REPUBLIC OF KENYA

PERFORMANCE CONTRACT

BETWEEN

THE COUNTY GOVERNMENT OF BARINGO THROUGH THE CECM – WATER AND IRRIGATION

AND

THE BOARD OF DIRECTORS - CHEWASCO

FOR THE PERIOD

1ST JULY 2025 TO 30TH JUNE 2026

Preamble

This Performance Contract (hereinafter referred to as "Contract") is entered into between the County Government (hereinafter referred to as "CG") represented by CECM of Water and Irrigation (together with its assignees and successors) of the one part and Board- CHEWASCO (hereinafter referred to as the Board of Directors), (together with its assignees and successors) of P.O.BOX 826-20103 of the other part. WHEREAS.

The County Government is committed to ensuring that water service providers are well managed, and they are effective in delivering quality service to the consumers in line with the 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 Kenyans 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 the basis for continuous performance improvement that meets the needs and expectations of the Kenyan people.

Therefore, the parties hereto agree as follows:

Part I: Statement of Responsibility by the Board of Directors

The Mandate of Water Services Provider is to:

1. **Provide Water Services:**
   This is the core responsibility of a WSP, encompassing:

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

2. **Compliance with Regulations:**

   WSPs must operate under a licence issued by WASREB. It complies with tariff conditions including:

   Tariff setting and billing procedures.
   Water quality standards and monitoring.
   Consumer protection guidelines.

3. **Be Financially sustainable**

   The Act emphasizes the need for WSPs to be financially sustainable. This means:
   Setting tariffs that cover operational costs and reinvestment.
   Minimizing non-revenue water (water loss).
   Operating efficiently and transparently.

4. **Be Accountable to Consumers:**

WSPs have 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 contribute to high and sustainable socio- economic development. It is our undertaking to ensure that CHEWASCO has a Approved Strategic and Business Plans that will deliver the desired goals.

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

Part II: Vision Statement, Mission Statement and Strategic Objectives

(a) Vision Statement

To be the best water and sanitation services provider nationally

(b) Mission Statement

CHEWASCO is committed to providing quality and adequate water in a cc
Effective manner through qualified and motivated human resource

(c) Strategic Objectives

1.Professionalism
2.Integrity
3.Performance
4.Innovativeness
5.Customer Focus

Part III: Statement of Strategic Intent by the Board of Directors

Aiming to be a leader in safe, affordable water for all, the Board of [WSP Name] sets its strategic course. We'll strive for operational excellence, financial stability, customer-centricity, environmental stewardship, and ethical governance. Guided by integrity, innovation, and teamwork, we commit to leading CHEWASCO towards a sustainable future of exceptional service and responsible water management, enriching our community.

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 PIAPs, customer service delivery charter and the DLIs.

Part V: Reporting Requirements

CHEWASCO 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.

Part VI: Duration of the Performance Contract

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

Part VII: Signatories to the Performance Contract

For and on behalf of CHEMUSUSU WATER COMPANY (transferable as the Chairman position and not person)

Signature.. Date.12th March 2026

NAME OF THE CHAIRMAN ALLAN K. SOGOMO

CHAIRMAN - BOARD OF DIRECTORS

Signature.. Date.12/03/2026.

INDEPENDENT BOARD MEMBER (CHAIR OF FINANCE COMMITTEE)

For and on behalf of the County Government

COUNTY EXECUTIVE COMMITTEE
DEPT OF WATER AND IRRIGATION
12 MAR 2026
COUNTY GOVERNMENT OF BARINGO
P.O. BOX 53 - 30400 KABARNET

Signature.. Date.12/3/2026.

WATER, SANITATION, AND IRRIGATION

HON. REUBEN RUTTO

COUNTY EXECUTIVE COMMITTEE MEMBER

WATER, SANITATION, AND IRRIGATION

Countersigned by:

CamScanner

Signature.. Date 12/3/2026..........................

