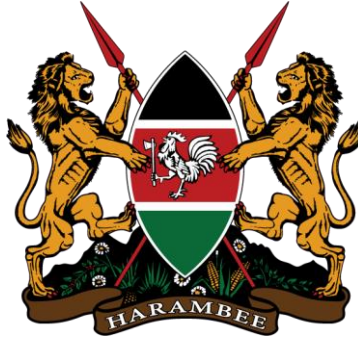


REPUBLIC OF KENYA



**COUNCIL OF GOVERNORS/PERFORMANCE MANAGEMENT AND
COORDINATION OFFICE**

**COUNTY GOVERNMENTS PERFORMANCE CONTRACTING GUIDELINES
FOR THE FINANCIAL YEAR 2018/2019**

AUGUST, 2018

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List of Abbreviations

AIDS	Acquired Immuno-Deficiency Virus
A -in- A	Appropriation in Aid
ADP	Annual Development Plans
AGPO	Access to Government Procurement Opportunities
AHADI	Agile and Harmonized Assistance for Devolved Institutions
ASA	Alcohol and Substance Abuse
BoD	Board of Directors
BoM	Board of Management
CAJ	Commission on Administrative Justice
CECM	County Executive Committee Member
CEO	Chief Executive Officer
CIDP	County Integrated Development Plans
CO	Chief Officer
CPMF	County Performance Management Framework
CS	Cabinet Secretary
DE	Development Expenditure
EACC	Ethics and Anti-Corruption Commission
FY	Financial year
GBV	Gender Based Violence
GoK	Government of Kenya
HELB	Higher Education Loan Board
HIV	Human Immuno-deficiency Virus
HoD	Head of Department
ICT	Information and Communication Technology
ICTA	Information and Communication Technology Authority
IEC	Information Education and Communication
ISMS	Information Security Management System
ISO	International Standards Organisation
KRA	Kenya Revenue Authority
LAPFUND	Local Authorities Provident Fund
LAPTRUST	Local Authorities Pension Trust
MCDAs	Ministries, Counties, Departments and Agencies
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
NACADA	National Council for Alcohol and Drug Abuse
NACC	National Aids Control Council
NHIF	National Hospital Insurance Fund
NSSF	National Social Security Fund
PC	Performance Contract
PAYE	Pay As You Earn
PPRA	Public Procurement Regulatory Authority
PLWDs	Persons Living with Disabilities
RE	Recurrent Expenditure
SDGs	Sustainable Development Goals

SACCO	Savings And Credit Cooperative
SPS	Sector Performance Standards
TE	Total Expenditure
UNDP	United Nations Development Programme

Definition of Key Terms

Cascading of Performance Contracts - refers to the process of extending performance contracting to downstream institutions i.e. Directorates / Divisions/Sections/Units and all cadres of employees. It also entails implementation of Staff Performance Appraisal System (SPAS) for officers in all cadres. Cascading of performance contract enables individual employees to link their performance to the achievement of the strategic objectives of the County.

Citizens' Service Delivery Charter - A brief written public document that provides essential information that citizens/customers and stakeholders are entitled to know about the services and/or goods offered by a public institution, department or unit. It contains information on services/goods, requirements to obtain the services/goods, costs, timelines and redress mechanisms in case of any dissatisfaction.

County Boards- this refers to a county-owned body, established by law in a County Government for the administration of specific public programmes.

Exogenous Factors - Occurrences that cannot reasonably be planned for, controlled or predicted. These however, exclude factors that could have been pre-empted by meticulous planning including risk management.

Independent Board Member – refers to a Board Member who is not a public official

Independent External Experts – A team that negotiates, monitors and evaluates performance of County Department on behalf of the County Government.

Lead Department/Board-County Department/Board where the core mandate/specific function is domiciled.

Self-Evaluation - Annual in-house performance assessment using the prescribed evaluation methodology.

Ministries, Counties, Departments and Agencies – refers to Ministries, County Departments, and Agencies such as County Boards, State Corporations, Constitutional Commissions and Tertiary Institutions.

Moderation - the process of ensuring that the performance evaluation methodology, including application of tools and instruments, has been applied uniformly for the purpose of ensuring objectivity.

Outputs - comprise specific products or services (immediate results of an activity) in a given period.

Performance Criteria – is a principle or standard for evaluating achievement, represented by a range of performance indicators on which performance is evaluated.

Performance Evaluation – The process of ascertaining the extent of achievement of the agreed performance targets using the prescribed performance evaluation methodology.

Performance Indicator – Is one of the measurable variables by which the performance of a County Department/Board is assessed.

Performance Monitoring – consistent tracking of performance and providing feedback to management, work groups and employees on progress towards achieving set performance targets.

Performance Target - is the desired level of achievement for a performance indicator.

Sector Performance Standards – refers to international benchmarks that inform the identification of performance indicators and targets for MCDAs.

Total Assets - is the net sum of fixed assets, current assets, investments, work in progress and other tangible and intangible assets.

Vetting – refers to the process of scrutinizing negotiated performance contracts to establish conformity to the Performance Contracting Guidelines. The process ensures quality assurance and is undertaken by the Independent External Experts in collaboration with Performance Management and Coordination Secretariat.

1. Introduction

The advent of devolution and the creation of Counties has necessitated the alignment of County plans such as County Integrated Development Plans (CIDPs) and Annual Development Plans (ADPs) with national planning framework such as Kenya Vision 2030 and the Medium-Term Expenditure Framework (MTEF) to improve service delivery to citizens.

Section 47 of the County Governments Act states that:

- (1) The County Executive Committee shall design a performance management plan to evaluate performance of the county public service and the implementation of county policies.
- (2) The plan shall provide for among others—
 - (a) Objective, measurable and time bound performance indicators;
 - (b) Linkage to mandates;
 - (c) Annual performance reports;
 - (d) Citizen participation in the evaluation of the performance of county government; and
 - (e) Public sharing of performance progress reports.
- (3) The Governor shall submit the Annual performance reports of the County Executive Committee and public service to the County Assembly for consideration.

It is in response to this and other statutes, that the Council of Governors in collaboration with the Performance Management and Coordination Office, Cabinet Affairs Office and Monitoring and Evaluation Department, The National Treasury and Planning and Development Partners (UNDP and AHADI) developed the **County Performance Management Framework (CPMF)** that is aligned to the National Performance Management Framework.

The CPMF seeks to provide strategic alignment to key National and County plans and their implementation to ensure that the entire Country is pulling in the same cohesive strategic direction. In the Financial Year (FY) 2018/19, the “Big Four” Agenda has been incorporated into the MTP III and the CIDPs. In addition, County Governments are required to integrate the Governor’s Manifesto and global Sustainable Development Goals (SDGs) in their second generation CIDPs.

The CPMF seeks to eliminate the ‘Silo approach’ in the management of public affairs and create harmony in planning and utilization of public resources. The CPMF also seeks to ensure that the logical hierarchy and linkage of targets and policy outcomes are aligned to resources for achievement of the intended results. The CPMF provides linkage of Performance Management to the following: Kenya Vision 2030, National Spatial Plan, County Sector and Spatial Plans, County Integrated Development Plans, Departmental Strategic Plans, Annual Development Plans.

To implement Performance Management in a coordinated manner, County Governments have adopted Performance Contracting which the National Government has been

implementing since 2004. Performance contracting was initiated at the County level in FY 2013/14 using the National Government Performance Contracting Guidelines.

The first edition of the County Performance Contracting Guidelines, developed in FY 2015/2016 was spearheaded by the Performance Contracting Department under the then Ministry of Devolution and Planning in collaboration with Council of Governors. In the long run, Performance Contracting is expected to nurture a self-driven culture of performance and accountability in the Counties for the achievement of their strategic objectives.

2. Purpose of the County Performance Contracting Guidelines

The purpose of the County Performance Contracting Guidelines is to support County Governments in the development and implementation of Performance Contracts. The Guidelines are intended to ensure clarity and standardization of the Performance Contracts.

A Model Performance Contract and a Performance Contract Matrix for County Governments form part of these guidelines as provided in Annex I. To ensure standardization, the model contract and matrix should not be amended or altered.

3. Vision Statement, Mission Statement and Strategic Objectives

This part defines the desired future positioning and states the purpose of existence of the County Department/ Board and is derived from their mandate. The Vision Statement, Mission Statement and Strategic Objectives should be drawn from the CIDP. As much as is practical, the Strategic Objectives should range between three and six in order to avoid duplication.

4. Statement of Responsibility

This is a formal statement of commitment to performance made to the appointing authority and the public at large.

