commits to ensure that funds are 100% utilized as per the amounts set in the budget as shown below; Recurrent budget - Kshs. 80,567,708.00 (Kshs. 20,141,927.00 per quarter) Development budget - Kshs. 120,000,000.00 (Kshs. 30,000,000.00 per quarter) Total budget - Kshs 203,007,710.00 (Kshs. 50,751,927.00 per quarter)
2	Development Index	The Municipal manager commits to ensure the development index for the department is at least 87.5% of the total budget for the department i) Total budget Kshs. 80,567,,708.00 ii) Development budget Kshs. 120,000,000.00 Development Index=Dev/Total*100 (120,000,000/203,007,710)x 100=59.11%

3	A-in-A	The Municipal Manager commits to mobilize Kshs. 32,000,000.00 million under the Kenya Urban Support Project (KUSP Level 3) 3rd Quarter 2025/2026 ksh 16,000,000.00 4th Quarter 2025/2026 Ksh 16,000,000.00
4	Asset Management	The Municipal Manager commits to; i) Maintain and update assets and properties register including the status-40% ii) Tag assets on purchase-100% iii) Identify all unserviceable, obsolete and excess assets for purposes of disposal in accordance with the law and dispose at least 100% of identified asset-100%
5	Pending bills	The Municipal Manager commits to ensure no pending bills exist in the records.
B	Service Delivery	
1	Implementation of Citizens' Service Delivery Charter	The Municipal Manager commits to; i) Appoint departmental service charter implementation Committee - 25% ii) Sensitize the employees of the Hola Municipality on the service charter-50% iii) Submission of quarterly monitoring reports to the County Treasury –by 15th day after the end of the quarter
2	Customer Satisfaction	The Municipal Manager commits to; i) Utilize the customer relations desk at the headquarter-20% ii) Establish departmental welfare committee to handle staff welfare matter-40% iii) Undertake a customer satisfaction survey in FY 2020/2021-40%
3	Resolution of Public Complaints	During the FY 2025/2026, the Municipal Manager in collaboration with the Municipal Board will undertake the following: i) Establish a complaint handling and management infrastructure and submit information on the same to the County secretary in a prescribed format-15% ii) Develop complaints handling procedures-20% iii) Implement Citizen Service Delivery Charter-15%

		iv) Conduct capacity building for complaints handling officers and staff-10% v) Create awareness on the existence of complaints-handling mechanism in the department-10% vi) Resolve all reported complaint ;15% and vii) Make quarterly returns to the County treasury .15%
4	Automation (ICT)	The Municipal Manager commits to; i) Roll out at least one modules of audit system-40% ii) Undertake ICT capacity building for all audit staff-30% iii) Automate registry management system-30%
C Institutional Transformation		
1	Development of departmental Planning Framework	The Municipal Manager undertakes to; i) Finalize the formulation of the sectoral plans and coordinate the implementation of the plans - 10% ii) Develop the 5 year IDEP -100% iii) Prepare and implement the ADP-20% iv) Prepare and implement the annual work plan-40%
2	Youth Internships/Industrial Attachments/Apprenticeships	The Municipal Manager commits to engage 2 interns and 10 attaches, Develop skill needed for interns/attaches and Prepare report for skills impacted.
3	Competence Development	The Municipal Manager will undertake the following: i) Institutional Skills Gap Analysis, this will be done in the second quarter-30% ii) Carry out Staff Training Needs Assessment in the second quarter-20% iii) Execute interventions to address the identified skills gaps and training needs through, Recruitment and capacity building-25% and iv) Carry out staff Performance Appraisal by end of the fourth quarter-25%
4	Work Environment	The Municipal Manager will: i) Carry out an internal work environment survey by end of second quarter-35% ii) Prepare a work plan for implementation of the survey recommendations by end of second quarter-35% and iii) Implement the same in the subsequent quarters-30%

	Safety and Security Measures	In collaboration with the department of Public Service and Administration, the Municipal Manager will: i) Install fire extinguishers-10% ii) Install security checks at the entrance-10% iii) Display emergency numbers for Fire/Police-10% iv) Put signage in designated places within the office compound-10% v) Regularly review the CCTV surveillance cameras and prepare a report-10% vi) Implement the Information Security Management Steps-40%
8	Cascading of Performance Contracts	The Municipal Manager commits to cascade the performance contract to all levels; i) Cascading PC ii) Carry out performance evaluation at the end of the contract period -40%
D	Core Mandate	
1	County Revenue collection	In the FY 2024/2025, the department collected Kshs. 0.00 of local revenue. In the FY 2025/2026, the Municipal Manager commits to raise the local revenue collection to 5,000,000.00.
2	Coordinate the implementation of relevant policies	In the FY 2025/2026, the Municipal Manager shall; i) Coordinate the implementation of the Asset management policy by 31st December 2025 ii) Implement the M&E policy;25%
3	Ensure compliance to applicable circulars and guidelines	During the FY 2025/2026, the Municipal Manger member will ensure that the Hola Municipality adhere to the following circulars and guidelines; i) Circular to guide in the implementation of the FY 2025/26 Budget - 33% ii) Circular to guide in the preparation of the FY 2025/26 and the medium term Budget - 33% iii) Designation of Accounting Officers – 34%
4	Financial reporting and Advisory	The CCO commits to ensure that the following are prepared: i) Financial quarterly reports;33% - 15 days after the end of the quarter ii) Annual financial statements; 33% - 1 months after the closure of the financial year. and

