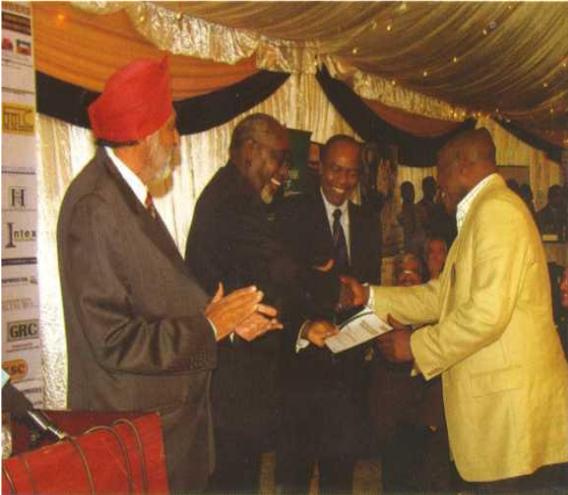
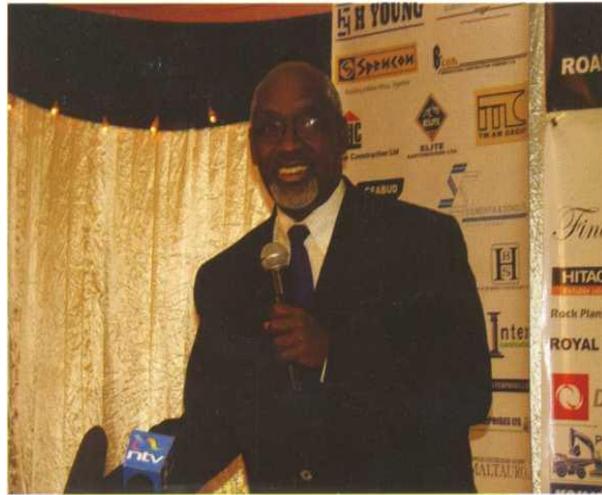


NEW HORIZONS AND PROSPECTS EXPECTED FROM THE ROADS AND CIVIL ENGINEERING CONTRACTORS ASSOCIATION (RACECA)

Local roads and civil engineering contractors have been up in arms with claims that the government has allowed foreign contractors to dominate the local market. The foreign contractors have taken over most of the on-going roads projects in cohorts with consultancy firms co-owned by highly connected individuals in government this generating an unfair and fierce competition in the local market, the local contractors have further claimed. The recent launch of RACECA, not surprisinaly, has been a welcome development offering much expectations and perhaps light at the end of the tunnel. During the launch, the members aired most of their grievances while government officials were at hand to listen and give their part of the story .Fred ndung'u witnessed the function:



Hon Bett presented all RACECA members with membership certificate



Roads minister Hon Franklin Bett at the RACECA launch

There was fun, humor interspersed with seriousness, pomp and a lot to eat and drink at the highly patronized, flowery and early evening function that marked launch of the Roads & Civil Engineering Contractors Association (RACECA) on December 2nd 2009 at the prestigious and members-only Parklands Sports Club in Nairobi. The humourous and friendly Kenyan Roads Minister, Hon Franklin Bett, who seemed to recognize, and be on talking terms with most of the RACECA members, officially launched the organization. He jokingly lamented that his efforts to apply the divide and rule tactic among RACECA members had finally succumbed to the unity that formation of RACECA had surely engendered. Engineering and technical exhibits were provided by companies that included the Bomaq Faqat Group, the Athi River Mining Group, East Africa Portland Cement, Bell, DT Dobbie, Tata Motors, Baldwin Filters, and Atlas Copco among others.

RACECA Chairman Mr Joseph Schwartz- man recognized the GoK for its role in promoting building and development of infrastructure in the country in the last several years leading to spending of over K sh 200 billion. He appreciated the government for having promoted contractors interests including allowing for their free expression of ideas and confessed that the good and reliable engineers and contractors in the country had cooperated to produce good and commendable projects. He welcomed

Hon Bett also commended the formation of RACECA and his keynote speech tackled many diverse issues facing the roads and construction industry in the country. RACECA shall make consultation and sharing of ideas easier; be a united voice for addressing issues and facilitate the Roads Ministry ability to discuss shared concerns in structured ways. RACECA shall enable members look to the future with increased hope.

Roads Permanent Secretary Eng Michael Kamau was delighted at the launch after having urged for formation of the body since 2006 as the Chief Engineer Roads. He extolled the gains of strength in unity as is evident in many endeavours by the renowned European Union. He averred that henceforth, it would be easy for the government to deal with RACECA members; they would easily sort out their issues; have one voice for channeling grievances and welfare including starting motivational initiatives such as the mooted 'contractor of the year award.' RACECA membership should harmonize the quality of workmanship; strongly lobby for their interests and even seek investment opportunities outside Kenya. He challenged them to exploit the huge roads budgets set aside by the government each financial year and construct roads all over Kenya even to the remotest of locations (Kibish).

