

PERFORMANCE CONTRACT

Between



The Government of the Republic of Kenya

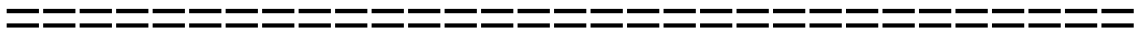
Through

Office of the Deputy Prime Minister and

Ministry of Local Government

And

The Municipal Council of Malindi



For the Period 1st July 2009 to 30th June 2010

PERFORMANCE CONTRACT

This Performance Contract (hereinafter referred to as the “Contract”) is entered into between the **Government of the Republic of Kenya** through its OFFICE OF THE DEPUTY PRIME MINISTER AND MINISTRY OF LOCAL GOVERNMENT (Hereinafter referred to as “GOK”) of P.O. Box 30004 Code – 00100 Nairobi – Kenya (together with its assignees and successors) of the one part, and the **MUNICIPAL COUNCIL OF MALINDI** (together with its assignees and successors) of **P.O. BOX 371** of the other part.

WHEREAS

The Government is committed to ensuring that Local Authorities are well managed and cost less in delivering efficient and quality service to the public;

The Government recognizes that Local Authorities hold vital key to improving performance and restoring the faith of the Kenyan people in their Government;

The parties recognize the need for adequate and reasonable managerial and operational autonomy to facilitate achievement by the Council and management of **Municipal Council of Malindi** of the agreed and freely negotiated performance targets set out in this contract.

The Council has indicated its capacity and competence to perform the duties and undertake the functions specified herein.

This contract represents a basis for continuous improvement of the **Municipal Council of Malindi** to meet the needs and expectations of the Kenyan people.

From this Contract, should flow the programme and management priorities of the **Municipal Council of Malindi**.

NOW THEREFORE, the parties hereto agree as follows;

PART I

(a) Vision

- To be an eco-friendly, sustainable, multi-sectoral economy Municipality.

(b) Mission.

- To ensure the provision and co-ordination of mandated Municipal Services in an efficient and effective manner for the benefits of the residents of Malindi and its visitors.

(c) Objectives.

- To provide Public Health Services to residents of Malindi
- To Conserve and sustain the environment
- To provide Town Planning Services
- To develop and improve the infrastructure in Malindi.
- To create a conducive environment for employment and wealth creation
- To provide Fire Fighting and other safety related & life saving Services
- To provide Early Childhood Development Services
- To promote Tourism within the region

PART II

Commitments and Responsibilities.

- Reviewing and implementing the Strategic Plan and ensuring that it is linked to National policy documents such as National Development Plan and vision 2030.
- Designing appropriate annual work plans;
- Developing comprehensive performance targets;
- Assigning weights to performance indicators;
- Signing performance contract with the Permanent Secretary, OFFICE OF THE DEPUTY PRIME MINISTER AND MINISTRY OF LOCAL GOVERNMENT.
- Ensuring achievement of the agreed targets;
- Preparing employees in the Council for the desired changes in working styles, attitudes and work ethics.
- To undertake RRI for first tracking achievements of targets.

PART III

Commitments and Obligations of the Government of Kenya

- The Government of Kenya shall make timely disbursement of the following:-
 - LATF
 - CILOR
 - Roads Maintenance Levy
- The Government of Kenya shall ensure timely disbursement of financial transfers to the Council.
- The Government of Kenya shall grant approvals of requests from the Council within 21 working days upon receipt.
- The Government of Kenya shall respond to all correspondences from the Council within 14 working days upon receipt.
- The Government of Kenya shall respond to quarterly performance reports from the council within one month upon receipt.

PART IV

Frequency of Monitoring and Information Flow

- The **Municipal Council of Malindi** undertakes to submit quarterly and annual performance reports in the prescribed format in accordance with the performance contract guidelines and the Local Government (Performance Contracting) rules, 2007.

PART V

Duration of the Performance Contract

The Performance Contract will run for a period of 12 months from 1st July 2009 to 30th June 2010.

Signed:

His Worship the Mayor

.....

