

National Construction Authority Project Registration Guidelines

Contractors operating or willing to undertake construction operations in Kenya are required by law to register through the National Construction Authority (NCA), which is constituted under Act No. 41 of 2011 Laws of Kenya.

National Construction Authority (NCA) is mandated to clear builders and contractors as a way of eliminating rogue contractors in Kenya and malpractices in building and construction. The authority, which has recently started inspecting construction and building projects around the country to ensure high quality of work and close projects posing health risks and collapse hazards, is expected to provide the regulatory framework for registration and renewal of contractors.

Qualification as a contractor in Kenya

1. Register with Registrar of Companies: Each contractor is required to hold a certificate of incorporation from the Registrar of Companies in Kenya. This will mean they register as a legal company in the country as a limited liability, sole proprietorship or as a partnership company.
2. In this respect, the National Construction Authority will also require that one of the technical directors of the registered company have minimal technical qualification, have skills or possess experience in a field related to construction. All the directors must also forward their CVs to the National Construction Authority.
3. Valid PIN, VAT and Income Tax compliance certificates, and Bank Account: The contractor applying to operate in Kenya must also prove tax compliance by means of submitting these documents to National Construction Authority (NCA). The bank account should be opened under name of the contractor company and evidence for the bank account is required.

Foreign contractors are issued with permission to operate for a specific period of time and will be required to prove that they are in the country for that given to undertake a project. They should not undertake another project after the one specified or targeted is completed and they will be required to launch an affidavit with the authority that this will not happen.

Foreign contractors willing to operate in Kenya are also required to submit a commitment to transfer skills not with locals and as can be determined by National Construction Authority from time to time.

4. A Certificate of Registration is issued on registration as a contractor in Kenya.

Contractor classification/grades

NCA regulations allow a contractor to register in one or more categories according to class of construction works to be undertaken.

NCA1: Unlimited contract value: which has various classes: Unlimited contract value [Contractors – Building] Unlimited contract value [Specialist Contractors] Unlimited contract value [Roads and other Civil Works]

NCA2: Up to 500, 000, 000 [Contractors – Building], Up to 250, 000, 000 [Specialist Contractors], Up to 750, 000, 000 [Roads and other Civil Works].

NCA3: Up to 300, 000, 000 [Contractors – Building] Up to 150, 000, 000 [Specialist Contractors] Up to 500, 000, 000 [Roads and other Civil Works]

NCA4: Up to 200, 000, 000 [Contractors – Building] Up to 100, 000, 000 [Specialist Contractors] Up to 300, 000, 000 [Roads and other Civil Works]

NCA5: Up to 100, 000, 000 [Contractors – Building] Up to 50, 000, 000 [Specialist Contractors] Up to 200, 000, 000 [Roads and other Civil Works]

NCA6: Up to 50, 000, 000 [Contractors – Building] Up to 20, 000, 000 [Specialist Contractors] Up to 100, 000, 000 [Roads and other Civil Works]

NCA7: Up to 20, 000, 000 [Contractors – Building] Up to 10, 000, 000 [Specialist Contractors] Up to 50, 000, 000 [Roads and other Civil Works]

Registration fees

Local contractors in Kenya will be required to pay a fee of Ksh. 10, 000 – 50, 000 depending on category in order to register. License renewal costs are valued at between Ksh. 5, 000 and Ksh. 10, 000. Between Ksh. 5, 000 and 10, 000 will be required for annual renewal of license.

Foreign contractors willing to register with National Construction Authority to operate in Kenya are required to pay a registration fee of Ksh. 100, 000 and must undertake only tenders they win. Those registering under a temporary registration will need to commit to sub-contracting “not less than 30% of the value” of contract to local contractors.

Foreign contractors are not cleared for the NCA1 category, in an attempt to protect local contractors from foreign companies.

The application documents are available from NCA website- www.nca.go.ke .