

Equal Opportunities in Full Transparency

TRANSPARENCY

EQUALITY

EFFICIENCY

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**His Royal Highness
Prince Khalifa bin Salman
Al Khalifa**

The Prime Minister of
The Kingdom of Bahrain



**His Majesty King
Hamad bin Isa
Al Khalifa**

The King of the Kingdom
of Bahrain



**His Royal Highness
Prince Salman bin Hamad
Al Khalifa**

The Crown Prince
& Deputy Supreme Commander

Profile, Vision, Mission, Values & Our Principles

The Tender Board is a fully independent body, established by a Royal Decree on 7 January 2003 with a clear agenda to set up a strict regulatory mechanism that would ensure fairness and equal opportunity for all stakeholders.

The role of the Tender Board is clearly expressed in the Legislative Decree No: 36 issued on 9 October 2002 with respect to the Law Regulating Government Tenders and Purchases. The Tender Board has the following responsibilities:

- Protect public funds and prevent the undue influence of personal interests on tender formalities.
- Achieve maximum levels of economic efficiency in purchasing activities, at competitive and fair prices.
- Encourage suppliers and contractors to participate in Government tenders and purchases.
- Encourage integrity, competitiveness, fair treatment and equal opportunity to all contractors and suppliers.
- Ensure total transparency in all aspects of purchasing procedures by the Government.

VISION

To be a world-class role model organisation in tendering practices.

MISSION

The Tender Board is a governing authority that assures excellence, equality, transparency and fair competition in government tenders and purchases.

VALUES

- Integrity and transparency
- Trust and respect
- Equality and equity
- Quality and excellence
- Accountability
- Professionalism
- Creativity



TRANSPARENCY

The Tender Board adheres scrupulously to the highest principles of transparency and openness, conducting its activities in a clear and easily understood manner, and maintaining an open and frank dialogue with all its stakeholders.

Tender bids are opened in weekly public sessions attended by representatives from relevant purchasing authorities, contractors and suppliers, and members of the media and the general public. Full details of invitations to tender, dates and timings of weekly sessions, and final awards are widely published in the Kingdom's official gazette, the local media, and on Tender Board's website.

EQUALITY

As a fully independent body, the Tender Board ensures fairness and equality for all contractors and suppliers, both local and international, bidding for public sector contracts.

Since commencing operations in 2003, the Tender Board has established an international reputation for acting in an impartial manner, dedicated to protecting public funds by preventing the undue influence of nepotism and personal interests to interfere in the integrity of the tender process. This has helped to achieve maximum levels of economic efficiency in purchasing activities, at competitive and fair prices.

EFFICIENCY

The Tender Board is committed to operating at the highest levels of efficiency and effectiveness, supported by a leading-edge management information system (MIS) infrastructure, in line with global best practices. The soundness of the Board's quality management system, and its policies, processes and procedures, has been endorsed by accreditation to the international standard ISO 9001:2008.

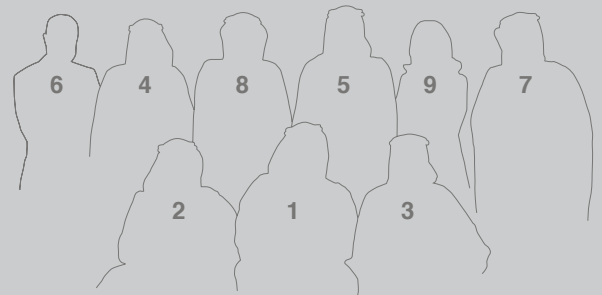
This has contributed to boosting investors' confidence in the nation's economy, and further enhancing the prestigious status of the Kingdom of Bahrain.