Date:

CLLR. SAMSON MKUTANO MAPINGA

Chairman, Finance Committee

.....

Date:.....

CLLR. JOSEPH MWAMBOGO BIKHONDE

Permanent Secretary, Office of the Deputy Prime Minister and Ministry of Local Government

.....

Date:.....

SAMMY A. KIRUI, CBS

Counter-signed:

Deputy Prime Minister and Minister for Local Government

.....

Date:.....

HON. MUSALIA MUDAVADI, EGH, MP

MUNICIPAL COUNCIL OF MALINDI

PERFORMANCE CONTRACT 2009/2010

	CRITERIA CATEGORY	UNITS	WT	CURRENT STATUS 2008/09	TARGET 2009/10	CRITERION VALUES							
						Excellent (1.00-2.49)	Very Good (1.50-2.49)	Good (2.50-3.49)	Fair (3.50-3.590)	Poor (3.60-5.00)	Achievements	Raw score	Weighed
A	FINANCIAL & STEWARDSHIP INDICATORS												
	Revenue Collection	KShs	6	106.8m	117.9m								
	Cost reduction/savings	KShs	2	0.25m	1m								
	Utilization of funds on programmed activities	%	9	100	100								
	Development index	%	1	32	43								
	Debt/equity ratio	%	2	20	17								
	Weight subtotals		20										
B	NON FINANCIAL												
	Review of strategic plan	time	2	03.07.2009	N/A								
	Compliance with strategic plan	%	1	95	100								
	Disposal of idle with assets	%	1	50	100								
	ISO certification	%	1	37	40								
	Avg. collection	days	2	40	40								
	Corruption Eradication	%	1	80	80								
	Prevention HIV infections	%	2	50	100								
	Statutory obligation	%	2	85	100								
	Automation	%	2	50	80								
Competency Development	%	1	0	50									
	Weight subtotals		15										
C	OPERATIONS												
	Enforcement/compliance												
	1)by-laws	%	1	100	100								
	2)other laws	%	1	100	100								
	Develop master plan	%	1	10	30								
	Review infrastructural plans	Time	1	N/A	30.06.2010								
	Garbage collection	%	3	60	80								
	Provision of litter bins	No	3	7	100								
	Maintenance of drainage system	%	2	70	100								
	Mosquito control	%	2	80	100								
	Development control	%	1	75	100								
	Beautification of parks	%	1	60	100								
	Outcomes aligned to sub-sector performance standards Project implementation	Qtry ,etc	2	9	15								
	Timeliness	%	2	80	100								
	Quality	%	2	90	100								
Relevance	%	2	100	100									
Cost effective	%	2	80	100									
Completion rate	%	1	70	100									
	Weight Sub-totals		25										
D	Service Delivery												
	Develop/Implement customer service delivery charter	Extent/%	10	100	50								
	Customer satisfaction	%	10	50	50								
	Service Delivery innovations	No.	10	1	1								

	Weight Sub-totals		30										
	Dynamics/Qualitative												
	Work environment(baseline survey/implementation)	%	1	50	60								
	Employees satisfaction	%	1	50	50								
	Repair	%	1	45	60								
	Maintenance	%	1	90	100								
	Safety measures	%	1	50	100								
	Research and Development	%	1	N/A	N/A								
E	Prevention of alcohol and drug abuse	No. of Certificate	1	N/A	30								
	Resolution of public complaints	%	1	N/A	50								
	Gender mainstreaming	%	0.5	N/A	50								
	Disability mainstreaming	%	0.5	N/A	30								
	Fire fighting	No	0.5	50	100								
	Tree nursery	No	0.5	N/A	5000								
	Weight sub-totals		10										

(A) **FINANCIAL AND STEWARDSHIP INDICATORS**

REVENUE COLLECTION KSH 110,000,000 EXCLUDING LATF

The council anticipated to collect kshs 110, 000,000 excluding **LATF** funds. Only kshs 106,800,000 was collected during the financial year 2008/2009.

