Public sector performance has been a matter of public concern for a long period in both developed and developing countries. OECD (1995) talks of performance contracting as one tool of the greater public sector reforms that aims at improving efficiency and effectiveness while minimizing total costs. Kenya government adopted as a policy the application of performance contracts in the management of the public service in 2003 and its implementation formally started in the year 2005. To date most of the government ministries/departments/agencies are implementing this policy. Effects of performance contracting implementation on service delivery have not been adequately investigated and if this is not done the whole exercise may end up in futility. The purpose of this study was therefore to investigate the effects of performance contracting policy implementation on service delivery in the probation service department, Nairobi County. The study was be guided by the following objectives; to examine the relationship between performance planning and service delivery, to establish if there is any relationship between performance incentive system and service delivery and to find out if performance monitoring and evaluation affects service delivery. The study was based on three motivational theories, that is, happiness and success theory, goal setting theory and expectancy theory. The research design for this study was descriptive survey. The study used Census design. Target population and sample size was 50 probation officers. Data was collected using a questionnaire and analyzed using descriptive and some inferential statistics. And as such, qualitative or descriptive techniques were employed. SPSS aided in quantitative data analysis, while analysis of qualitative data was done manually. Presentation was done in tables and charts to facilitate ease of relationship comparisons between variables. The findings of the research study are expected to benefit policy makers, implementers and other researchers in this area.