Tender Board Members



- 1. His Excellency Basim Bin Yacob Al Hamer**
Chairman
- 2. Engr. Nayef Omar Alkalali**
Deputy Chairman
- 3. Dr. Nabeel Mohammed Abdulfatih**
Member
- 4. Mr. Ali Mohammed Ali Al Arrayed**
Member
- 5. Mr. Mohammed Ali Al Qaed**
Member
- 6. Mr. Jaffer Mohammed Shubbar Hussain**
Member
- 7. Mr. Jaffer Ebrahim Al Qassab**
Member
- 8. Engr. Taha Mahmood Faqihi**
Member
- 9. Mrs. Hayam Mohammed Ismail Al Awadhi**
Member



Chairman's Statement

On behalf of the Members of the Tender Board, it is my privilege to present the annual report of the Bahrain Tender Board for the year ended 31 December 2010.

I am pleased to announce that this proved to be another eventful and successful year, during which we continued to improve the transparency, equality and efficiency of public sector procurement and tendering in the Kingdom.

In 2010, there was a significant increase in the number of tenders and bids opened and total tenders awarded. This reflects the growth in public sector project activity, especially in areas of infrastructure, housing and health, which are critical to the continued social and economic development of the Kingdom of Bahrain. The total number of bids opened during the year increased by over 21 per cent to an all-time high of 8,282 which underlines the growing confidence in the transparency and integrity of the Tender Board by contractors and suppliers.

A record 2,160 tenders were awarded in 2010, with a total value of BD 1.26 billion. Comparing the actual cost of the awarded tenders with their estimated cost, significant savings in Government purchasing budgets of BD 124.1 million were achieved in 2010. Since its inception in January 2003, the Tender Board has awarded 13,603 tenders for projects totalling BD 6.85 billion, with total savings of BD 538.4 million.

The Tender Board's numerous achievements during the year are detailed in the Review of Operations section of this report, so I will just



highlight some of the most notable developments. These include enhancing and integrating pre-qualification and evaluation processes; finalising the testing of the new e-tendering system; completing a major upgrade of the MIS infrastructure and CCTV environment; maintaining ISO 9001:2008 accreditation for our quality management system; and signing new training agreements with the Bahrain Institute of Public Administration and Tamkeen. We also improved our response time in replying to correspondence, with 95 per cent of mail being answered within one to two weeks. Such accomplishments serve to illustrate the professionalism and personal commitment of Board members, and the dedication and productivity of the Tender Board's secretariat, which comprises just 30 employees.

Our significant achievements during 2010 have resulted in the Tender Board becoming a more professional, efficient and responsive organisation. They have also further strengthened the Tender Board's reputation for transparency, fair competition and equal opportunity. This has undoubtedly contributed to boosting investors' confidence in the nation's economy; attracting increased foreign investment; and enhancing the prestigious status of the Kingdom of Bahrain, both regionally and internationally.

The Tender Board remains committed to supporting the Kingdom's far-reaching programme of public sector, social and economic reforms that are enshrined in Bahrain's Economic Vision 2030, and supported by the initiatives and implementation plans of the National Economic Strategy. These are ultimately aimed at raising living standards and creating greater opportunities for the Kingdom's citizens.

While we take pride in the Tender Board's successful achievements over the past eight years, we are fully conscious of the need for continuous improvement in order to meet the high expectations of our stakeholders – especially purchasing authorities, contractors and suppliers, and staff. Their aspirations were highlighted in a white paper published during 2010 by the Economic Development Board, based on a comprehensive survey conducted by McKinsey & Company. We are currently reviewing the recommendations contained in the white paper, which include expanding the role of the Tender Board in line with global best practice, and adopting a differentiated approach to public sector procurement.

On behalf of the Members of the Tender Board, I express my sincere gratitude to His Majesty the King, His Royal Highness the Prime Minister, and His Royal Highness the Crown Prince, for their visionary leadership, inspired reform programme, and continued support and guidance. I would also like to thank the members of the Tender Board and the Secretariat for their hard work, dedication and professionalism during the year.

Basim Bin Yacob Al Hamer
Chairman

BD 1.265 Billion

A record 2,160 tenders were awarded in 2010,
with a total value of BD 1.265 billion.

Overview of Operations

Tenders and Bids Opened



The number of tenders opened in 2010 totalled 1,432 – bringing the total since 2003 to 10,410 – while the number of bids opened rose to a record high of 8,282 with a total of 53,785 bids opened since 2003. (Refer to charts on page 5).