The council target to collect kshs 117,900,000 by enhancing revenue collection in the following areas:-

- New bus park
- New fees and charges
 - Hotel Levy,
 - Marine,
 - Gede ruins,
 - Arabuko Sokoke forest levy which has had some hindrances during 2008/2009)

COST REDUCTION /SAVING KSH 1MILLION

During the period ending 30th June 2009, we had targeted to reduce cost by 1million, but the council managed to save kshs.250, 000 as indicated below:

- Telephone usage control
- Computer maintenance which is now under maintenance of the council computer programmer who was hired in 2008/09.
- Street lighting cost through private partnership who will be maintaining the street lights.

Due to economic depression the council shall implement stringent measures to maintain the same target during the contracting year 2009/2010.

UTILIZATION OF FUNDS ON THE PROGRAMMED ACTIVITIES – 100%

During the yr 2008/09 the council utilized 100% on the programmed activities as per projected budget

The council intends to maintain the same target during the contract period 2009/2010 at 100% in proper utilization of the available resources.

DEVELOPMENT INDEX - 43%

This index has been developed by comparing the development expenditure against the recurrent expenditure. However during the current contracting period, the council was not able to achieve its target due to hard economic conditions but it registered 32%.

During the contract period under review we targeted 43% in anticipation that the economy shall recover and grow appropriately during the year 2009/2010.

DEBT EQUITY RATIO - 17%

During the financial year 2008/2009 the council had a debt/equity ratio of 17% as a result of a debt of kshs 30,322,588 against owner's equity of kshs.179, 641,982.00.

The council targets a ratio of 18.3% during 2009/2010 period i.e. a debt of kshs. 33,000,000 against owner's equity of kshs. 179,458,422.00. This is tantamount to comparison of borrowed funds against owners equity.

(B) NON-FINANCIAL INDICATORS

REVIEW OF STRATEGIC PLAN

The council will undertake to implement 100% of the intended activities in this financial year 2009/2010.

COMPLIANCE WITH STRATEGIC PLAN – 100%

The council managed to review its strategic plan which shall be operational during the contract period 2009/2010 for a period of one year.

DISPOSAL OF IDLE ASSETS – 100%

Disposal of idle assets were identified by the board of survey committee in May 2009 during its annual stock taking to update the list of inventory of assets and identify idle/unserviceable items. Since the council has stock disposal committee, it will make the necessary arrangement to dispose off the unserviceable stores 100% during the year involving the two ambulances parked at the Municipal yard.

ISO CERTIFICATION – 40%

.During the contract period 2008/09, the council attained 37% with the following activities:-

- Awareness training in ISO certification
- Initial training in ISO certification

The council during contracting period 2009/10 intends to undertake the following activities:-

- Documentation
- Internal quality Audit training.

AVERAGE COLLECTION PERIOD – 40 DAYS

During the contract period ending 30th June 2009 the council had targeted to reduce the average collection period from 90 to 40days. However debt collection has proved difficult due to hard economic conditions. Subsequently the council will strive to retain the same level of 40 average collection days in the 2009/2010 contract period

CORRUPTION ERADICATION

The Council has an operational corruption prevention integrity committee in place. Quarterly reports have been forwarded to the Kenya Anticorruption Commission as required. About 80% corruption eradication activities have been implemented and the council wishes to achieve the 80% target during the **FY 2009/2010** in the following areas:-

- Formulation of anti-corruption policy.
- Develop a code of conduct.
- Implement the anti-corruption plan.

The council is also a member of Kenya integrity forum.

PREVENTION OF HIV/AIDS INFECTION

In the contract period ending 30th June 2009 the Council was able to implement **HIV/AIDS** prevention measures by 85% through the Aids Control Unit (ACU) ,the council was able to conduct the following:-

- Organized and conducted peer education sessions
- Organized and conducted two (2) outreaches for both Council staff and their dependants and to the general Public with an aim of reducing stigma and discrimination.
- Peer educators carried out Demonstration sessions on proper usage of condoms.
- Continuous condom distribution.

