



مجلس المناقصات والمزايدات
TENDER BOARD

EQUAL OPPORTUNITIES WITH FULL TRANSPARENCY

Annual Report 2016





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 and
First Deputy Prime Minister
of the Kingdom of Bahrain



Profile

THE BAHRAIN TENDER BOARD

Formed by Legislative Decree No.36 of 2002, the Bahrain Tender Board is a fully independent entity tasked with safeguarding and maximising the efficient use of public funds.

It does this through a regulatory mechanism that ensures full transparency and impartiality in all aspects of Government purchasing policies and procedures. In so doing, the Board ensures a level playing field for all vendors, encourages local and foreign investment and is a key facilitator in the achievement of the Kingdom's economic, business and social reforms.

Over the last 14 years the Tender Board has built strong relationships with public sector purchasing authorities and local and international contractors and suppliers. Through these lasting partnerships, the Board has earned a solid reputation for transparency, integrity, and fairness, thereby ensuring it is well regarded as a regional and global benchmark for effective tendering practices. By continuous improvement, the Tender Board's robust approach contributes significantly to Bahrain's reputation as a secure place for investment, boosting investor confidence internationally.

The Tender Law, Legislative Decree No 36, was issued on 9 October 2002 and relates to Regulating Government Tenders and Purchases. The Law applies to all Ministries, public institutions, municipalities and government authorities that have an independent or supplementary budget, fully owned government companies, and Shura/Newab Councils.



OUR VISION

To position Bahrain as a regional and global benchmark for effective tendering practices.

OUR MISSION

To work closely with the public and private sector as we strive to continuously enhance the transparency and efficiency of the Kingdom's government procurement practices, boost private sector growth, and by maximizing the use of public funds, support economic sustainability.

OUR VALUES

Integrity & Transparency: Strive to achieve the highest levels of integrity and transparency in our performance, and in our relations with our stakeholders.

Trust & Respect: Strive to gain our partners' and customers' trust and respect through professional commitment in all of our dealings and decisions.

Equality & Equity: Achieve equal opportunities for customers.

Quality & Excellence: Work as a team to maximise the quality of performance standards to offer service excellence.

Accountability: Be responsible for our decisions and actions and embrace our full commitment to team spirit.

Professionalism: Invest in developing and motivating our employees in order to enhance our professional ability and credibility.

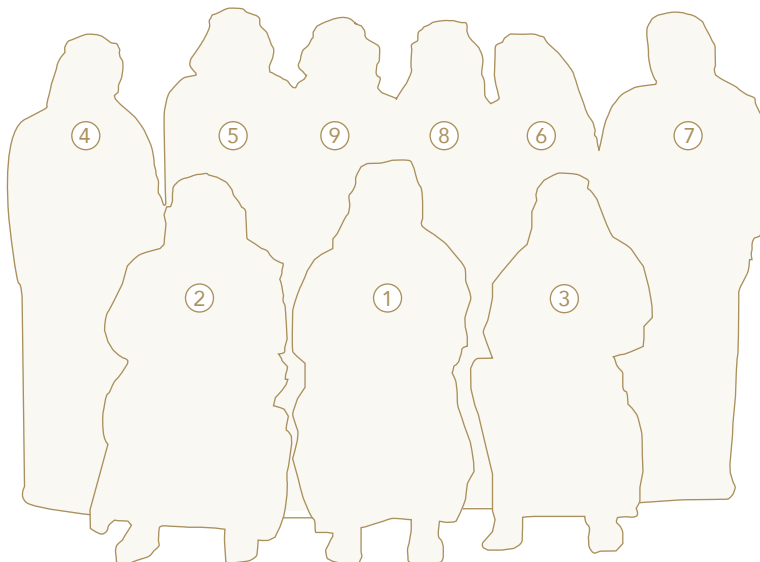
Creativity: Encourage and utilise the full spectrum of our employees' creative talent to enhance organisational performance and strategic success.



Profile

TENDER BOARD MEMBERS

- | | | |
|----|---|-----------------|
| 1. | His Excellency Basim bin Yacob Al Hamer | Chairman |
| 2. | Shaikh Nawaf bin Ebrahim Al Khalifa | Deputy Chairman |
| 3. | Mr. Ali Mohamed Ali Al Arrayed | Member |
| 4. | Mr. Waleed Yusuf Alsaie | Member |
| 5. | Mr. Isa Radhi Al Aradi | Member |
| 6. | Mr. Nezar Maroof Amr | Member |
| 7. | Mr. Saeed Husain Abdulrahman | Member |
| 8. | Mr. Rashed Ahmed Al-Jowder | Member |
| 9. | Mr. Naser Mohamed Al-Shaikh | Member |







Chairman's Message

TRANSPARENCY, SIMPLICITY & INTEGRITY

On behalf of the Members of the Tender Board, I am delighted to present the Annual Report for the year 2016, which highlights the activities of the Board during 2016 and our plans as we look to the future.