Tenders Awarded



A record 2,160 tenders were officially awarded in 2010 (2003-2010: 13,603) with a total value of BD 1,265 million (2003-2010: BD 6,850 million). The majority of these tenders were issued by the Ministry of Works, Ministry of Housing, Ministry of Health, the Bahrain Petroleum Company (Bapco) and Gulf Air. (Refer to charts on page 5).

Human Resources



The Tender Board places the highest priority on the training and development of its employees. In 2010, the Tender Board agreed with the Bahrain Institute of Public Administration to provide customised training for management and technical staff. An agreement was signed with Tamkeen to retrain graduates lacking appropriate degree disciplines for employment by the Tender Board. ICT training for staff is provided by the eGovernment Authority, while the employees benefitted from training programmes and workshops provided by the Ministry of Finance, Central Informatics Organisation and eGovernment Authority. In line with its strategy to encourage the employees for self-development, the Tender Board financially assisted some of the staff by full and partial payment of their study fees. Total staff at the end of 2010 numbered 30, all of whom are Bahraini nationals.

During 2010, the Tender Board continued to focus on improving the efficiency of its operations and enhancing its performance, in line with international standards.

Savings Achieved



Comparing the actual cost of the awarded tenders with their estimated cost, a total saving in Government purchasing budgets of BD 124.1 million was achieved in 2010. Since 2003, total savings have amounted to BD 538.4 million. (See chart 1).

Process Integration



During 2010, the Tender Board continued to focus on improving the efficiency of its operations and enhancing its performance, in line with international standards. This includes developing an integrated system that will enable the Board to participate more effectively in the pre-qualification and evaluation of bidders and their proposals. A key initiative involves the classification of contractors and suppliers against set criteria, and the publication of an online register of those who are pre-qualified and approved to bid for specific types of tenders, together with their contact details.

Management Information System (MIS)



The Board's MIS infrastructure was significantly enhanced in 2010 to improve the speed and quality of support systems. Initiatives include a major CCTV upgrade, and collaboration with the eGovernment Authority and the Central Informatics Organisation to host the Tender Board's website on the Government's data network. A key development during the year involved finalising plans to provide Members of the Tender Board with customised iPads to replace the previous paper-based weekly Meeting File, which contained around 500 pages of documents attached to the issues requiring decisions. Not only more flexible and convenient, the iPads are also environmentally-friendly and cost-effective, providing a major reduction in the use of paper and printers.

Overview of Operations

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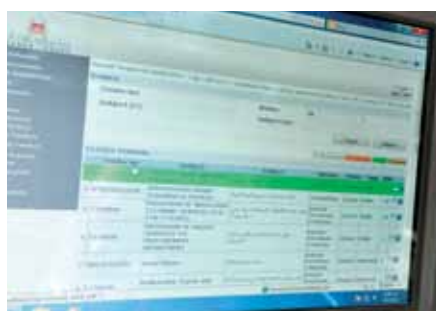
Quality assurance



In 2010, the Tender Board maintained its Quality Management System ISO 9001:2008 accreditation for the fourth consecutive year since its award in 2006. This fully-documented system covers tender preparation, bid submission, the opening and awarding of tenders, reviews and complaints, staff training and development, and procurement. Also during the year, the Tender Board made good progress in translating its approved strategic goals into functional and individual Key Performance Indicators (KPIs).

The Board's strategic goals were revised during the year in collaboration with the Economic Development Board as part of the development of the second National Economic Strategy (NES) for 2011-2014. The NES comprises key initiatives and implementation plans for all ministries and government agencies, which are designed to support the realisation of Bahrain's Economic Vision 2030.

E-Tendering System



The Tender Board's new full-fledged electronic tendering system (e-tendering) was successfully tested in 2010. The system will be introduced in controlled phases during 2011 to ensure fully functional implementation.