5. Statement of Strategic Intent

This statement reiterates the “Whole of County Government Approach” (Linked-up Performance), establishes the linkage to the County’s vision and recognition of broad organizational priorities. The strategic intents are important in the broader scheme of county socio-economic development because they aim at ensuring that support mechanisms are in place and are operating effectively at all times.

6. Commitments and Responsibilities of the CECM/BoD/BoM

These refer to obligations of the County Department/ Board and the support it should provide to the various levels towards effective implementation of the Performance Contract.

7. Commitments and Responsibilities of the County Government

These refer to any support that should be extended to the County Department/Board by any other county agency to facilitate achievement of the performance targets. The commitments and responsibilities should meet the following criteria:

- a. Commitments of County Government are largely facilitative and should therefore not feature where mechanisms to address them already exist.
- b. The support should be relevant and related to fulfilling the agreed performance targets.
- c. The nature, extent and timing of any obligation on the County Government should be specific, measurable and agreed upon.
- d. The required support should **NOT** include exemption from the existing legal provisions.
- e. Any support related to social obligations should not be included unless they have been imposed by the County Government. *In this regard, any required support arising from voluntary actions by the county agency in the interest of good industrial or neighbourhood relations (Corporate Social Responsibility) does not qualify for inclusion.*
- f. In instances where a commitment may require additional exchequer funding or the intervention of another public agency, the concurrence of the National Treasury/County Treasury or that other agency must be obtained before committing the County Government or that other agency.

NB: *The Annual Performance Evaluation Report prepared at the end of the contract period will include status on the extent to which commitments made by the County Government affected performance.*

8. Assignment of Weights across Performance Criteria and Indicators

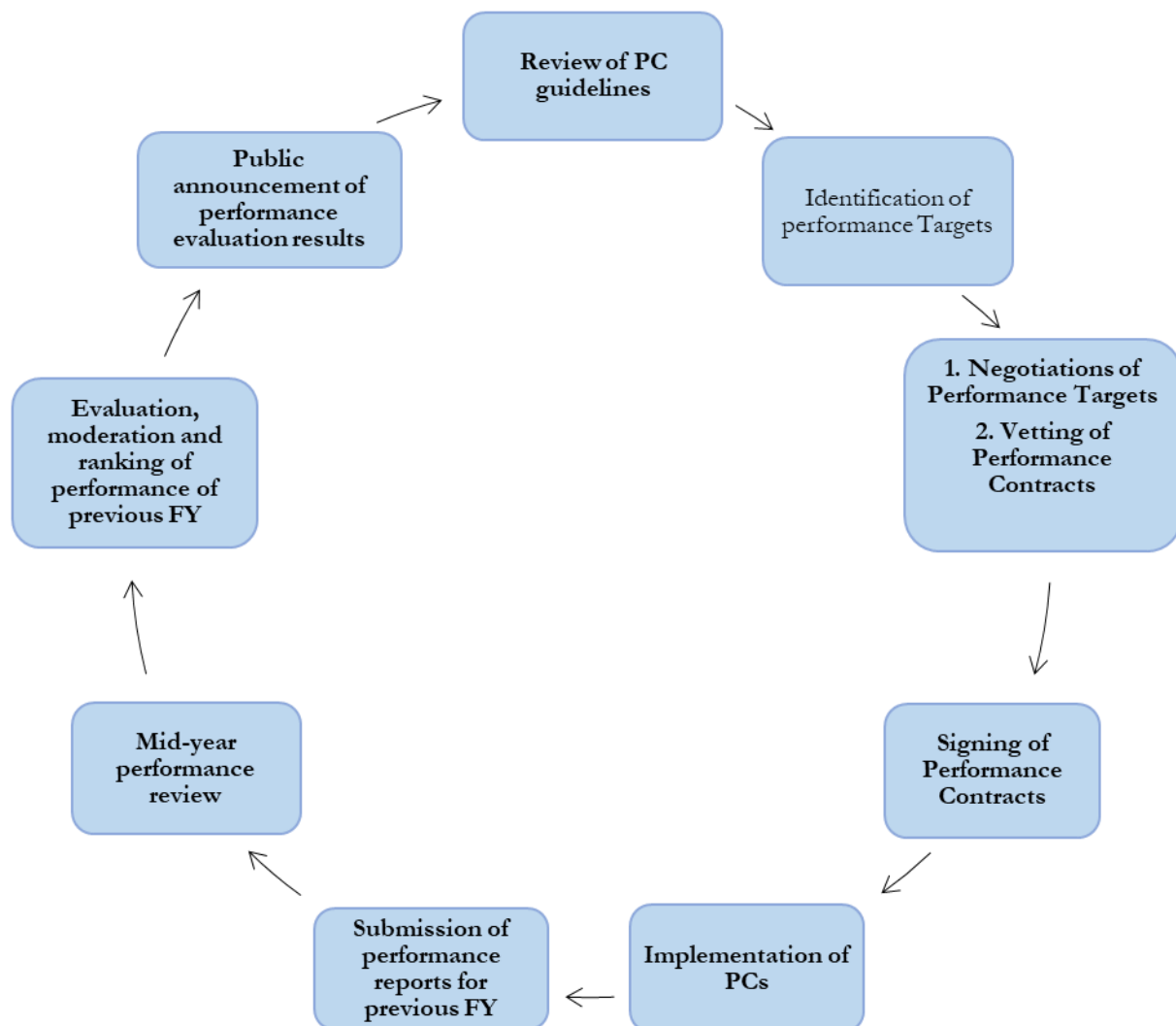
Weights for various Performance Criteria categories have been assigned as follows:

Performance Criteria	Weight (%)
Financial Stewardship and Discipline	10
Service Delivery	10
Institutional Transformation	15
Core Mandate	60
Cross-Cutting	5
Total	100

- a. The performance criteria sub-weights have been pre-set and should not be altered. In addition, performance indicator weights have been pre-set for Financial Stewardship and Discipline, Service Delivery, Institutional Transformation and Cross-cutting criteria.
- b. The sub-weight under the Core Mandate Criterion should be distributed, in *negotiated proportions* to the various indicators and should reflect the relative importance of each performance indicator except for the specified performance indicators whose weights have been pre-set.

9. Performance Contracting Cycle

The flowchart below shows the annual Performance Contracting Cycle.



10. Review of PC Guidelines

Review of PC guidelines is carried out to incorporate emerging issues and factor in lessons learnt with a view to improving the process in the subsequent period. The review is carried out annually and is spearheaded by Council of Governors in collaboration with Performance Management and Coordination Office, through a consultative forum involving County Departments/Boards and other relevant stakeholders.

11. Pre-Negotiations Consultations

During this stage, County Departments/Boards are required to create a common understanding of the scope of their operations, core business, financial and human resources, emerging issues and other factors that may affect performance. The consultations should also involve other agencies whose operations may affect achievement of the Department's /Board's performance targets. It is also during this

phase that consensus should be sought on the nature and level of commitments and obligations of one department to the other.

12. Negotiation of Performance Contracts

During this stage, it is ensured that performance indicators and targets are in line with priorities set by the County Government for each County Department/Board, they support achievement of the mandate of the County Department/Board and are aligned to CIDP, SDGs, the “Big Four” Initiatives, Governor’s manifesto, SPS, and the approved budget estimates for the financial year. The negotiated performance contract should be initialled by the negotiating parties and presented to the Performance Management and Coordination Secretariat at the County for vetting (quality assurance) before signing.

13. Parties to Negotiation of Performance Contracts

It is a requirement that the County Treasury is represented during negotiations of the Performance Contracts for County Departments/Boards. The parent department and Lead Department should also be represented during negotiations of the Performance Contracts for downstream institutions.

The following are the parties to the negotiations for the various categories of County Departments/Boards agencies:

13.1 County Departments

County Government	County Department
Performance Management and Coordination Secretariat/ Independent External Experts	CECM
	County Secretary
	Chief Officer(s)
	Directors
	Heads of Unit/Section

CECM to lead the Departmental Team

13.2 County Boards

County Government	County Board
CECM–Parent Department CO –Relevant County Department Directors of relevant Units The County Treasury	Chairperson
	Independent Board Member
	Chief Executive Officer
	Heads of Section/Unit

Chairperson to lead the County Board Team

13.3 Tertiary Institutions

County Government	Tertiary Institution
CECM –Parent Department CO –Relevant Department Directors – Relevant Units/Sections	Chairperson/ BOM
	One Independent BOM Member
	Principal
	Heads of Sections/Units

Chairperson to lead the Tertiary Institution Team

14 Vetting of the Performance Contracts

All performance contracts should be vetted by the Performance Management and Coordination Secretariat. The purpose of vetting is to ensure:

- Compliance with the performance contracting guidelines;
- The Performance Contract is anchored on ADP, SPS, SDGs, County Department's/Board's priorities and other national development priorities; and
- Performance targets are growth-oriented.