During this contract period the Council has planned to do the following;-

- Carry out counseling and testing and carry condom use promotion.
- Behavior change communication for vulnerable groups.
- Prevention of mother to Child transmission
- Behavior change among youth
- Blood safety
- Post exposure prophylaxis
- Infection safety
- Psycho-social support group establishment among the people living with HIV/AIDS
- Male circumcision
- Establish and updating institutional data base for referred cases and relevant indicators on behavior change.

STATUTORY OBLIGATIONS

During the Contract period the Council complied with statutory requirement by 75%.

The Council shall continue to observe all the statutory requirements to attain the 100% compliance as follows:-

- Signing of performance contract
- Workmen compensation
- Cap 265 laws of Kenya

➤ Tax remittance to :-

- KRA
- NSSF
- NHIF
- LAPRO FUND(Not up-to-date)
- LAPTRUST(Not up-to-date)
- VAT

AUTOMATION – 80%

During the contract period 2009/2010 the council shall undertake the following:-

- Formulation of Automation policy.
- Establishing measures to ensure the ATM policy and capacity building strategy are put in place.
- Putting in place maintenance plans on the existing facilities
- The Council has employed a computer programmer who will ensure that hardware and software plans are put in place.

COMPETENCY DEVELOPMENT – 50%

During the contract period 2009/2010 the council intends to the following:-

- Carry out a baseline survey to determine staff skill and competence needs analysis
- Formulate human resource plans to identify the critical skill levels and competencies required at various levels in the council.
- Monitoring and evaluating intervention programmes (conduct skills inventory)
- Conduct periodical staff appraisal to determine their level of performance and possibility of developing them to add value to the council
- Assessment of staff career progression to win their confidence and commitment to council obligations

- Monitor and evaluate intervention programmes to assess number trained in critical competencies and skill inventory.

(C) **OPERATIONS**

BY- LAWS

During the contract period 2009/2010 the council intends to review the existing by-laws and enforce the same.

OTHER LAWS

The council shall ensure compliance of the following laws:

- Public Health Act
- Physical Planning Act
- EMCA

DEVELOP MASTER PLAN

The master plan is in the draft stage and during this contract period the council shall undertake the following steps in the process of developing a master plan:-

- Engage stakeholders by having them own the master plan and give their approval.
- After stakeholders acceptance the council shall seek approval from the full council.

REVIEW INFRASTRUCTURE PLAN

The council shall review the existing infrastructure plans by 30th June 2010.

GARBAGE COLLECTION – 80%

The council intends to collect garbage from all the six zones to attain its target thus:-

- Central Business District
- Gede
- Timboni
- Kwa ndomo

- New buspark
- Watamu

PROVISION OF LITTER BIN – 100

The council intends to install 100 pieces of litter bins within the six zones to enhance cleanliness in the town.

MAINTENANCE OF DRAINAGE SYSTEMS

The council shall continue to maintain the existing drainage system by 100% through frequent cleaning.

MOOSQUITO CONTROL

The council shall be doing the following to control mosquito:-

- Spray once a week
- Cleaning of bushes
- Larvae cydal
- Drainage of stagnant water

DEVELOPMENT CONTROL

The council shall do the following to control the development:-

- Enforce the zoning plan
- Conduct regular inspection
- Issue development approval
- Keep records of inspected and approved developments

BEAUTIFICATION OF PARKS

The council shall do the following to beautify parks:-

- Plant trees and flowers
- Provide lighting
- Provide seats

PROJECT IMPLEMENTATION

TIMELINESS

Procurement procedures and disbursement of funds are the determinant factors in addition to technical personnel. The council undertakes to be 100% compliance as per the public procurement and disposal Act 2005.

- Conduct skills inventory

QUALITY – 100%

The council targets to improve the quality of service delivery and projects from the current 90%-100%.

RELEVANCE

The council intends to undertake projects with 100% service delivery relevance.

COST EFFECTIVE

During this contract period the council shall ensure 100% cost effective compliance in project implementation.

COMPLETION RATE

Procurement procedures and funds disbursement affects the completion rate. However, the council targets 100% completion rate.