The first phase, which is expected to go live during the Third quarter of 2011, will enable purchasing authorities to upload tender documents, and interested contractors and suppliers to download tender documents following payment of document fees through the ePayment Gateway. Subsequent phases, such as opening of bids and awarding tenders, will follow later. Training for purchasing authorities officials by the eGovernment Authority has been completed, while over 1,000 contractors and suppliers have attended training programmes organised by Tamkeen. When fully operational, the system will be the first of its kind in the MENA region.

Significant savings in Government purchasing budgets of BD 124.1 million were achieved in 2010.

Document Management System



In cooperation with the eGovernment Authority, an approved request for proposal for a new document management system (DMS) was finalised in 2010, and will be issued by the Tender Board in 2011.

The new DMS will upgrade the existing database to a fully computerised archive that will deliver timely and accurate storage and retrieval of tender documents and reports, and also act as a disaster recovery backup system.

Website



Plans were finalised in 2010 for a major revamp of the Tender Board's website to improve its functionality and user-friendliness, and further enhance transparency and disclosure.

This will be implemented in three phases during 2011, and include advanced features such as iPhone interaction and enhanced database search capabilities.

Meetings of the Tender Board



In line with the importance that the Tender Board places on avoiding delays in tendering procedures, it holds lengthy weekly meetings in an uninterrupted sequence, except for public holidays and unforeseen events. In 2010, the Tender Board has held a total of 49 weekly meetings.

During these meetings, various matters and procedures related to tenders and purchases are discussed; correspondence to the Board is also reviewed and studied; and appropriate decisions are made.

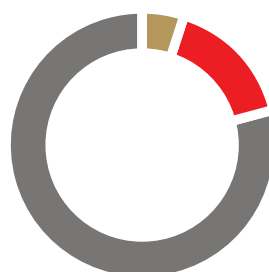
Overview of Operations

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Speed of Response



The Board maintained its excellent record for the speed of response in dealing with correspondence. The quantity of mail received by the Tender Board in 2010 totalled 5,012 items, of which 95 per cent was replied to within one to two weeks, while 16 per cent was dealt with in less than one week.



Speed of Response
(January - December 2010)

- 16% Less than 1 weeks
- 79% 1 to 2 weeks
- 5% More than 2 weeks

Requests for Review and Complaints



The Tender Board received a total of 129 Requests for Review and Complaints during 2010. These were studied by the Tender Board and appropriate decisions made in full transparency to ensure adherence to the principles of fairness and equality; while taking into consideration the proper implementation of the provisions stipulated in the Law Regulating Government Tenders and Purchases, and its Implementing Regulations.

Most of the grievances that reached the Tender Board were related to the procedures followed by purchasing authorities in issuing, evaluating and awarding tenders. The Board received numerous letters of appreciation from contractors and suppliers for the careful and prompt manner in which their requests and complaints were reviewed.

The Tender Board remains committed to supporting the Kingdom's far-reaching programme of public sector, social and economic reforms that are enshrined in Bahrain's Economic Vision 2030.

Decisions and Circulars issued by the Tender Board



During 2010, the Tender Board continued to make a number of decisions, and issued orders, circulars and memoranda to government ministries, councils, departments, organisations and bodies covered by the provisions of the Law Regulating Government Tenders and Purchases. These are aimed at establishing the procedures and standards used as guidelines by the Tender Board. They also aim at clarifying issues related to the application of the provisions of the Law and its Implementing Regulations, and guiding purchasing authorities to the procedures to be followed with respect to Government tenders and purchases.

A new decision issued during the year was concerned with the issuance of a new set of Regulations regarding the Tender Evaluation Criteria that will apply equally to all public sector purchasing authorities. In addition, the Law was amended to make the Tender Board responsible for auctions covering the sale of goods and equipment, rental leases and investments, as well as tenders.

A change in the Law was also made regarding the value of tenders that are directly conducted by the purchasing authorities. These are now up to BD 50,000 for government-owned companies and BD 25,000 for ministries. All orders and circulars issued during the year, together with such documents issued since the Board's establishment in 2003, are listed on the official website of the Tender Board.