H.E Eng. Basim Bin Yacob Al Hamer
Chairman

Few could have predicted the political changes that occurred worldwide during 2016 and their impact on global markets and economies. The Kingdom of Bahrain, through the visionary leadership of His Majesty King Hamad bin Isa Al Khalifa, His Royal Highness the Prime Minister Prince Khalifa bin Salman Al Khalifa, and his Royal Highness the Crown Prince, Deputy Supreme Commander and First Deputy Prime Minister Prince Salman bin Hamad Al Khalifa, is well placed to endure this difficult period and advance economically and fiscally for the betterment and wellbeing of all.

As an organisation, the Tender Board remains committed to support the Government in this noble task by seeking to make business easier and more efficient for those wishing to invest and for our partners in the Government's Purchasing Authorities tasked with swiftly bringing about the Government's vision.

The Tender Board continues to perform a solid and supportive role in ensuring that, in line with Bahrain's economic Vision 2030, the progress of Bahrain's mega-infrastructure development projects proceeds unhindered by administrative matters. As ever, it is our aim that these projects are realised in the least amount of time and in the most cost effective manner. We achieve this outcome through the invaluable work of the Tender Board's small team of highly experienced staff, who must be thanked for their tireless and diligent efforts on behalf of the Board.

Indeed, as an increasing number of vital development projects come on stream, our work will become more closely aligned with the country's economic vision and we will work hand in hand with the Economic Development Board to achieve and surpass the Kingdom's development goals. In the light of this new business reality, it is essential that we

continue to be highly regarded locally and internationally for the transparency, integrity and fairness with which we deliver an effective and efficient tendering processes for Bahrain. To this end, we are redoubling our efforts to ensure that the tendering cycle is fully transparent and achieved in the shortest possible time – and I am delighted to report that our response time for requests to the Tender Board during the reporting period continues to be excellent - with 93.6% of correspondence answered within 2 weeks.

During 2016, the Tender Board handled more than 1,600 tenders facilitating almost BHD 1.46 billion of business through the Government of Bahrain. This represents a significant proportion of Bahrain's national budget, emphasising the critical role that the Tender Board must continue to play in ensuring fairness and transparency in the tendering process. Over the year, the Tender Board has had to handle

“During 2016, the Tender Board handled more than 1,600 tenders facilitating almost BHD 1.46 Billion of business through the Government of Bahrain”



No of Tenders opened in 2016

999

Value of Tenders Opened in 2016 (BD)

2,880,938,259



'Our team looks forward to working towards His Majesty's vision for a brighter future for all.'

ever more complex tenders due to the nature of the mega projects involved. As a result, part of our role has been to educate and support vendors and Purchasing Authorities in order to maintain a cost effective and valuable tendering system.

In our quest for continuous improvement and following an extensive review of our work during 2016, in the coming year we are keen to maintain and enhance our track record through improvements to work flow, the introduction of a dynamic and interactive website, and a move towards a more standardised pre-qualification methodology. Due to the rapid increase in the number of Purchasing Authorities that the Tender Board works with, it rose up from less than 20 when the Board was established to around 80 in 2016, bringing with it an associated increase in correspondence while our resources remain unchanged. These process developments will enable us to build on our relationships with Purchasing Authorities and contractors, thereby ensuring true and complete transparency in everything we do.

The country is indebted to His Majesty King Hamad bin Isa Al Khalifa for his foresight to establish this vital function on taking office. Our team looks forward to working towards His Majesty's vision for a brighter future for all. Along with the ongoing support of HRH Prime Minister Prince Khalifa bin Salman Al Khalifa, we have been able to maintain a high level of respect locally and regionally with our track record of great efficiency relating to the tendering process. Indeed, it is of note that, over the life time of the Board, Ministries and Purchasing Authorities we have gained a high level of experience and become more skilled in the

application of our procedures; without this vital knowledge acquisition and skills development it would be much harder for us to do our job.

We are extremely grateful for the support of HRH Crown Prince Salman bin Hamad Al Khalifa and the interest he has shown in our work. We look forward to an enhanced role in the coming years to reflect changes in the economic landscape and the future development pathway of Bahrain.

Finally, I can report total compliance with the Tender Board's decisions, policies and procedures.