The following are parties to the vetting of Performance Contracts for County Departments/Boards:

14.1 County Departments

County Government	County Department
Performance Management and Coordination Secretariat/ Independent External Experts <i>NB: It should be ensured that the Secretariat has representation from the County's M&E Unit</i>	CECM
	CO(s)
	Directors
	Heads of Sections/Units

CECM to lead the County Department Team

14.2 County Boards

County Government	County Board
Performance Management and Coordination Secretariat/ Independent External Experts	Chairperson
	Independent Board Member ¹
	Chief Executive Officer
	Heads of Section/Unit

Chairperson to lead the County Board Team

14.3 Tertiary Institutions

County Government	Tertiary Institution
Performance Management and Coordination Secretariat/ Independent External Experts	Chairperson/ BOM
	One Independent BOM Member
	Principal
	Heads of Department

Chairperson to lead the Tertiary Institution Team

15 Signatories to the Performance Contracts

The following section stipulates the persons who shall sign the contract at the various levels within the County Government.

15.1 County Department

Level	For and on behalf of the County Government	For and on behalf of County Department
1 st – County Department	Governor	CECM
2 nd – County Department	CECM	Chief Officer
3 rd – Directorates/Units/ Sections	Chief Officer	Directors/ Heads of Unit/Section

15.2 County Boards

Level	For and on behalf of the County Government	County Board
1 st – Board of Directors	CECM	Chairperson, Board of Directors, Independent Director
2 nd – Office of CEO	Chairperson to the Board	Chief Executive Officer (CEO)
3 rd – Departments	Chief Executive Officer	Directors/ Heads of Department

15.3 Tertiary Institutions

Level	For and on behalf of the County Government	Tertiary Institution
1 st – Board of Management	CECM, parent Department	Chairperson, BoM Independent BoM Member
2 nd – Office of the Principal / Manager	Chairperson, BoM	Principal/Manager
3 rd – Departments	Principal/Manager	Heads of Department

16 Performance Monitoring and Reporting (Including Mid-Year Performance Review)

16.1 Implementation of Performance Contracts

Implementation of the performance contract should start as soon as the vetting is done. County Departments/Boards should ensure that implementation is not affected in any way by the actual official signing. Implementation of the PC starts with cascading by signing lower level PCs with downstream institutions and linking specific deliverables and targets to individual officers through work plans and the staff performance appraisal tool. It also entails aligning Procurement and Cash Flow Plans to the Performance Contracts.

16.2 Performance Monitoring and Reporting

Good practice in performance management requires that implementation of programmes and projects is monitored and reports prepared to inform management in decision-making.

16.3 Submission of Performance Reports

All County Departments/Boards are required to prepare and submit quarterly performance reports within fifteen (15) days following the end of a quarter and the annual performance reports thirty (30) days after the end of the contract year for all performance indicators. The reports should be in the prescribed formats as provided in Annex III. The reports shall be submitted to the relevant agency as shown in the table below:

Category	Institution to Receive Reports and Provide Feedback
County Department	Performance Management and Coordination Secretariat
County Board	Parent County Department
Tertiary Institutions	Parent County Department

The quarterly performance reports shall be accompanied by an extract of the minutes of the County Department/ County Board/BoM of Tertiary Institution or the relevant sub-committee indicating that they were discussed and approved.

16.4 Submission of Performance Reports to Specialized Agencies

In addition to the above performance reports, County Department/Board shall submit both Quarterly and Annual Reports to the Lead Departments for analysis, consolidation and submission to the Specialised Agencies as indicated in the table below.

Performance Indicator	Agency to Receive and Provide Feedback
Resolution of Public Complaints	Commission on Administrative Justice
Disability Mainstreaming	National Council for Persons with Disabilities
Gender Mainstreaming	National Gender and Equality Commission
Prevention of HIV Infections	National Aids Control Council
Prevention of Alcohol and Substance Abuse	National Authority for the Campaign Against Alcohol and Drug Abuse
National Cohesion and Values	Directorate of National Cohesion and Values
Corruption Prevention	Ethics and Anti – Corruption Commission

The Specialized Agencies shall communicate the performance indicator reporting formats directly to the County Departments/Boards as well as post them in their official websites together with any other literature on the performance indicator. The timelines for submission of the reports should be within fifteen (15) days after end of a quarter for quarterly performance reports and within thirty (30) days after end of the financial year for the annual performance reports.

The Specialized Agencies are required to analyse and provide feedback to the Lead Departments with copies to Council of Governors not later than fifteen days (15) after receipt of the quarterly reports.

16.5 Mid-year Performance Review

Performance Management and Coordination Secretariat shall conduct a Mid-year Performance Review in the months of January and February. The purpose of the Mid-year Performance Review is to track progress of achievement, identify and address challenges and constraints affecting performance to ensure that County Departments/Boards are on course to achieving their annual performance targets. County Departments/Boards are required to:

- i) Prepare for and participate in the Mid-year Performance Review.
- ii) Ensure availability of verifiable documented evidence of performance towards achievement of the performance targets.

17 Annual Performance Evaluation

17.1 Preamble

Performance evaluation is the culmination of the process of performance contracting and is carried out in a manner that ensures objectivity and integrity of the results. County Departments/Boards are required to undertake a self (in-house) evaluation based on the annual achievement for each performance indicator.

Performance evaluation and moderation is undertaken at a single sitting by an independent performance evaluation team. County Departments/Boards are therefore expected to provide verifiable documented evidence of achievement of performance targets during this sitting. The parties to the evaluation process, upon agreement on the evaluation results are required to endorse the final evaluation matrix, the minutes and detailed notes.

17.2 Essential Documents Required for Evaluation

- PC guidelines pertinent to the contract year;
- Approved budget estimates for the year under evaluation;
- Annual performance report in standard format with detailed notes on the actual outputs achieved for each performance indicator;
- Copy of vetted and/or signed Performance Contract;
- Self-evaluation report in the standard format;
- Verifiable evidence of achievements and other supporting documents; and
- Documentation on any exogenous factors that could have affected the performance of the County Department/Board.

17.3 Performance Evaluation Methodology

Performance on a particular performance indicator can fall under any of the following performance grades: Excellent, Very Good, Good, Fair or Poor.

Excellent Grade

Achievement ranging from 130% to 200% of the performance target i.e. $1.3T \leq X_a \leq 2T$.

Very Good Grade

Achievement ranging from 100% to less than 130% of the performance target in the signed PC, i.e. $T \leq X_a < 1.3T$.

Good Grade

Achievement ranging from 70% to less than 100% of performance target in the signed PC, i.e. $0.7T \leq X_a < T$

Fair Grade

Achievement ranging from 50% to less than 70% of the performance the target in the signed PC, i.e. $0.5T \leq X_a < 0.7T$

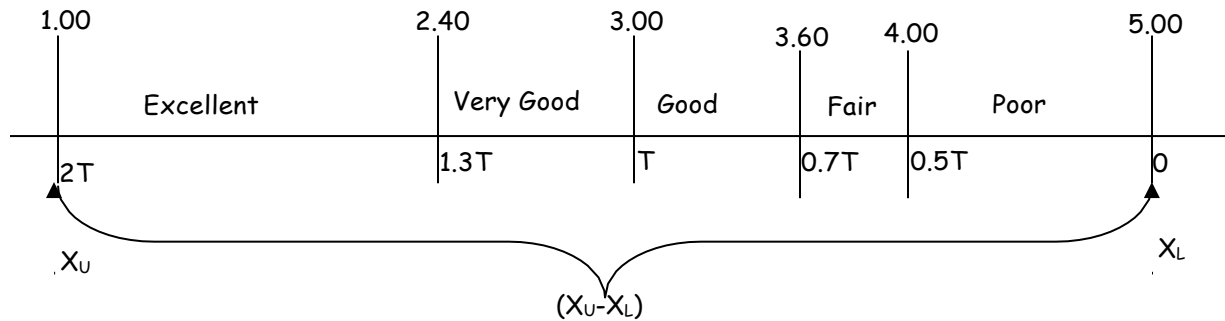
Poor Grade

Achievement ranging from 0% to less than 50% of the performance target in the signed PC, i.e. $0 \leq X_a < 0.5T$

Where T = Target and X_a = Actual achievement

17.4 Computation of Performance Criteria Values

Performance is rated on a scale of 1.00 to 5.00 where 1.00 represents achievement equal or greater than $2T$ and 5.00 represents “Zero” achievement and below. This means that an achievement of $2T$ and above attracts a raw score of 1.00, while an achievement of “Zero” and below attracts a raw score of 5.00 in situations where higher value is desirable. This is presented in the diagram shown below:



Where, T = Target

X_a = Actual Achievement

$X_U = 2T$ = Upper Criteria Value

$X_L = 0$ = Lower Criteria Value

Span = 4, i.e. $(5.00 - 1.00)$

The methodology for calculating the raw score of any achievement is more like measuring the distance which performance has “travelled” inside the entire span from 1.00 to 5.00. Calculation of the Raw Score is based on the Actual Achievement (X_a) as it relates to the Target (T).

$$\text{Raw Score} = \text{Upper Criteria Value Limit} + \text{Span} \left\{ \frac{X_U - X_a}{X_U - X_L} \right\}$$

NB: All criteria value ranges are determined by the same formula that assigns proportionately the criteria values from 1.00 to 5.00. This results in a single span of 4 and hence one formula for all values.