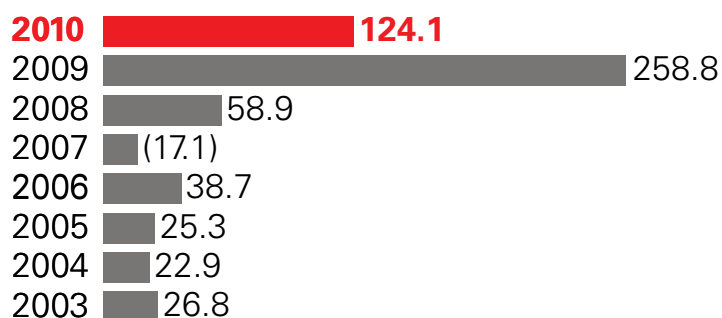
Looking Ahead



A key activity during 2011 will be the implementation of initiatives contained in the second National Economic Strategy in support of Bahrain's Economic Vision 2030. The Tender Board's plans also include the phased implementation of the new e-tendering system, and the launch of a redesigned website. The Board will continue with its efforts to enhance efficiency, translate strategic objectives into functional and individual key performance indicators (KPIs), and select a vendor for a new document management system. In addition, the recommendations of the Economic Development Board's white paper will be reviewed, and proposals prepared for discussion with relevant authorities for approval and further action.

Annual Highlights

Total savings (BD million)

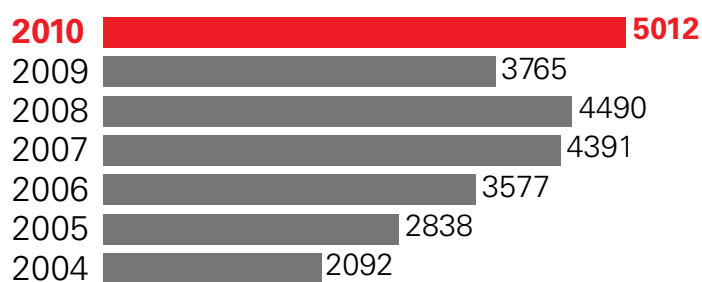


Year Total savings (BD million)

2010	124.1
2009	258.8
2008	58.9
2007	(17.1)
2006	38.7
2005	25.3
2004	22.9
2003	26.8

Comparing the actual cost of the awarded tenders with their estimated cost, significant savings in Government purchasing budgets of BD 124.1 million were achieved in 2010.

Correspondence received



Year Correspondence received

2010	5012
2009	3765
2008	4490
2007	4391
2006	3577
2005	2838
2004	2092

The Tender Board received a total of 5012 Correspondence during 2010. These were studied by the Board and appropriate decisions made.

Total savings in public sector purchasing in 2010

BD 124.1 million

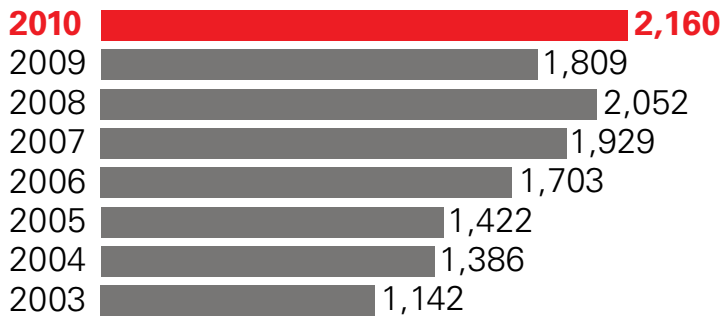
Total Correspondence received in 2010

5012 requests

- Enhanced and integrated pre-qualification and evaluation processes.

- Issued a decision of the criteria to be used for the technical and financial evaluation of tenders.

