



NATIONAL CONSTRUCTION
AUTHORITY

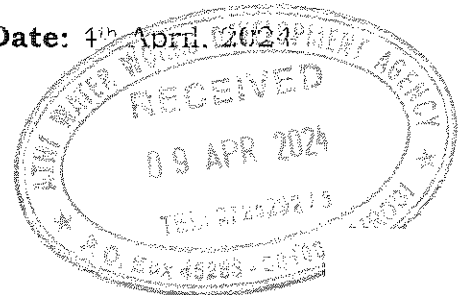
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Ref: NCA4/38/VOLVIII/53

Date: 4th April 2024

The Ag. Chief Executive Officer,
Athi Water Works Development Agency,
Athi Water Plaza, Muthaiga North Road off Kiambu Road
P O. Box 45283-00100,
NAIROBI.



COMPLIANCE WITH NCA ACT OF 2011 AND NCA REGULATIONS OF 2014 BY FOREIGN CONTRACTORS

The above subject matter refers.

The National Construction Authority is a State Corporation established by the National Construction Authority Act No. 41 of 2011 ("NCA Act") with a mandate to oversee the construction industry and coordinate its development.

The Authority is in receipt of communication from Sogea-Satom Kenya letter ref: 2024/SSKE/MGE/005/2024 dated 28th March 2024 requesting for proof of valid license and certificate in regard to Registration for **CKE1135-NAIROBI WATER AND SANITATION PROJECT IFB No:AWWDA/AFD/NWSP/W-02B/2023 CONSTRUCTION WORKS FOR GIGIRI-KARURA-OUTER RING ROAD TRANSMISSION PIPELINE PROJECT**

Pursuant to Section 18 of the NCA Act as read together with Regulation 12 of the National Construction Authority Regulations 2014, a foreign contractor is required to adhere to the provisions of the Act & Regulations, failure to which, the firm will not be eligible to carry out construction work in Kenya until all requirements for registration are fulfilled.

Section 18 of the National Construction Authority Act provides for the following.

1. The Board may accredit a firm incorporated outside Kenya to carry out construction works in Kenya for a prescribed period where the firm meets the conditions prescribed by the Board and satisfies the Board that the firm;
 - a. Intends to be present in Kenya only for the purpose of carrying out the specific works for which it has been contracted, for which, the sum payable is not less than the sum prescribed by the Board for the class of works in respect of which registration is sought,
 - b. Has a certificate of compliance from the Registrar of Companies showing that it is, or immediately prior to entering Kenya, was,

trading as a contractor in the capacity which satisfies the Board with respect to its suitability to serve the public as a qualified contractor; and

- c. Has lodged an affidavit with the Board to the effect that, once the contracted works are completed and the period of defects liability or maintenance has elapsed, it shall wind up business and shall not engage itself in the construction business within Kenya.
2. The Board may require an applicant under this section to appear before it and produce documentary evidence of its competence in executing construction works immediately prior to its entry in Kenya.
3. Registration of a firm under this section shall entitle it to undertake work only for the period of time prescribed by the Board in subsection (1), and on the expiry of that period that firm shall cease to be so registered, and shall return the registration certificate to the Board.

Regulation 12 of the National Construction Authority Regulations 2014 further provides that the foreign firm(s) shall grant an undertaking in writing that the foreign person or firm:

- I. Shall subcontract or enter into a joint venture with a local person or local firm for not less than thirty percent (30%) of the value of the contract work for which temporary registration is sought.
- II. Shall transfer technical skills not available locally to a local person or firm in such manner as the Authority may determine from time to time.

From the foregoing, foreign contractors are required to seek registration with the National Construction Authority after issuance of an award letter and before signing the contract with the procuring entity and should only undertake construction works or projects with a value limit of category NCA 1. The registration certificate and practicing license issued is specific to the contract being undertaken.

A copy of the value limits is attached herein as annex 1.1


Eng. Maurice Akech, MBS

EXECUTIVE DIRECTOR/REGISTRAR OF CONTRACTORS

BM

Encl.

Copy to:

Sogea-Satom Kenya
P.O. BOX 39367-00623
Nairobi

ANNEX 1.1



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ACCORDING TO VALUE LIMITS

1	Contractors (Building Works)	
	Category	Value Limit (Kshs)
1.	NCA1	Unlimited
2.	NCA2	Upto 500,000,000.00
3.	NCA3	Upto 300,000,000.00
4.	NCA4	Upto 200,000,000.00
5.	NCA5	Upto 100,000,000.00
6.	NCA6	Upto 50,000,000.00
7.	NCA7	Upto 20,000,000.00
8.	NCA8	Upto 10,000,000.00
2	Electrical/Mechanical Engineering Services	
	Category	Value Limit (Kshs)
1.	NCA1	Unlimited
2.	NCA2	Upto 250,000,000.00
3.	NCA3	Upto 150,000,000.00
4.	NCA4	Upto 100,000,000.00
5.	NCA5	Upto 50,000,000.00
6.	NCA6	Upto 20,000,000.00
7.	NCA7	Upto 10,000,000.00
8.	NCA8	Upto 5,000,000.00
3	Roads, Water and other Civil Works	
	Category	Value Limit (Kshs)
1.	NCA1	Unlimited
2.	NCA2	Upto 750,000,000.00
3.	NCA3	Upto 500,000,000.00
4.	NCA4	Upto 300,000,000.00
5.	NCA5	Upto 200,000,000.00
6.	NCA6	Upto 100,000,000.00
7.	NCA7	Upto 50,000,000.00
8.	NCA8	Upto 20,000,000.00