WILSON CHESEREK

COUNTY EXECUTIVE COMMITTEE MEMBER

FINANCE/ TREASURY/ ECONOMIC PLANNING

ANNEX I: PERFORMANCE CONTRACT MATRIX FOR (CHEWASCO)

S/no.	Performance Criteria Core Business	Unit of Measure	Weight (%)	Previous FY	Target FY
FS	**Financial Stewardship**				
FS 1	Billing for services	Ksh		49,046,307	64,000,000
FS 2	Revenue collection	Ksh		43,076,507	66,000,000
FS 3	Approved annual budget aligned to the tariff	Report		58,970,400	84,989,000
FS 4	Compliance to the Budget	%		88	100
FS 5	Payment of statutory deductions	%		100	100
FS 6	Investment realization	%		0	0
FS 7	Auditor General's report against the status of the last audited accounts	%		100	100
	Sub-Total FS		**15**		
SD	**Service Delivery**				
SD 1	Implementation of Citizens' Service Delivery Charter	%		90	100
SD 2	Digitalization of services	%		85	100
SD 3	Resolution of Consumer Complaints	%		99	100
SD 4	Customer satisfaction survey			85	85
	Sub-Total SD		**10**		

SD	**Service Delivery**				
SD 1	Implementation of Citizens' Service Delivery Charter	%		90	100
SD 2	Digitalization of services	%		85	100
SD 3	Resolution of Consumer Complaints	%		99	100
SD 4	Customer satisfaction survey			85	85
	Sub-Total SD		**10**		
	TECHNICAL PERFORMANCE				
TP1	Improving wate Service Coverage	%		20	25
TP2	Compliance to Drinking water quality and effluent standards	%		100	100
TP3	Reliability of supply	Hrs/Day		22	24
TP4	Reduction of water losses	%		12	12
TP5	Staff productivity	No./1000 connectio ns		12	0
TP6	Staff costs	%		41	<40
TP7					
TP8					
TP9					
TP10					
TP11					
TP12					
	Sub-Total TP		**55**		
	Public participation in the decision-making process				
PP1	Publication of information on the website	Report		YES	yes
PP2	Implementation of community outreach and public awareness activities	No		10	15
	Sub-Total PP		**5**		
HR	**HUMAN RESOURCE MANAGEMENT**				
HR 1	HR policy approved by the BoD and adhered to by management	Report		YES	yes
HR 2	Performance Management System for staff in place and implemented	Report		YES	yes

HR 3	Competitive recruitment is carried out as per the public recruitment law	Report		YES	yes
HR 4	Trainings & Competence Development	Report		YES	yes
	Sub-Total HR		**10**		
M& E	**MONITORING AND EVALUATION**				
M&E 1	Compliance to statutory reporting requirements	%		90	100
	Sub-Total M&E		**5**		
	Total Weight		**100**		

ANNEX II: PERFORMANCE CONTRACT EXPLANATORY NOTES

FS. Financial Stewardship

FS 1- Billing

Billing for the Financial year 2025/2026

	Source of Funds	Unit of Measure	Target	Completion Date
1.	Water Sales	Kshs	47,640,000	30/06/2026
2.	Other sources (please define)	Kshs	0	30/06/2026

FS 2- Collection

Collections for the Financial year 2025/2026

	Source of Funds	Unit of Measure	Target	Completion Date
1.	Water Sales	Kshs	47,640,000	30/06/2026

FS 3- Approved Budget

Approved Budget for the Financial year 2025/2026

	Approved budget	Kshs	84,989,000	30/06/2026

FS 4- Compliance to the Budget

The company will aim to meet 100% of the annual budget

	Approved budget	%	100	30/06/2026

FS 5 - Payment of statutory deductions

The company will aim to pay all the statutory deduction

	Statutory deductions compliance	%	100	30/06/2026

FS 6 - Investment realization

The company will aim to meet most of its investment targets

	Actual investments/Planned Investments	%	80	30/06/2027

FS 7 Auditor General's report against the status of the last audited accounts

The company will aim to comply with auditors finding on FS reports

	Sub-Indicators	Unit of Measure	Target	Completion Date
1.	Auditor General's opinion	Report	1	30/06/2026

