

CODE OF CONDUCT FOR THE CONSTRUCTION INDUSTRY



NATIONAL CONSTRUCTION
AUTHORITY

WHAT IS THE CODE OF CONDUCT

- ▶ The Code of Conduct-set of rules or standards describing the accepted behavior in the construction industry.
- ▶ *“principles, values, standards, or rules of behavior that guide the decisions, procedures and systems of an organization in a way that it;*
- ▶ *a)contributes to the welfare of its key stakeholders and*
- ▶ *b) respects the rights of all its constituents affected by its operations.”* (according to the International Federation of Accountants.



MANDATE FOR THE CODE OF CONDUCT

- ▶ The NCA Act No. 41 of 2011 under section 5 (2)m) provides for NCA to “**develop and publish a code of conduct for the construction industry**”
- ▶ The Code is necessary because not all laws, regulations and internal policies, can effectively govern the behavior of the varied players within the construction industry.



WHY A CODE OF CONDUCT.

- ▶ Basic behavior expected by the construction industry players of their stakeholders.
- ▶ Guideline of what consumers and the general public should expect from construction services providers.
- ▶ Clear statement of what the construction industry stands for and how the industry key players conduct themselves.
- ▶ Minimum standard for public evaluation of performance of the various key stakeholders within the construction industry.



PRINCIPLES OF THE CODE

- ▶ Public declaration of how the construction industry players ought to work.
- ▶ Pegged on and promotes values of; team work, accountability, integrity, leadership, excellence, corporate governance.
- ▶ Describes how existing values are incorporated into a set of standards to guide the construction industry players to profitability resulting in societal good.



Application of the Code of Conduct

- ▶ All professionals, developers, contractors, construction workers, material suppliers, procurement agents and others have a responsibility to follow the code consistently and appropriately.
- ▶ Towards enforcement of the code all stakeholders should understand and comply with the code,
- ▶ Failure to comply with the code should attract disciplinary action and/or sanctions from appropriate regulatory bodies.



Synopsis of the Code

1. Section 1

The Introduction and the Preamble

- ▶ Principle purpose of the NCA
- ▶ Introduction, mandate to develop the code; legal basis for to support effective enforcement.
- ▶ Preamble-lists values and principles that ought to guide the construction industry and the benefits of such values being incorporated.
- ▶ Describes the parties involved in the Construction Industry as being; agents, contractor, Employer, Employee, Client, subcontractor and tenderer.



Synopsis of the code (cont.....)

Section2

- ▶ **Principles governing the conduct of the parties:-**
provides for the conduct of the players in the construction industry in their relations-
- To behave equitably , honestly, and transparently
- To discharge duties and obligations in a timely manner and with integrity
- To comply with all applicable legislation and associated regulations.
- To satisfy all relevant requirements established in procurement docs.
- To avoid conflict of interest.
- To not maliciously libel or slander.



Synopsis of the code

Section 3. Acceptable Conduct:

- ▶ Provides guidelines on acceptable conduct and responsibility of each party in the construction industry towards others.
- ▶ Examples;
- ▶ Conduct of agent; fair and equitable treatment for all, observe due process in procurement activity,
- ▶ Conduct of contractor; have an objective to satisfy employers requirements, aim to meet all statutory and contractual obligations fully and timeously,
- ▶ Conduct of employer; not invite tenders without firm intention to execute the works, ensure regular and timeous payments are made for work done.



Synopsis of the code

Section 4. Enforcement of the code.

- ▶ Ideally a code is self executing on application as accepted way of conducting business.
- ▶ Promotes self regulation from all stakeholders and adherence to their respective regulatory frameworks,
- ▶ Adhere to the code will provide for harmony, efficiency and profitability for its adherents in the industry.
- ▶ Non compliance with the code may result in imposed sanctions and/or disciplinary action by Authority Board or other regulatory Boards as appropriate.



Sensitization Milestones for the Code of Conduct

Kisumu Validation Workshop - 25th May 2015

Kakamega Validation Workshop - 26th May 2015

1. Mombasa Validation Workshop - 29th May 2015

1. Nairobi Validation Workshop - 3rd June 2015

1. Nakuru Validation Workshop - 27th May 2015

MOW Validation Workshop Draft Code of Conduct - 12th May 2015

Gazetted - 15th April 2016.

•Daily Nation - 1st August 2016

•Letter to key stakeholders (PPOA & Professional bodies) done -10th Nov., 2016

•We have incorporated the code in the online project registration portal.

CONCLUSION:

- ▶ An operational code adhered to by the construction industry and its stakeholders will promote transparency and responsible business thereby positively impacting consumer satisfaction and significantly improving investment within the construction industry.

THANK YOU.