Similarly the rest of the criteria values can be derived using the same formula thus:

17.5 Criteria Value Range

Performance Grade	Criteria Value Range	Range Span
Excellent	$1.00 \leq X \leq 2.40$	1.40
Very Good	$2.40 < X \leq 3.00$	0.60
Good	$3.00 < X \leq 3.60$	0.60
Fair	$3.60 < X \leq 4.00$	0.40
Poor	$4.00 < X \leq 5.00$	1.00

NB: In cases where performance falls on 2.40, 3.00, 3.60 and 4.00, the grading will be “Excellent”, “Very Good”, “Good” or “Fair” respectively.

17.6 Computation of the Raw Score when Higher Achievement is Desirable

Computation of the Raw Score entails determining the point at which the achievement falls within the range 1.00 to 5.00. The value of the raw score determines the performance grade.

Step 1: Determine the Actual Achievement, X_a

Step 2: Apply the Formula

$$\text{Raw Score} = \text{Upper Criteria Value Limit} + \text{Span} \left\{ \frac{X_u - X_a}{X_u - X_L} \right\}$$

$$\text{Raw Score} = 1.00 + 4.00 \left\{ \frac{X_u - X_a}{X_u - X_L} \right\}$$

As the diagram above shows, $X_u = 2T$ and $X_L = 0$

Therefore:

$$\text{Raw Score} = 1.00 + 4.00 \left\{ \frac{2T - X_a}{2T - 0} \right\}$$

$$\text{Raw Score} = 1.00 + 4.00 \left\{ \frac{2T - X_a}{2T} \right\}$$

Where, Upper Criteria Value Limit = 1.00, Span = 4.00, T = Target and X_a = Actual Achievement.

Step 3: Compute the Weighted Score

Multiply raw score by the weight assigned to the indicator as a percentage to obtain the Weighted Score, i.e. $\text{Weighted Score} = \text{Raw Score} \times \text{Indicator Weight as a percentage}$

Step 4: Compute the Composite Score

The Composite Score of the County Department is computed by adding up the weighted scores of all the performance indicators in the performance contract. The Composite Score should range from 1.00 to 5.00.

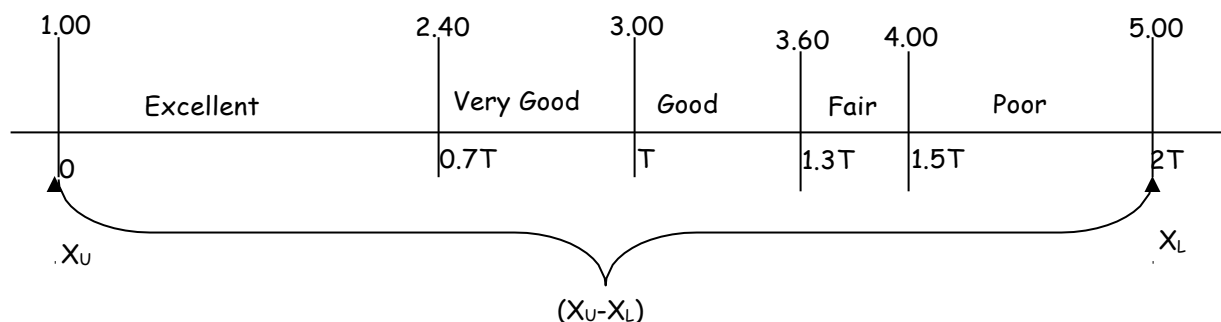
Thus Composite Score = Summation of weighted scores.

17.7 Computations of the Raw Scores when Declining Achievement is Desirable, e.g. Turn-around Time, Waiting Time and Service Time

Determine criteria value range where actual performance falls

(Where T = Target and X_a = Actual achievement):

- i) Excellent $= 0.7T \geq X_a \geq 0$
- ii) Very Good $= T \geq X_a > 0.7T$
- iii) Good $= 1.3T \geq X_a > T$
- iv) Fair $= 1.5T \geq X_a > 1.3T$
- v) Poor $= 2T \geq X_a > 1.5T$



Computation of Raw Score

$$\begin{aligned} \text{Raw Score} &= \text{Upper Criteria Value Limit} + \text{Span} \left\{ \frac{X_a - X_L}{X_U - X_L} \right\} \\ &= 1.00 + 4.00 \left\{ \frac{X_a - 0}{2T - 0} \right\} \end{aligned}$$

$$\text{Raw Score} = 1.00 + 4 \left\{ \frac{X_a}{2T} \right\}$$

17.8 Indicators whose Achievement Cannot Exceed 100%

There are indicators for which achievement beyond 100% is not feasible. For these types of indicators achievement is capped at 100% and attracts a raw score of 3.00 since any reported achievement beyond 100 is not feasible e.g. capacity utilization, absorption of allocated funds, etc.

17.9 Treatment of Contentious Issues

- a) Performance indicators, weights and targets that are different from the vetted version: Use the indicators, weights and targets in the vetted performance contract.
- b) Exogenous Factors – Exogenous factors should be objectively established and documented.

18 General Guidelines

The CECM, Chairperson and Chief Executive Officers (CEOs) of County Boards and Principals of Tertiary Institutions should be present in person during vetting of performance contracts and evaluation of performance;

- a) County Departments/Boards should in all cases be represented by personnel trained on performance contracting during negotiations, vetting and evaluation of performance;
- b) County Departments/Boards should ensure that they do not duplicate performance indicators and targets appearing in the performance contracts of their respective downstream institutions;
- c) Once targets have been negotiated, the PC vetted and signed, it cannot be changed midstream;
- d) Any concerns during negotiations and evaluation should be referred to the Performance Management and Coordination Secretariat for arbitration; and,
- e) County Departments/Boards that fail to submit their annual performance report (based on the duly signed Performance Contract) for evaluation, or for the reason that they declined to sign a Performance Contract shall be graded “Poor”, at the lowest score of 5.

ANNEX I: Model Performance Contract and Matrices

Annex 1A: Model Performance Contract – County Departments, County Boards and Tertiary Institutions

This Performance Contract (hereinafter referred to as “Contract”) is entered into between the County Government of..... (hereinafter referred to as (“CG”) represented by H.E. the Governor of P.O. Box (together with its assignees and successors) of the one part, and the County Executive Committee Member, County Department of(hereinafter referred to as the “the CECM), (together with its assignees and successors) of P.O. Boxof the other part².

WHEREAS;

The County Government 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 County Government recognizes that Departments/Boards hold a vital key in the implementation of County priority programmes and projects, other national priorities including the “Big Four” Initiatives in order to improve the quality of lives of the people of County and make the County competitive;

The purpose of this performance contract is to establish the basis for ensuring that efficient and effective services are delivered to the people of County in line with the provisions of the Constitution and by requiring Departments 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 county residents.

Therefore, the parties hereto agree as follows:

² This model performance contract is applicable to all County Governments.

Part I: Statement of Responsibility by the CECM

The Mandate of the Department is to

.....
.....

It is my responsibility to provide the required leadership in designing suitable plans and strategies that will contribute to high and sustainable socio- economic development. It is my undertaking to ensure that the Department has 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 Statement, Mission Statement and Strategic Objectives

- i) Vision Statement of the Department
- ii) Mission Statement of the Department
- iii) Strategic Objectives of the Department

Part III: Statement of Strategic Intent by the CECM/BoM

In carrying out my duties, I/we 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, keeping in mind the specific priorities of the Department.

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

- i)
- ii)
- iii).....
- iv)

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.
- Release of budgetary allocation within days after ex chequer release. This is aimed at ensuring that the County Governments/Boards disburse funds in a timely manner to County Departments and downstream institutions.

Part V: Reporting Requirements

County Departments/Boards are required to submit their Quarterly and Annual performance reports in the prescribed format to the designated agencies with copies to Council of Governors as specified in **section 16** for the purpose of monitoring progress and annual performance evaluation.