SD. Service Delivery

SD1 - Implementation of Citizens' Service Delivery Charter

	Sub-Indicators	Unit of Measure	Target	Completion Date
1.	New water connections	%	100	30/06/2026
2.	Meter reading	%	100	30/06/2026
3.	Billing Inquiries	%	100	30/06/2026
4.	Billing queries resolution	%	100	30/06/2026

SD 2 - Digitalization of services

The Company will ensure digitization of its services

	Sub-Indicators	Unit of Measure	Target	Completion Date
1.	Integrated payment system	%	100	30/06/2026
2.	Smart Billing	%	100	30/06/2026
3.	Customer Mobile Applications/ussd codee	%	100	30/06/2026

SD 3 - Resolution of Public Complaints

The company will aim to resolve public complains on time

	Sub-Indicators	Unit of Measure	Target	Completion Date
1.	Billing/water complains.	%	100	30/06/2026
2.	Access to information – Reactive Disclosure	%	100	30/06/2026

SD 4 - Customer Satisfaction survey

The company to carry out more Customer Satisfaction surveys

	Sub-Indicators	Unit of Measure	Target	Completion Date
1.	Customer Satisfaction survey index	%	90	30/06/2026

TP Technical Performance

TP 1- Water Coverage

The company is in the progress of expanding its water covergae

	Sub-Indicator	Unit of Measure	Target	Completion Date
1.	Increase water coverage by 20 percentage points	No	44	30/06/2026

TP 2- Drinking water quality

The company to ensure safe and clean water for our customers

	Sub-Indicator	Unit of Measure	Target	Completion Date
1.	Interventions towards 100% drinking water quality compliance	Report	24	30/06/2026

TP 3- Reliability of supply

The company is close to achieving 24hrs water supply current it's at 22hrs

	Sub-Indicator	Unit of Measure	Target	Completion Date
	Interventions to be listed	Hrs/day	24	30/06/2026

TP 4- Non-Revenue water

The company is actively working on Reducing NRW

	Sub-Indicator	Unit of Measure	Target	Completion Date
	- 100% Metering - Replacements and repairs of old pipes - Weeding out illegal connections - Customer/staff sensitization programs	%	45	30/06/2026

TP 5 Staff Productivity

The company is actively registering new customers through the continued expansion of the coverage area

	Sub-Indicator	Unit of Measure	Target	Completion Date
	Increasing the number of registered customers by 1500-2000 every year	No	8	30/06/2028

TP 6 Staff costs

The company is the progress of improving revenue collection and generation to ensure it meets the licence target on staff cost

	Sub-Indicator	Unit of Measure	Target	Completion Date
	Improving revenue collection/generation to balance out on	%	40	30/06/2026

	improving staff costs without compromising the set standards on staff cost			

PP Public Participation

PP1- Publication of information on the website

The company is in the process of improving its website with all the relevant company information.

	Sub-Indicator	Unit of Measure	Target	Completion Date
	-Company audited financial statements - Approved Tariff	Report	yes	30/06/2026

PP2 - Implementation of community outreach and public awareness activities

The company will engage customers through public barazas, stakeholder meeting

	Sub-Indicator	Unit of Measure	Target	Completion Date
1.	The utility implements community outreach and public awareness activities	%	70	30/06/3026

HR HUMAN RESOURCE MANAGEMENT

HR1 - HR Policy

The company has an approved HR policy in place

	Sub-Indicators	Unit of Measure	Target	Completion Date
	HR policy approved by the BoD and adhered to by management	%	100	30/06/2026

HR2 - Performance Management System for staff in place and implemented

The company has implemented and assigned performance contracts to all its staff

	Sub-Indicators	Unit of Measure	Target	Completion Date
	Approved PMS in place and implemented	%	100	30/06/2026