		iii) Monthly expenditure reports to Controller of Budget - 34%
5	Budget formulation policy documents	The Directorates commits to prepare and submit all the statutory budget documents within the statutory timelines; i) Prepare and circulate the budget circular by 30th August, 2025- 5% ii) Annual Development Plan and submit to County Assembly by 1st September, 2025 – 20% iii) Prepare and submit the County Budget and Outlook Paper (CBROP) by 30th October, 2025-20% iv) Prepare and Submit the County Fiscal Strategy Paper (CFSP) by 28th February, 2026-20% iv) Prepare and submit 2025/2026 budget by 30th April, 2021-20% v) The Department also commits to disseminate the CBROP, CFSP through the County website and broadcast media - 5% vi) Ensure public participation-10%
6	Monitoring and Evaluation	The Directorates will conduct; i) Constitute ward-level, sub-county level and sectoral-level M&E committees – 30% ii) Coordinate the monitoring of projects in all sectors and wards – 30% iii) Compile quarterly and annual project progress reports – 20% iv) Compile the County - Annual Progress Report (C-APR) – 20%
7	Preparation of consolidated County work plans for FY 2025/2026	The Directorates of Finance and Economic Planning, in consultation with all departments, shall prepare a consolidated county work plan for FY 2020/2021.
8	Implement procurement and Disposal procedures	During the FY 2025/2026, the department shall decentralize procurement and Evaluation committee from the headquarters to the sub counties.
9	Adopt E-procurement	The Directorates will undertake the following: i) Training of staff by the National Treasury on issues pertaining E-Procurement-50% and

		ii) Training of suppliers by the National treasury on issues pertaining E-Procurement-50%.
10	Build capacity	In the FY 2025/2026, the Directorates commits to: i) Financial reporting ii) E-procurement iii) Revenue automation iv) Monitoring and evaluation/e-CIMES
11	Ease of Doing Business	The Directorates commits to collect data and create an automated database that will allow business traders to pay for their business permits using mobile technology without coming to the offices.
14	County development index	i) Recurrent budget is Kshs. 80,569,708 ii) Development budget is Kshs. 120,000,000 iii) Total budget is Kshs. 203,007,710.00 Development index = $\text{Dev}/\text{Total} \times 100 = 59.1$
15	County asset management	The Directorates commits to; i)
E	Crosscutting Issues	
1	Prevention of alcohol and drug abuse	The Municipal Manager commits to; i) Sensitize staff on alcohol and drug abuse -40% ii) Recommend cases of rehabilitation, treatment and counseling for staff-40% iii) Follow up rehabilitated cases-20%
2	Prevention of HIV infections	The Municipal Manager will commit to : i) Wellness promotion and sensitization of staff on HIV30% ii) Sensitize staff members on HIV related stigma and discrimination-40% iii) Promote preventive measures 30%
3	Environmental sustainability	The Municipal Manager commits to adapt and mitigate climate change through i) Conduct a tree planting session for County Treasury staff -50% ii) Ensure that rain water harvesting structures are functional at the office premises - 50%

	Disability mainstreaming	The Municipal Manager commits to ensure that PLWDs are considered for AGPO by availing 5% of the 30% for AGPO-50% Ensure the document warehouse building is accessible for people with disability. -50%
5	Corruption prevention	The Municipal Manager to:- i) Appoint corruption prevention committee-20% ii) Establish gifts and conflict of interest registers-20% iii) Prepare financial management policy and procedure manual-20% iv) Prepare county internal audit manual and service charter-20% v) Prepare bi-annual corruption prevention report-20%
6	National cohesion and values	The Municipal Manager commits to undertake the following to enhance national cohesion and values :- i) Upload the available opportunities for AGPO to the county government website -20% ii) Enhance fight against corruption-20% iii) Create awareness among staff on national values and principles of governance-20% iv) Submit a report in the prescribed format to the county secretary-20% v) Ensure enhancement of National Values by use of the 2 national language in the office -20%