Part VI: Duration of the Performance Contract

This Performance Contract will run for one Financial Year from 1st July to 30th June or as per the specified financial year.

Part VII: Signatories to the Performance Contract

For and on behalf of the County Department

Signature.....

Name:

Designation:

For and on behalf of the County Government

Signature.....

Name:

Designation:

NB: The full listing of the signatories to the Performance Contract is provided in section 15 of these guidelines.

Annex 1B: Performance Contract Matrix for County Departments, County Boards and Tertiary Institutions

	CRITERIA CATEGORY	UNIT OF MEASURE	WEIGHT	CURRENT STATUS FY 2017/18	TARGET FY 2018/19
A	FINANCIAL STEWARDSHIP AND DISCIPLINE				
	Absorption of Allocated Funds	%	4		100
	Development Index	%	2		
	A-in-A	Ksh	1		
	Asset Management	%	1		100
	Pending bills	%	2		≤ 1
	Weight Sub Total		10		
B	SERVICE DELIVERY				
	Implementation of Citizens' Service Delivery Charter	%	2		100
	Customer Satisfaction	Report	2		1
	Application of service delivery Innovations	%	2		100
	Resolution of Public Complaints	%	2		100
	Automation	Report	2		1
	Weight Sub Total		10		
C	INSTITUTIONAL TRANSFORMATION				
	Development of County Planning Framework	%	3		100
	Youth Internships/ Industrial Attachments/Apprenticeships	No	1		
	Access to Government Procurement Opportunities (AGPO)	Ksh.	2		
	Promotion of Local Content in Procurement	Ksh.	1.5		
	Competence Development	%	2		100
	Knowledge Management	%	2		100
	Work Environment	%	1		100
	Safety and Security Measures	%	1		100
	Cascading of Performance Contracts	%	1.5		100
	Weight Sub Total		15		

	CRITERIA CATEGORY	UNIT OF MEASURE	WEIGHT	CURRENT STATUS FY 2017/18	TARGET FY 2018/19
D	CORE MANDATE				
	County Department's priority projects/ programmes ("Big Four" Initiatives, Vision 2030 Flagship Projects, programmes / Projects aligned to SDGs and (CSPs)		50		
	Revenue Collection	Ksh.	4		
	Ease of Doing Business	%	2		100
	Compliance With Statutory Obligations	%	2		100
	Project Completion Rate	%	2		100
	Weight Sub Total		60		
E	CROSS-CUTTING ISSUES				
	Prevention of Alcohol and Substance Abuse	%	0.5		100
	Prevention of HIV Infections	%	0.5		100
	Disability Mainstreaming	%	0.5		100
	Gender Mainstreaming	%	0.5		100
	Environmental Sustainability	%	1		100
	Corruption Prevention	%	1		100
	National Cohesion and Values	%	1		100
	Weight Sub Total		5		
	OVERALL TOTAL WEIGHT		100		

Annex II: Description of Performance Indicators

Absorption of Allocated Funds This refers to application of budgeted and approved funds to programmes, projects and activities for which they were appropriated and planned for. This links the process of budgeting to performance target setting. Allocated funds include externally mobilized resources such as donor funds (Loans, grants, etc.). County Departments and Boards are required to provide full disclosure of all sources of their funding. Absorption will be computed by dividing the actual total expenditure with the total allocated funds.

Development Index –refers to the relationship between development expenditure and total expenditure. It is computed as Development Expenditure (DE), divided by Total Expenditure (TE) i.e. DE/TE where TE is equal to Development Expenditure (DE) + Recurrent Expenditure (RE). The performance target is computed by dividing total approved development budget for the contract period by the total approved budget. Development expenditure includes expenditures on development of infrastructure, acquisition of new facilities, research and development, etc. Recurrent Expenditure (RE) on the other hand refers to expenditure on goods and services that does not result in the creation or acquisition of fixed assets. It consists mainly of expenditure on wages, salaries, purchase of consumer goods and services and consumption of fixed capital (depreciation). The Index is intended to ensure that more resources are progressively applied to development activities to ensure progressive and sustained economic growth. For purposes of computing quarterly achievements, the denominator for Development Index for a quarter should be the cumulative Actual Total Expenditure for the elapsed contract period by the end of the quarter. The numerator should be the cumulative Actual Total Development expenditure for the elapsed contract period by the end of the quarter. The County Treasury should ensure that the minimum ratio of 70:30 for RE to DE is progressively achieved during the budgeting process and subsequent releases to the County Departments.

Appropriation-in-Aid (A-in-A) – A-in-A in respect to County Governments/Boards refers to classes of donor funds reflected as direct payments.

Asset Management – is the process of making best use of an institution's equipment, machinery, tools, buildings, etc. in order to maximize taxpayers' value. Under this performance indicator the County Departments and Boards should undertake the following:

- (a) Inventory Management – establish and maintain a catalogue of the assets and properties including their status in terms of the working condition (60%)
- (b) Disposal of Idle Assets – ensure disposal of unserviceable, obsolete and surplus assets by way of sale, transfer to other public institutions, destruction, donation or other authorized methods of disposal, and in all cases in full conformity to the existing legal requirement (40%).

NB: Asset Management should not only be confined to the County Departments and Boards headquarters, but should also be extended to grassroots institutions.

Pending Bills - These are financial obligations that remain outstanding at the end of the financial year and have to be provided for in the subsequent budgeting periods. The financial obligations include, but are not limited to, payments to service providers, loan obligations and statutory deductions to relevant institutions. For County Departments/Boards that use accruals accounting method, payments due to suppliers and other service providers that are beyond the provided credit period will also be considered as pending bills. County Departments/Boards should ensure that the pending bills do not exceed 1% of actual budgetary allocation for the financial year. In addition, through full disclosure, County Departments/Boards should fully document historical pending bills and clearly put in place measures to resolve them.

Implementation of Citizens' Service Delivery Charter - will entail the following:

- i. Displaying the charter prominently at the point of entry/service delivery points in both English and Kiswahili. For the purpose of the display, and ease of notice by the customers, the size of the charter should, at the minimum, be three feet in width and four feet in height, i.e.(3'x4'), with clearly visible font size of the contents (10%);
- ii. Sensitizing employees and cascading to all levels including customizing the charter at the grassroots institutions by factoring realistic timelines (20%);
- iii. Ensuring conformity with the commitments and standards in the charter by establishing compliance mechanisms, e.g. maintaining records on service delivery (50%); and
- iv. Customizing charter to unique needs of the customers e.g. translating charter to Braille and providing mechanisms for sign language (20%)

B: For an institution that does not display the charter prominently at the point of entry / service delivery points in both English and Kiswahili and in the prescribed format (see Annex IV) and size, then for the purpose of evaluation, this indicator will attract a raw score of 5.0.

Customer Satisfaction- refers to the extent to which the provision of county public service meets or surpasses expectations of the customers. Utility derived by the customers of the product or service. All County Departments/Boards are required to undertake an **independent** baseline customer satisfaction survey coordinated by the Head of County Public Service. The following parameters should form common criteria for Customer Satisfaction Survey as a measure of the quality of service:

- (i) Outcome of service/product
- (ii) Timeliness- Speed of delivery of service/product
- (iii) Ease of Access- to ensure that customers have access to information on service delivery. Access to service/product should also incorporate systems to enable Persons Living with Disabilities (PLWDs), minorities, marginalized groups taking into account diverse literacy levels. These should include having Web-based enabled systems e.g. online application systems, holding open days and putting

in place operational customer care/information desks.

- (iv) Affordability
- (v) Quality
- (vi) Courtesy
- (vii) Adherence to the commitments set out in the Citizens' Service Delivery Charters.

Application of Service Delivery Innovations - this refers to new ways of revolutionizing and improving service delivery in terms of enhancing efficiency, timeliness, quality, flexibility and convenience. County Departments/Boards are required to develop and apply service delivery innovations and/or replicate innovations developed and applied elsewhere. (100%)

Resolution of Public Complaints - a public complaint is an expression of dissatisfaction by one or more members of the public about an action, inaction, decision or service provided by a public officer or public institution.