He commended the members for their individual efforts in supporting Society through corporate social responsibility projects including in providing earth moving and other rescue equipment during disasters in the country.



POMP, STYLE AND LOTS OF FOOD CHARACTERISED THE RACECA LAUNCH

The past five years have witnessed massive investments in the roads and construction industry which is in tandem with development of infrastructure, a critical aspect of Vision 2030. He confessed that the roads and construction sector faces several challenges which the government is not oblivious of. Major reforms are on-going and planned in bodies such as the Kenya Rural Roads Authority, Kenya National Highways Authority and Kenya Urban Roads Authority. The government is looking forward to better partnership with RACECA and other roads and construction sector partners: "you are my own," he told RACECA members. While the government is making deliberate efforts to support local contractors, RACECA shall ensure checks and balances, professionalism and efficiency and discipline and ensure that local firms shall export their services to regional states.

He highlighted some of the challenges facing the sector to include absence of legal frameworks and quality and standards guidelines; inadequate contracting capacity; and lack of transparency in tendering among others. Fortunately, the National Construction Authority Bill, currently in parliament, shall tackle most of these challenges and straighten many tasks in the sector including strengthening bodies such as KIBIT. He promised that the Roads Ministry will sustain continuous training of contractors. Hon Bett urged all concerned contractors to join RACECA and thanked financial institutions including the Bank of Africa for supporting the contractors.

While the Roads Ministry is ready to trust contractors, RACECA members must be cautious not to misuse advance payments but rather buy reliable new equipment and materials, promptly reports problems met in the course of construction periods and avoid defaulting on projects since defaulting contractors are a big disgrace to the sector. Just returned from a road safety conference in Moscow, Hon Bett promised that the government would deal firmly with wayward road-users and consider seriously road furniture and other signage that tend to distract drivers on the roads. He challenged RACECA members to volunteer constructive ideas on how road reserves could be used for revenue generation or re-investment purposes. He also presented certificates to RACECA members who were present at the function.

Mr Schwartzman highlighted the challenges facing RACECA members to include: -Pre & post qualification conditions on most donor funded projects precluding local contractors from participating. The projects end up with foreign contractors who may sub-contract the work to local contractors at uneconomical rates -A large influx of foreign contractors some highly subsidized by their governments unfairly tilting the competition their way -Inadequate road projects budgetary allocations resulting in long delays; even the 2009-2010 budget allocation is absolutely insufficient -Delays in payment by the government -High interest rates charged by banks -Delays in VAT refunds by KRA and issues of double taxation constricting contractors cash flow and productivity *Some Achievements highlighted included:* - RACECA membership of 35 fully-paid members and still growing -RACECA governed by a working constitution with objectives, operations and elections guidelines. Bona fide office bearers and an executive committee

-RACECA boasting of a membership Code of Conduct urging upholding of honour, integrity and dignity of contracting professionals and avoidance of fraudulent, dishonest and unethical practices; also urges transparency in procurement and execution of projects -Democratic and peaceful elections conducted as is evidenced by the current office bearers.

Mr Schwartzman explained that infrastructure development holds the key to Kenya's economic and social development as enumerated in various government strategy papers including Vision 2030. Government data estimates a road network of 177,500 km comprising 63,000 km of classified roads and 114,500 km of unclassified roads. Little and poor construction and maintenance have led to drastic deterioration of the road network requiring that the government invest in excess of K sh 150 billion (b) per year in the next ten years to reverse the situation (NB only K sh 25 b has been given for the sector in the 2009-10 fiscal year).

RACECA strives to attain positive engagement with all partners including the Roads & Finance Ministries and the Kenya Revenue Authority (KRA). It shall also seek representation in national bodies including the National Construction Authority, Kenya Roads Board and the Kenya Engineers Registration Board among other relevant authorities. Mr Schwartzman honoured and appreciated the launch ceremony various sponsors viz. Gold Sponsors -Atlas Copco, Panafri-can Truck and Equipment, Termcotank, Sameer investment Ltd, Tata Africa, Auto Express, bank of Africa and Rock Plant. Silver

Sponsors- Holman Brothers, Ga- natra Plant & Equipment, NIC Bank, Royal Court Hotel, Leopard Beach Ho- tel. Finch Haton. Athi River *Mining and Farm Engineering Industries Ltd.*

Bronze Sponsors—Mount laboratories, UK; east African Portland Cement Co Ltd; First Assurance Co Ltd and Hance Enterprises Ltd *C&I* also visited the RACECA Secretariat in Lang'ata where Mr Peter F Scott, of the Secretariat, greatly appreciated the successful launch of RACECA and urged more contractors to join the organization. Though interested members must meet some basic requirement, RACECA philosophy considers all members equal and supports them equitably.