Developing a programme of sustainable economic, business and social reforms, will not only benefit the nation and its people, but will also contribute to the ongoing growth and prosperity of the Gulf region and the Middle East.

H.E Eng. Basim Bin Yacob Al Hamer
Chairman



Secretary General's Message

ENHANCING TRANSPARENCY & EFFICIENCY

Our ongoing efforts have served to boost private sector growth as demonstrated by an increase in the number of local and international vendors engaging with us.

Hayam Mohammed Ismail Al Awadi
Secretary General

Throughout 2016, the Tender Board worked closely with the public and private sectors to continuously enhance the transparency and efficiency of the Kingdom's government procurement practices. Our ongoing efforts have served to boost private sector growth as demonstrated by an increase in the number of local and international vendors engaging with us – more than 5,000 suppliers are registered with the Tender Board - and subsequently investing in Bahrain through their contribution to Government projects. In addition, in globally uncertain times, as we support the Government's rollout of mega development initiatives, it is vital that we continue to maximise the use of public funds to support economic sustainability. This has been achieved through the judicious review, in an announced and transparent manner, of all tenders generated on behalf of

the government by around 80 purchasing entities.

In our continuous quest to position Bahrain as a regional and global benchmark for effective tendering practices, we are proud of the role that the Tender Board has played in helping to maintain Bahrain's 2nd place ranking in the region for Ease of Doing Business according to the World Bank's 2016 Index. This reflects in part the efficient and effective way in which our team applies Tender Law and maintains a transparent and even-handed government tendering system, ensuring that public funds are wisely spent with reliable and high quality suppliers. We will continue to work towards maintaining Bahrain's position as a country to do business with in a fair, ethical and honest business framework. Furthermore, we will ensure that all stakeholders understand the important role that the Tender Board plays in

shaping international perceptions of Bahrain.

In 2016, we undertook a review of the Tender Board's strategic approach presented in 2015 to more closely align it with a new economic reality that demands more and greater attention to value for money of all aspects of the tendering process and the services we deliver. Our priority has been to explore ways in which we can continue to be financially sustainable and deliver quality services. We remain committed to the six strategic objectives and 18 strategic initiatives that were developed in discussion with our stakeholders and look forward to their phased implementation through 2017 and 2018.

As a first phase of renewal of our strategic position, we have been working to enhance our internal tendering system to identify where delays and bottlenecks occur



“Our ongoing efforts have served to boost private sector growth as demonstrated by an increase in the number of local and international vendors engaging with us.”



Total Suppliers registered
with e-Tendering System

5299



'We look forward to an enhanced role in the coming years to reflect changes in the economic landscape and the future development pathway of Bahrain.'

with the goal of improving work flow from one department to another, standardising documents and continuing to ensure that all requests are dealt with in a timely manner. This is critical in view of an anticipated increase in the volume of tenders passing through our organisation and a fiscally conservative business environment. Moreover, it will ensure that our stakeholders are afforded a better user experience when dealing with the Tender Board.

The effective use of information technology is vital if we are to maintain our high standing among our customers and to be perceived as open for business by international observers. To this end in 2016 we have enriched our website offering including an upgrade of the e-Tendering System. Improvements to the website will continue into 2017 when an online database of all pre-qualified vendors will go live, resulting in greater transparency and encouraging more vendors to go through the pre-qualification process.

Our long term aim is to integrate our information system with other government entities in order to streamline and automate data retrieval. This is in line with the Government's drive to utilise technology to provide better and more cost effective services. In respect of the Tender Board, it will improve the speed and accuracy of vendor registration and enable the Board to focus its efforts on tender evaluation and tender decisions.

We will explore how technology can be further leveraged at different stages in the tendering process in full consultation with the relevant Purchasing Authorities to maximise the impact of our work.

In summary, we continue to improve the efficiency and effectiveness of our policies, practices and procedures through continuous development of our internal and external workings in conjunction with all our valued clients and to enable the fulfilment of Bahrain's development goals.

Hayam Mohammed Ismail Al Awadi
Secretary General



The Bahrain Tender Board

TRANSPARENCY, SIMPLICITY & INTEGRITY

The Tender Board works closely with the public and private sectors to continuously enhance the transparency and efficiency of the Kingdom's Government procurement practices.