All public institutions are required to promptly address and resolve public complaints referred to them directly or channelled through the Commission on Administrative Justice (CAJ), which will issue a certificate for each County Departments/Boards indicating the level of achievement in percentage for this indicator. Further details on implementation of this performance indicator can be accessed from CAJ website: www.ombudsman.go.ke

Automation - refers to the extent to which an agency keeps in pace with developments in Information and Communication Technology (ICT). The thrust of this indicator is on ICT development as a package, not collection of activities. All County Departments/Boards are required to undertake a baseline survey to establish the level of automation using the standard assessment tool provided by ICTA. The following parameters should form common criteria for the Automation Survey:

- a) Policy and legal framework
- b) ICT Strategy/roadmap
- c) Connectivity and technology infrastructure
- d) e-delivery of business processes
- e) ICT capacity building
- f) Adoption and compliance to ICT standards
- g) Social and cultural environment

Development of County Planning Framework - County Governments are required to prepare 10 Year Sector and Spatial Plans and Five-year County Integrated Development Plans (CIDPs) to guide planning and budgeting at the county level. The plans should be aligned to national plans such as the Kenya Vision 2030, the National Spatial Plan, Medium Term Plans as well as international commitments such as the Sustainable Development Goals. This harmony will ensure effective and efficient use of scarce resources.

During the FY 2018/19, County Governments are required to develop the following plans:

- 10 Year Sectoral Plans
- 10 Year Spatial Plan
- 5 Year County Integrated Development Plan
- 5 Year Departmental Strategic Plans
- Cities and Urban Areas Plans
- Annual Development Plan
- Annual Departmental Work Plans

Youth Internships/Industrial Attachments/Apprenticeships – County Departments / Boards are required to involve the youth progressively in internship, industrial attachment or apprenticeship programs to target graduate youth for skills transfer. The minimum number of youth in internship, industrial attachment or apprenticeship programs in County Department/Boards should be at least 5% of the total in-post of the staff strength. As far as is practicable, all County Department/Boards should have a component of transfer of skills to the youth through internship and apprenticeship in all their projects and programmes.

NB: Apprenticeship refers to a system of training practitioners so that they gain a set of skills to prepare them for a career that they wish to pursue. On the other hand, internship refers to a method of on-the-job training, consisting of an exchange of services for experience between a graduate and an organization.

Access to Government Procurement Opportunities – refers to allocation and actual award of at least 30% of the total value (in Kshs.) of the procurement budget for goods and services as provided in the annual procurement plan by each County Department/Boards to youth, women and PWDs as individuals or in organized groups. At least 2% of the 30% of the budget for procurement of goods and services should be reserved for PWDs.

To facilitate achievement of this target, County Department/Boards need to build the capacity of the three target groups through training on government procurement procedures, requirements for accessing government procurement opportunities and on the specific opportunities available in the County Department/Boards.

Follow-up actions will include ensuring that the three groups actually access the procurement opportunities and facilitation of quick processing of payments. In addition, County Department/Boards should pre-qualify the registered groups as (an affirmative action) and submit to PPRA a summary of the procurement opportunities allocated to the target groups in the format provided in the PPRA website, www.tenders.go.ke. In addition, County Department/Boards shall submit a

summary of the procurement opportunities allocated to PWDs to NCPWD, via dmd@ncpwd.go.ke

Promotion of Local Content in Procurement

This is aimed at promoting consumption of locally produced goods and services that will contribute to among other things, employment creation and growth of local industries. It refers to allocation and actual award of at least 40% of the total value (in Kshs.) of the procurement budget for goods and services produced locally as provided in the annual procurement plan by each County Departments/Boards.

Goods and services will qualify as locally produced when those goods and services meet the following principles or criteria:-

- i) Where goods and services are wholly produced in Kenya using local inputs;
- ii) Where goods and services are not wholly produced in Kenya using local inputs but have undergone a substantial transformation of value addition of at least 35% (EAC and COMESA rules).

County Department/Boards are required to prepare and submit quarterly progress reports on the implementation of this indicator to the Ministry of Industry, Trade and Cooperatives.

Additional information on the implementation of the indicator, including the *Buy Kenya–Build Kenya Strategy* and the reporting format can be downloaded from the website: www.trade.go.ke

Competence Development – refers to the systematic enhancement of skills and proficiencies in order to address career progression of individual employees and improve institutional performance. The activities to address this performance indicator include the following:

- (a) Undertake institutional Skills Gap Analysis once every 5 years (30%)
- (b) Carry out Staff Training Needs Assessment (20%)
- (c) Execute interventions to address the identified skills gaps and training needs through, recruitment, outsourcing, capacity building/training, coaching, mentoring, etc. (30%)
- (d) Performance Appraisal - this refers to the assessment of individual employee's performance. It is based on the negotiated and agreed performance targets drawn from the County Department/Board Annual Work Plan and the PC. County Department/Board are expected to provide documentary evidence on employees' performance appraisal using the prescribed format. (20%)

NB. For County Department/Board that has undertaken an institutional skills gap analysis within a five-year period, the weight assigned to the sub-indicator (a) above will be re-distributed proportionately for the sub-indicators (b) and (c).

Knowledge Management – refers to the process of transforming all available open public data, collected from bottom up through elaborate internal systems and sourced from external data sets. It includes the packaging of data into useful information and knowledge, which can be shared internally and across Government. This enables the establishment of trends and patterns that provide intelligent insights to support County Department/Boards in making informed decisions in executing their mandate. County Department/Board are expected to:

- i. Identify and document data needs and data gaps under its mandate (30%).
- ii. Capture, organise and process data and information in a consistent manner (20%).
- iii. Establish patterns, trends and attributes of the processed data and information. (10%).
- iv. Draw insights from the data and knowledge intelligence in addressing critical problems to inform on policy and resource allocation (15%).
- v. Preserve and share knowledge and lessons learnt across the County Departments/Boards, sectors, County Governments, Council of Governors and National Government for continual improvement (25%).

Work Environment - refers to improvements in the physical work area/facility as well as the immediate surroundings of the workplace. This should also include social, psychological, environmental as well as ergonomic factors. County Departments/Boards are expected to carry out an internal work environment survey, prepare a work plan for implementation of the survey recommendations by end of second quarter and implement the same in the subsequent quarters. For Evaluation County Departments/Boards will be required to provide evidence of implementation of the recommendations and a progress report on the same.

Safety and Security Measures – should include all aspects relating to the safety and security of personnel, documents, information, equipment and assets. County Department/Boards are required to put in place safety and disaster preparedness mechanisms to address the current insecurity issues affecting the institution. In this regard, the County Department/Boards are expected to:

- a. Put in place mechanisms to mitigate against technological hazards, terrorism, fire and natural disasters. (20%)
- b. Implement the Information Security Management System (ISMS).Steps: (40%)
 - Step 1 (5%)**
 - Appoint ISMS leader – 1%
 - Appoint and train ISMS champions – 2%
 - Define scope – 2%
 - Step 2 (5%)**
 - Brief top management on ISMS – 1%
 - Train implementers – (process owners) – 2%
 - Conduct awareness training for all employees – 2%

Step 3 (30%)

- Create ISMS Risk Management (Risk Registers and Risk Management Action Plan – 10%)
- Finalize documentation of ISMS i.e. policy procedures and launch the ISMS based on the standard (ISO/IEC) – 20%
- c. Establish information assets and secure them. Determination of the information assets to be secured should be informed by the following information attributes: Value, Integrity, Importance, Confidentiality, Accuracy, and Authenticity. (40%)

Cascading of Performance Contracts – County Departments/Boards are required to cascade the first level Performance Contract between the Governor and the CECM to the following levels:

- (a) CECM and County Chief Officer(s) (15%)
- (b) County Chief Officer and County Directors (15%)
- (c) County Director and Heads of Section/Unit (30%)
- (d) Staff Performance Appraisal System (SPAS) for all other officers in all cadres (40%).

Core Mandate

County Departments/Boards should identify the performance indicators to be informed by the Kenya Vision 2030, National Spatial Plan, MTP III, SDGs, SPS, County Spatial Plan, CIDP, ADP, “Big Four” Initiatives, and other national priorities and establish the funding requirements and status, under either County Government or other sources. The indicators should be informed by the CIDP, Governor’s Manifesto, Master Plans, Strategic Plans, approved work plans and should clearly be budgeted for. The implementation should be reflected in the level of absorption of allocated funds. County Departments/Boards through the Lead Department are required to brand Kenya Vision 2030 flagship projects and submit quarterly progress reports for all flagship projects to Vision 2030 Delivery Secretariat.

In addition, County Departments/Boards are required to submit quarterly and annual reports in the prescribed format within fifteen (15) days and thirty days (30) respectively on implementation of relevant SDGs to the Lead Department for consolidation, analysis, compilation and submission to the Council of Governors that will then submit to the National Treasury and Planning.

Revenue Collection – refers to all income/monies receivable for the purpose of financing services and the implementation of development programmes, but excluding exchequer funding. It includes cash grants, donations (grants and assets), monies collected from business licensing, land rates and rents, cess and contributions from any other source. This indicator will apply to those County Departments/Boards that collect revenue.