HR 3- Competitive Recruitment

The company advertises any recruitments taking place in the MyGov to ensure transparency and fair recruitment process

	Sub-Indicators	Unit of Measure	Target	Completion Date
	Competitive recruitment is carried out as per the public recruitment law (i.e transparent, opportunities advertised, qualifications clearly outlined)	%	100	30/06/2026

HR 4 - Trainings and Competence

The company actively takes its staff for trainings both internally and externally based on each department

	Sub-Indicators	Unit of Measure	Target	Completion Date
	Utility carries out a training needs and assessment which is implemented	%	70	30/06/2026

M&E Monitoring and Evaluation

The company generates quarterly reports as well as annual reports such as WASREB

	Sub-Indicators	Unit of Measure	Target	Completion Date
	Compliance to statutory reporting requirements	%	100	30/06/2026

ANNEX III: QUARTERLY REPORTING TEMPLATE
PERFORMANCE CONTRACT MATRIX FOR CHEMUSUSU WATER COMPANY

S/no.	Performance Criteria	Unit of Measure	TARGET FOR CONTRACT PERIOD	Target for the Quarter	Actual for the Quarter	Variance
			A	B	C	(C-B)
FS	**Financial Stewardship**					
FS 1	Operation cost coverage	%	>100	>100	97	(3)
FS 2	Billing for services	Ksh	47,640,000	13,000,000	15,000,000	2,000,000
FS 3	Personnel costs as % of O&M		<40	<40	41	1
FS 4	Revenue collection	Ksh	47,640,000	13,000,000	16,000,000	3,000,000
FS 5	Approved annual budget aligned to the tariff	Report	84,989,000	21,000,000	18,000,000	(3,000,000)
FS 6	Compliance to the Budget	%	100	50	21	(29)
FS 7	Payment of statutory deductions	%	100	100	100	0
FS 8	Investment realization	%	90	30	30	0
FS 9	Auditor General's report against the status of the last audited accounts	%	100	100	100	0
SD	**Service Delivery**					
SD 1	Implementation of Citizens' Service Delivery Charter	%	100	75	75	0
SD 2	Digitalization of services	%	100	75	75	0
SD 3	Resolution of Consumer Complaints	%	100	100	100	0

SD 4	Customer satisfaction survey					
	TECHNICAL PERFORMANCE					
TP1	Improving wate Service Coverage	%	**44**	40	40	0
TP2	Compliance to Drinking water quality and effluent standards	%	**100**	100	100	0
TP3	Reliability of supply	Hrs/Day	**24**	24	22	(2)
TP4	Reduction of water losses	%	**20**	10	10	0
TP5	Staff productivity	No./1000 connections	**8**	10	10	0
TP6	Staff costs	%	**40**	40	40	0
	Public participation in the decision-making process					
PP1	Publication of information on the website	Report	yes	yes	yes	yes
PP2	Implementation of community outreach and public awareness activities	No	10	6	6	0
HR	**HUMAN RESOURCE MANAGEMENT**					
HR 1	HR policy approved by the BoD and adhered to by management	Report	yes	yes	yes	yes
HR 2	Performance Management System for staff in place and implemented	Report	yes	yes	yes	yes
HR 3	Competitive recruitment is carried out as per the public recruitment law	Report	yes	yes	yes	yes
HR 4	Trainings & Competence Development	Report	yes	yes	yes	yes

CamScanner

M&E	**MONITORING AND EVALUATION**					
M&E 1	Compliance to statutory reporting requirements	%	100	100	100	0

ANNEX IV: PROJECT IMPLEMENTATION MATRIX

Project No.	Project Name	Funding Source	Project Description	Location and co-ordinates	Total Estimate Cost (Ksh.)	Actual cost (Ksh.)	Current Status (status of physical completion)	Allocation for the FY	Expected Deliverables (Outputs) for FY