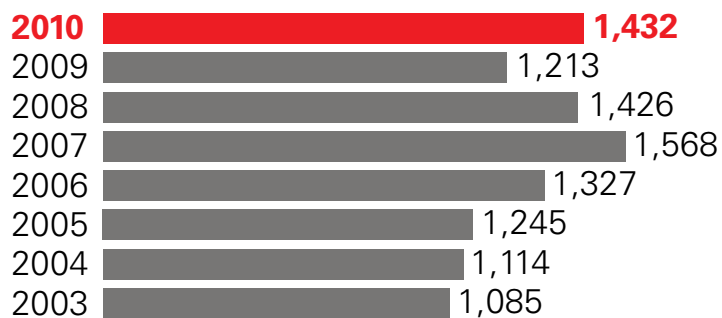
Total number of tenders awarded



Year	Total number of tenders awarded
2010	2,160
2009	1,809
2008	2,052
2007	1,929
2006	1,703
2005	1,422
2004	1,386
2003	1,142
Total	13,603

A record 2,160 tenders were officially awarded in 2010 with a total value of BD 1,265 million. This brings the total number of tenders awarded since 2003 to 13,603 tenders with an accumulating value of BD 6,850 million.

Total number of tenders opened



Year	Total number of tenders opened
2010	1,432
2009	1,213
2008	1,426
2007	1,568
2006	1,327
2005	1,245
2004	1,114
2003	1,085
Total	10,410

The number of tenders opened rose to 1,432 with a total of 10,410 tenders opened since 2003.

Total number of tenders awarded in 2010

2,160 tenders

Total number of tenders opened in 2010

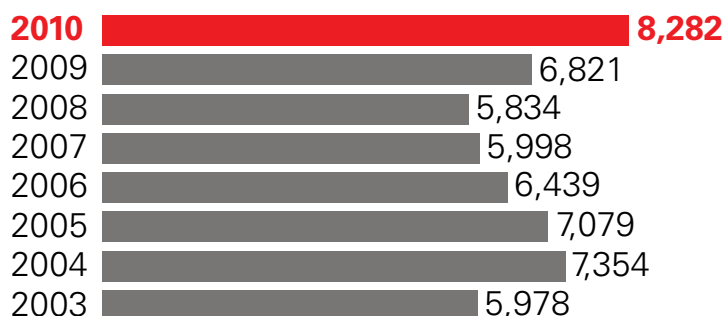
1,432 tenders

- Finalised testing of e-tendering system for phased introduction in 2011.
- Completed major upgrade of MIS infrastructure and CCTV environment.
- Maintained ISO 9001:2008 accreditation for Quality Management System.

Annual Highlights

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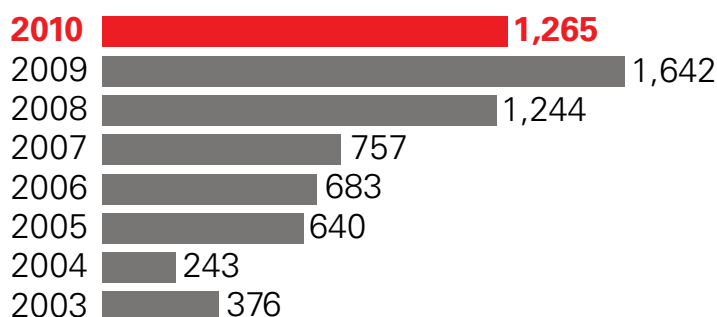
Total number of bids opened



Year	Total number of bids opened
2010	8,282
2009	6,821
2008	5,834
2007	5,998
2006	6,439
2005	7,079
2004	7,354
2003	5,978
Total	53,785

The total number of bids opened during the year increased by over 21 per cent to an all-time high of 8,282 which underlines the growing confidence in the transparency and integrity of the Tender Board by contractors and suppliers.

Total value of tenders awarded (BD million)



Year	Total value of tenders awarded (BD million)
2010	1,265
2009	1,642
2008	1,244
2007	757
2006	683
2005	640
2004	243
2003	376
Total	6,850

A record 2,160 tenders were awarded in 2010, with a total value of BD 1.265 billion.

Total number of bids opened in 2010

8,282 bids

Total value of tenders awarded in 2010

BD 1,265 million

- Signed new training agreements with Bahrain Institute of Public Administration and Tamkeen.
- Replied to 95% of total correspondence received within two weeks.