Ease of Doing Business – This entails making business regulations simpler by creating a conducive environment for starting, operating and sustaining a business. County Departments/Boards are required to select the following sub-indicators that are relevant to their mandate:

- (a) Starting a business – procedures, time, cost and minimum capital to start a new business;
- (b) Dealing with construction permits – procedures, time and cost to put up buildings and infrastructure;
- (c) Getting utilities – procedures, time and cost to get connected to utilities (e.g. electricity, water, sewerage etc.);
- (d) Registering property – procedures, time and cost to register a title.
- (e) Getting credit – Ease of getting credit;
- (f) Protecting investors – extent of disclosure of information to investors and shareholders;
- (g) Paying taxes – number of taxes paid, hours per year spent preparing tax returns and total tax payable as share of gross profit;
- (h) Trading across borders – number of documents, cost and time necessary to export and import;
- (i) Enforcing contracts – Procedures, time and cost to enforce a debt contract; and
- (j) Resolving insolvency – the time, cost and recovery rate (%) under bankruptcy proceeding.

Compliance with Statutory Obligations- Each County Department/Board should comply with laws and regulations governing their operations but not limited to the following:

- i. Public Procurement and Disposal Act, regulations and rules (**20%**). – This entails Development and adherence to the procurement plan, submitting the plan to Public Procurement Regulatory Authority (PPRA) by 31st August and quarterly procurement plan implementation reports to the Authority in the format provided in the PPRA website, www.tenders.go.ke.

The procurement plan should be part of the budgeting process and must be presented during the negotiation and evaluation of the Performance Contract. The e-procurement should be implemented by all County Departments/Boards.

- ii. Remittance of statutory deductions (**80%**) - These should include, but not limited to, repayment of Higher Education Loans Board (HELB) dues by beneficiary employees, statutory taxes, National Hospital Insurance Fund (NHIF), National Social Security Fund (NSSF), Provident Funds, Gratuity, Pay As You Earn (PAYE) and Savings and Credit Cooperatives (SACCO) and Bank remittances. County Departments/Boards are required to obtain a Certificate of Compliance in remittance of statutory deductions from the following: Kenya Revenue Authority (KRA), National Hospital Insurance Fund, National Social Security Fund, Local Authority Provident Fund (LAPFUND), Local Authority Pension Trust (LAPTRUST) and Higher Education Loans Board (HELB).

Project Completion Rate – refers to the proportion of planned project(s) which is/are completed during a contract year. Projects refer to both physical and non-physical development undertakings. County Departments/Boards are required to provide a breakdown of the name of projects, locations, budgets, and key deliverables for the

contract year and timelines. Project Completion Rate is obtained by averaging the project completion rates for all projects.

Prevention of Alcohol and Substance Abuse - refers to the implementation of activities/programmes aimed at reducing the prevalence of Alcohol and Substance Abuse and minimizing the negative effects thereof. The overall objective of the indicator is to reduce alcohol and substance abuse (ASA) among the staff working in the public sector. This goal will be achieved through implementation of a package of interventions on prevention as well as mitigation of the effects of alcohol and substance abuse which includes the following:

1. County Baseline Survey on alcohol and substance abuse (to be undertaken by the lead department and the County Departments/Boards to implement the recommendations). 30%
2. Intervention Programmes
 - i) Develop/review workplace policy on ASA (15%).
The County Departments/Boards to domesticate the workplace policy developed the lead department.
 - ii) Establishment and operationalization of ASA Committee (5%).
 - iii) Training of ASA Committee (10%).
 - iv) Staff sensitization on prevention of alcohol and substance abuse (15%).
 - v) Provide support mechanisms for persons with Substance Use Disorders (Counseling, Treatment and Rehabilitation and Referral etc) (15%).
3. Monitoring the impact of the interventions towards prevention of alcohol and substance abuse. County Departments/Boards, are required to submit quarterly and annual reports in the prescribed format to the lead Department/Board within fifteen days (15) after the end of each quarter, after which the Lead Department/Board will compile a County report and submit the same to National Authority for the Campaign Against Alcohol and Drug Abuse (NACADA) within fifteen days. 10%

Prevention of HIV Infections – HIV still poses a serious challenge to the country's socio-economic development. This is the basis under which the HIV program in Kenya aims to contribute to the country's targets as envisioned in Kenya Vision 2030 through universal access to comprehensive HIV prevention, care and treatment.

The focus of this indicator is therefore to focus on implementation of a package of interventions aimed at reducing the prevalence of HIV infections. The objective is to mainstream the HIV interventions that will increase the number of clients reached with HIV services and information. County Departments/Boards are required to identify and implement at least 4 interventions as per Maisha 1 guidelines based on an annual work plan.

Those that will have implemented **MAISHA 1** and attained a score of 80% and above will qualify for **MAISHA 2**. These institutions will be required to utilize their competencies to reach their clients and other stakeholders with interventions that mitigate against HIV infections. To achieve this, County

Departments/Boards are required to identify and implement at least 2 interventions from the *Public Sector HIV Plans* based on core mandate and key competencies.

County Departments/Boards are required to submit quarterly performance reports on implementation of this indicator using the prescribed format to National AIDS Control Council (NACC), which will issue a certificate to County Departments/Boards at the end of the financial year indicating the level of achievement for this indicator in percentage (%). The sector indicators, guidelines on implementation, work plan and reporting tool are available on the NACC website www.nacc.or.ke

Disability Mainstreaming – County Department/Board will be required to implement Government policy on affirmative action for Persons with Disabilities by undertaking the following:

- a) Maintain disaggregated data by number, age, gender, placement and forms of disability for staff and individuals reached by the County Department/Board programmes (10%)
- b) Ensure that at least 5% of the new employees/interns/attachees /apprentices in the respective County Departments/Boards are persons with disabilities as categorized below: (30%)
 - i. New employees (20%);
 - ii. Interns/attachees/apprentices (10%);
- c) Ensure improvements for ease of access in public offices and to public information (50%);
 - i. Access to communication for the deaf and hard of hearing through provision of a sign language interpreter (15%)
 - ii. Access to information for blind and low vision through accessible website, Braille and large print (15%)
 - iii. Ensure improvements of built environment for ease of access by PWDs through provision of lifts, washrooms, ramps, non-slippery floor and parking (20%)
- d) County Departments/Boards shall submit their quarterly reports using the prescribed format to National Council for Persons with Disabilities (NCPWD) (10%);

All support tools and information (Annual Work Plan Format, reporting template, disaggregated data template) can be accessed via www.ncpwd.go.ke

In addition, County Departments/Boards can visit www.placement.ncpwd.go.ke for data on employment for Persons Living with Disability (PLWDs).

Gender Mainstreaming – This refers to public policy and/or concept that assesses direct implications for women, men, boys and girls of any planned action, policy, legislation, programme or project and initiatives in all areas and levels. The ultimate goal is to achieve gender equality through provision of equal opportunities for political, social and economic development.

The activities under this indicator include the following:

- i. Carry out baseline survey to determine the level of gender mainstreaming (to be undertaken by the lead department and the County Departments/Boards to implement the recommendations (30%);
- ii. Development and implementation of gender policy to guide gender mainstreaming activities (25%);
- iii. Undertaking sensitization of employees on Gender mainstreaming (10%);
- iv. Collection and analysis of gender disaggregated data to guide in planning and programming in public institutions (10%);
- v. Compliance with one-third gender representation policy on appointments, promotions and employment in the public service, as per the constitution (10%);
- vi. Development/implementation of work place policy on Gender-Based Violence (GBV) (15%);

In addition, County Departments/Boards are required to submit quarterly and annual reports in the prescribed format to the lead department within fifteen days after the close of a quarter and thirty days for the annual report for submission to the National Gender and Equality Commission on the level of gender mainstreaming.

Environmental Sustainability – refers to concerted efforts to mitigate against environmental degradation. It is the maintenance of the factors and practices that contribute to the quality of environment on a long term basis. The activities to be implemented under this indicator include:

- i) Establishment and operationalization of County Environment Committees (5%);
- ii) Domesticating the Environmental Policy at the workplace, including preparing relevant environmental and social impact assessment and resettlement action plans (20%);
- iii) Developing and implementing environmental awareness creation programmes (15%);
- iv) Waste management that includes (20%);
 - a) Reducing, reusing and recycling of waste in the respective County Departments/Boards (10%);
 - b) Developing and implementing mechanisms for proper disposal of e-waste, e.g. computers, microwaves, air conditioners, phones, among other electronic devices (10%);
- v) Establish measures to mitigate against water, air, noise and other forms of pollution-10%
- vi) Climate change planning and implementation of adaptation and mitigation initiatives such as tree planting, energy saving, water harvesting, etc (15%);
- vii) Protecting riverbanks by enforcing riparian regulations (10%);
- viii) Promoting environmental protection and conservation through partnerships with stakeholders (5%).