THE TENDER BOARD'S RESPONSIBILITIES

- Oversee Government tenders and purchase transactions undertaken by Purchasing Authorities
- Endorse tender documents provided by Purchasing Authorities
- Cancel a tender and re-invite it
- Receive bids for tenders, open tender envelopes, ascertain that they contain the required documents
- Decide upon acceptance or rejection of bids
- Review, revise and approve bid evaluations and issue the award decision
- Oversee "pre-qualification" of suppliers and contractors in co-ordination with the concerned Purchasing Authority
- Enforce penalties upon suppliers and contractors with respect to violations or failure to honour contractual obligations
- Decide upon suppliers' and contractors' complaints related to tender procedures



TENDER BOARD FACTS AT A GLANCE

Number of employees	33
Number of Purchasing Authorities (including Government owned companies)	78
Number of tenders handled (awarded, extensions, variation orders, renewals) in 2016	1661
Total value of tenders handled (awarded, extensions, variation orders, renewals) in 2016	1,464,146,026
Percentage of inquiries/requests answered within 2 weeks	93.6%
Total number of grievances handled in 2016	205
Number (percentage) of Local Suppliers registered with the Tender Board	3123 (59%)
Number (percentage) of International Suppliers registered with the Tender Board	2176 (41%)
Number of Pre-Qualified Companies	2180



AVIATION

Number of Tenders

186

Value of Tenders

534,630,095 BD

	No. of Tenders	Amount
Gulf Air	140	481,822,429
Bahrain Airport Company	46	52,807,666



EDUCATION & YOUTH

Number of Tenders

115

Value of Tenders

57,466,648 BD

	No. of Tenders	Amount
Ministry of Education	57	45,846,444
Bahrain Polytechnic	9	1,078,434
University of Bahrain	18	3,198,590
Ministry of Youth and Sports Affairs	28	6,229,376
Supreme Council for Youth and Sports	1	868,795
Education and Training Quality Authority	2	245,009



HEALTH

Number of Tenders

87

Value of Tenders

51,748,353 BD

	No. of Tenders	Amount
Ministry of Health	83	47,736,553
National Health Regularity Authority	2	2,283,900
Supreme Council for Health	2	1,727,900



HOUSING

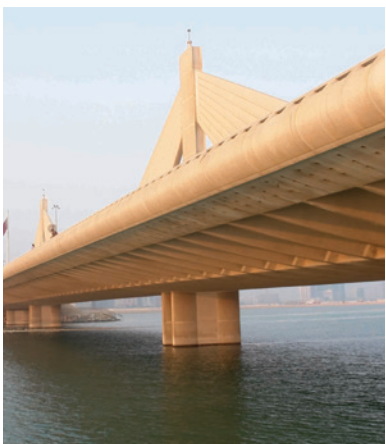
Number of Tenders

64

Value of Tenders

215,669,192 BD

	No. of Tenders	Amount
Ministry of Housing	60	214,469,862
Eskan Bank	4	1,199,330



INFRASTRUCTURE

Number of Tenders

621

Value of Tenders

291,756,710 BD

	No. of Tenders	Amount
Electricity and Water Authority	329	123,896,065
Ministry of Works, Municipalities Affairs and Urban Planning	199	130,088,162
Ministry of Transportation and Telecommunications	30	23,193,533
Telecommunication Regulatory Authority	13	2,079,333
Bahrain Internet Exchange	6	160,879
Information and eGovernment Authority	44	12,338,738



INFORMATION

Number of Tenders

83

Value of Tenders

12,164,787 BD

	No. of Tenders	Amount
Ministry of Information Affairs	47	7,991,183
Bahrain Authority for Culture and Antiquities	36	4,173,604



INVESTMENT

Number of Tenders

51

Value of Tenders

19,442,702 BD

	No. of Tenders	Amount
Bahrain Bourse	3	300,796
Economic Development Board	33	9,882,593
Bahrain Mumtalakat Holding Company	1	129,000
Bahrain Real Estate Investment - Edamah	10	8,432,487
Bahrain Development Bank	4	697,826



OIL

Number of Tenders

188

Value of Tenders

238,272,342 BD

	No. of Tenders	Amount
Bahrain Petroleum Company - Bapco	176	97,463,930
Bahrain National Gas Company - Banagas	6	139,469,001
Tatweer Petroleum	3	1,112,321
The Oil and Gas Holding Company	1	189,000
National Oil and Gas Authority	2	38,090