(D) SERVICE DELIVERY

DEVELOPMENT IMPLEMENT CUSTOMER SERVICE DELIVERY CHARTER

The Council managed to develop and implement customer service delivery charter by 100% during the contract period 2008/2009. Consequently the Council shall-

- Implement the charter and
- Cascade it to the public;
- Translate the charter in Kiswahili language

CUSTOMER SATISFACTION 50%

The Council achieved 50% customer satisfaction during the contract period under review. We intend to retain the 50% target during this contract period by doing the following:-

- Questionnaire circulation
- Analyze the responses to determine the level of satisfaction
- Place the outcome to the notice to enhance transparency.

SERVICE DELIVERY INNOVATION

The Council had targeted two (2) services delivery innovations during the contract period 2008/09 but achieved one (1.)

This contract period the Council target to achieve one (1) service delivery innovations through twining with another local authority to promote tourism in the region.

(C) DYNAMIC /QUALITTATIVE

WORK ENVIROMENT BASELINE IMPLEMENTATION 60%

During the year under review the Council managed to purchase office equipments and improved work environment by 50% for this contract period the Council intends to provide sanitary facilities in the cleansing section thus raising the target to 60%.

EMPLOYEES SATISFACTIONS - 50%

The Council intends achieves 50% employees satisfaction. This will done internally.

REPAIR

During this contract period the council intends to repair rental houses in Ngala Phase I&II

MAINTENANCE

During this contract period the council intends to carry out a maintenance plan to all council machines and equipments

- Conduct skills inventory

SAFETY MEASURES

During this contract period the council intends to safety measures:-

- Extension of street lighting
- Installation fire extinguishers

PREVENTION OF ALCOHOL AND DRUG ABUSE

During this contract period the council shall:-

- Form a committee
- Develop and implement workplace policy on alcohol and drug abuse
- Establish alcohol and drug abuse prevention unit
- Implement the alcohol and drug abuse

RESOLUTION OF PUBLIC COMPLAINS

During this contract period, the council intends to respond to public complains within 7days upon receipt.

GENDER MAINSTREAMING

During this contract period the council intends to:-

- Develop framework/policy to guide gender mainstreaming activities
- Identify gender concern, needs, and devising ways to address them

DISABILITY MAINSTREAMING

During this contract period the council intends to:-

- Formulate a disability mainstreaming policy
- Establish a disability mainstreaming committee
- Train all staff in disability awareness

FIRE FIGHTING

During this contract period the council shall continue providing maintaining the fire fighting facilities through frequent services.

TREE NURSARY

During this contract period the council intends to plant 5000 nursery seedlings.

**MUNICIPAL COUNCIL OF MALINDI
IMPLEMENTATION OF CAPITAL PROJECTS**

Most of the 2008/2009 projects have started with some being completed with an exception of construction of office block at watamu which has delayed

During this contract period 2009/2010 the council has the following projects to undertake

NO	PROJECT	WARD/LOCATION	ESTIMATED COST FOR THE YEAR(KSHS)	CURRENT STATUS	TARGET(%)
1	Dispensary	malimo	800,000	0	100
2	Secondary school	madunguni	850,000	0	100
3	Village Polytechnic	ganda	850,000	0	100
4	Primary school	barani	850,000	0	100
5	Storm water drainage	central	800,000	0	100
6	Secondary school	kijiwetanga	850,000	0	100
7	Secondary school	sabaki	850,000	0	100
8	Opening of access roads	maweni	850,000	0	100
9	Secondary school	gede south	850,000	0	100
10	Open Air market	gede north	600,000	0	100
11	Modern market	watamu	600,000	0	100
12	caprose roads with drainage	shella	1,200,000	0	100
13	primary school classroom	gede east	850,000	0	100
14	rehabilitation of storm water drainage	municipal projects	1,500,000	0	100
15	renovation of municipal clinic	municipal projects	2,300,000	0	100
16	Renovation of rental houses	municipal projects	3,200,000	0	100
17	Renoovation of kwa njiwa markets	municipal projects	800,000	0	100
18	purchase of motor cycle for social service dept.	municipal projects	350,000	0	100
19	Construction of cllr. Offices	municipal projects	800,000	0	100
			19,750,000		