Corruption Prevention - This indicator aims to combat and prevent corruption, unethical practices and promote standards and best practices in governance. This is in line with the Ethics and Anti-Corruption Commission Act No. 22 of 2011 and the Leadership and Integrity Act of 2012. To achieve this, County Departments/Boards are expected to:

- a. Undertake corruption perception surveys in order to establish their corruption perception index, using a standard survey tool developed by the EACC (40%).
- b. Implement the following four key sub-indicators emanating from the corruption risk assessments reports and mitigation plans by County Departments/Boards (40%).

- i. _____ %
- ii. _____ %
- iii. _____ %
- iv. _____ %

NB: In instances where a County Department/Board has not undertaken the Corruption Risk Assessment and Mitigation Plan, the same should be undertaken first followed by implementation of the four identified sub-indicators.

- c. Submit quarterly performance reports to EACC on the above using the prescribed reporting format. The format may be accessed in the EACC website, www.eacc.go.ke (20%).

National Cohesion and Values – This is an indicator that aims to promote national cohesion, national values and principles of governance to create a transformed, cohesive, peaceful, united and values-driven nation.

County Departments/Boards will be required to align and implement commitments and way forward in the 2017 Annual President’s Report on National Values and Principles of Governance.

To achieve this, County Departments/Boards are expected to:

- a) Implement at least **five (5)** commitments relevant to their mandate and submit in the prescribed format an Annual Progress Report on the implementation of the commitments and way forward captured in the 2017 Annual President’s Report on National Values and Principles of Governance (60%).

The following are the ten commitments and way forward in the 2017 President’s Annual Report on measures taken and progress achieved:

- i) Prioritize and align programs, projects and activities to the realization of the “Big Four” agenda;
- ii) Implement policies, programs and projects to facilitate national unity, national healing, reconciliation and harmonious relations;
- iii) Entrench sharing and devolution of power;
- iv) Continual public awareness creation and capacity building on national values and principles of governance;
- v) Enhance implementation of policies, legislation, programs and activities that

- promote national values and principles of governance;
- vi) Enhance access to Government Procurement Opportunities (AGPO) and other empowerment programs;
 - vii) Embrace information, communication Technology (ICT) and other innovative ways to enhance service delivery;
 - viii) Enhance the fight against corruption, dispensation of Justice and observance of the rule of law;
 - ix) Address existing and emerging security challenges;
 - x) Enhance protection of the environment and mobilization of resources for sustainable development.
- b) Submit in the prescribed format the Annual Report on measures taken and progress achieved in the realization of National Values and Principles of Governance (40%).

The above reports shall be submitted to the Directorate of National Cohesion and Values by 15th January, 2019 through either a hard copy or soft copy emailed to info2@cohesionandvalues.go.ke or nationalvalues2017@gmail.com.

NB: The Directorate will analyze County Governments' annual reports and issue a certificate of compliance at the end of the performance contract period.

Annex III: Performance Reporting Formats

1.0 Classification of Reporting

As indicated in **Sub-Section 17.3**, performance reports will be prepared and submitted on **quarterly** and **annual basis**. Sub-sections 1.1 and 1.2 below elaborate on the respective reporting formats.

1.1 Quarterly Reporting

Forms 'A' series provide the prescribed format for quarterly progress reporting on each criteria category. While the **Target for Quarter** (Column C) may not have been explicitly agreed on in the contract, it is expected that every County Department/Board will have set its own quarterly targets as milestones towards achieving the agreed **Target for the Contract Period** (Column A). The agencies are required to explain the *Quarterly* and *Cumulative* variances, including remedial actions, where applicable.

QUARTERLY PERFORMANCE REPORT							FORM 1A		
QUARTER ENDING									
PERFORMANCE INDICATORS FOR: (<i>specify name of County Department/Board</i>)									
FINANCIAL STEWARDSHIP & DISCIPLINE INDICATORS (Examples of Performance Indicators provided here below)		Unit of Measure	Target for Contract Period	Quarter			Cumulative To Date		
				Actual	Target for Quarter	Variance (B - C)	Actual	Target	Variance (E - F)
			A	B	C	D	E	F	G
1	Absorption of Allocated Funds								
2	Pending Bills								
Comments on any Variance [(Un)Favourable, Causes and any Action Taken]									

Form 1A above provides the format in which the quarterly progress report for Financial Stewardship and Discipline performance indicators are prepared and submitted. Similarly, the same format for Forms **2A, 3A, 4A** and **5A** provide the format in which quarterly progress reports for Service Delivery, Institutional Transformation, Core Mandate and Cross-cutting Performance Criteria Categories respectively, should be prepared and submitted for every quarter by all County Departments/Boards that have signed Performance Contract.

The County Departments/Boards are required to submit (to the respective agencies) quarterly performance report detailing actual achievement against targets **within 15 days after end of the quarter**.

1.2 End-of-Year Reporting

Form 1 below provides the format for preparing and submitting annual performance report on Financial Stewardship & Discipline performance criterion. Similarly, Forms **2, 3, 4** and **5** provide the format in which Service Delivery, Institutional Transformation, Core Mandate and Cross-cutting performance criteria categories respectively, should be prepared and submitted at the end of the year by all MDAs that have signed the performance contract.

ANNUAL PERFORMANCE REPORT				FORM 1	
YEAR ENDING					
PERFORMANCE INDICATORS FOR: (specify name of County Department/Board)					
FINANCIAL STEWARDSHIP & DISCIPLINE INDICATORS <i>(Examples of Performance Indicators provided here below)</i>		UNIT OF MEASURE	CUMULATIVE FOR YEAR		
			ACTUAL	TARGET	VARIANCE (A-B)
			A	B	C
1	Absorption of Allocated Funds				
2	Pending Bills				
Comments on any Variance [(Un)Favourable, Causes and any Action Taken]:					

The County Departments/Boards are required to prepare and submit (to the respective agencies) annual performance report detailing actual achievement against targets that are contained in their respective performance contracts within 30 days after the end of the contract period.

Annex IV: Format for Citizens' Service Delivery Charter

No.	Service/Good	Requirements to Obtain Service/Good	Cost of Service / Good (if any)	Timeline
WE ARE COMMITTED TO COURTESY AND EXCELLENCE IN SERVICE DELIVERY				
Any service/good rendered that does not conform to the above standards or any officer who does not live up to commitment to courtesy and excellence in Service Delivery should be reported to:				
The CS/CECM/CEO/Principal		The Commission Secretary/Chief Executive Officer, Commission on Administrative Justice, 2 nd Floor, West End Towers, Waiyaki Way, Nairobi. P.O. Box 20414-00200 Nairobi Tel : +254 (0)20 2270000/2303000 Email : complain@ombudsman.go.ke		
HUDUMA BORA NI HAKI YAKO				

Annex V: Members of the Taskforce on the Review of the County Governments Performance Contracting Guidelines

S/No.	Name	Institution
1.	Agnes Ndegwa	UNDP
2.	Benard Moseti	AHADI
3.	Caroline Odandi	Council of Governors
4.	Carolyn Mage	Council of Governors
5.	Chris Kiyana Locheria	County Government of Turkana
6.	Clementina Oundo Omoto	County Government of Busia
7.	Daniel Kisee	County Government of Makueni
8.	David M. Lugaria	County Government of Bungoma
9.	Diana Khabuye Amukoa	Council of Governors
10.	Duke N. Gekara	Monitoring and Evaluation Department
11.	Edwin Mbaya	AHADI
12.	Emmanuel Lubembe	AHADI
13.	Festus Macharia	Nairobi City County Government
14.	Flavian Bwire	Council of Governors
15.	Francis Mwaura	ICT Authority
16.	George K. Kimaiyo	County Government of Elgeyo Marakwet
17.	James Njeru	Nairobi City County Government
18.	John Magua	Performance Management and Coordination Office
19.	Joshua Mwiranga	Performance Management and Coordination Office
20.	Ken Oluoch	Council of Governors
21.	Khakaba K. Omukunda	AHADI
22.	Peter Kamau	Performance Management and Coordination Office
23.	Peter Kariuki	Performance Management and Coordination Office
24.	Peter Salai	County Government of Taita Taveta
25.	Robert Opaat Papa	County Government of Busia
26.	Samuel Mutisya	Council of Governors
27.	Samuel Wamukoya	County Government of Kakamega
28.	Sheila Gati	County Government of Migori
29.	Vincent Sutei	Performance Management and Coordination Office