OTHERS

Number of Tenders

266

Value of Tenders

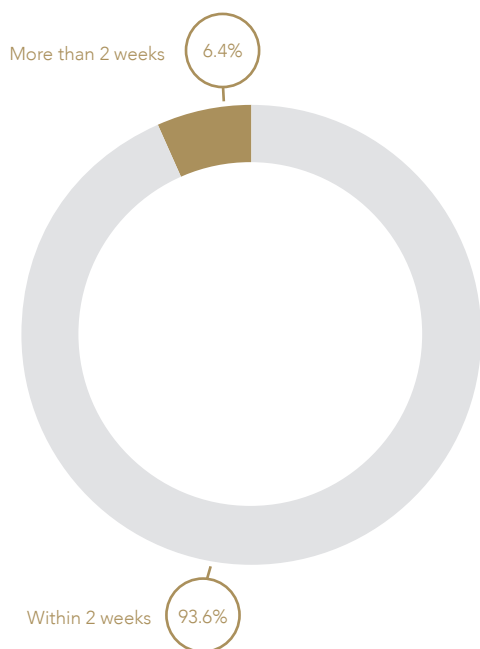
42,995,197 BD

	No. of Tenders	Amount
All Other PAs	266	42,995,197

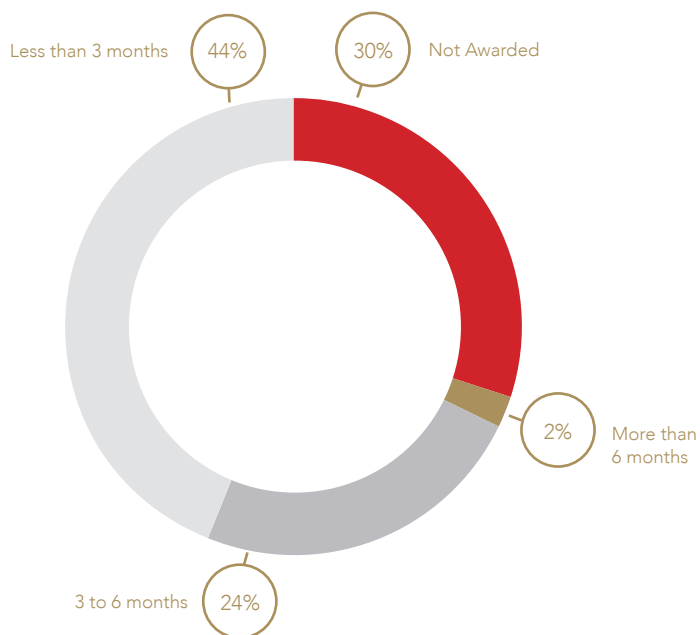
Number & Value of Tender Awarded during 2016 (Top 15 Purchasing Authorities)

Purchasing Authority Name	Total No. of Tenders	Total Amount (BD)
Gulf Air	140	481,822,429
Ministry of Housing	60	214,469,862
Bahrain National Gas Company - Banagas	6	139,469,001
Ministry of Works, Municipalities Affairs & Urban Planning	199	130,088,162
Electricity and Water Authority	329	123,896,065
Bahrain Petroleum Company - Bapco	176	97,463,930
Bahrain Airport Company	46	52,807,666
Ministry of Health	83	47,736,553
Ministry of Education	57	45,846,444
Ministry of Transportation and Telecommunication	30	23,193,533
Information and eGovernment Authority	44	12,338,738
Bahrain International Circuit	28	11,259,651
Economic Development Board	33	9,882,593
Bahrain Real Estate Investment - Edamah	10	8,432,487
Ministry of Information Affairs	47	7,991,183

Speed of Response 2016



Opened Tenders by Awarding Period 2016





Total registered Suppliers in 2016



Tenders Awarded during 2016

Month	No of tenders	Amount (BD)
Jan	125	180,853,936
Feb	113	99,177,601
Mar	149	48,208,850
Apr	151	117,983,241
May	148	396,329,081
Jun	198	102,992,431
Jul	106	109,054,564
Aug	117	29,835,606
Sep	128	64,443,482
Oct	115	58,587,770
Nov	148	110,160,634
Dec	163	146,518,830

No of Tenders

1,661

Value of Tenders (BD)

1,464,146,026



The Bahrain Tender Board

INSPIRING CONFIDENCE, FACILITATING GROWTH

As a regional benchmark of best practice in public procurement, the Tender Board, through its diligent oversight and processing of public tenders, continues to inspire confidence in Bahrain's business environment encouraging local, regional and international investment.

The Tender Board has built a reputation for open, honest and fair deliberations in its relatively short lifetime. This serves to reinforce the invaluable role it continues to play in delivering the quality and quantity of services demanded by the nation's citizens. As a greater number of, and ever more complex, mega-infrastructure projects come on stream in a challenging business environment, this role will be accentuated and it is of utmost importance that the Tender Board continues to be empowered and resourced to fulfil its obligations; a transparent, effective and efficient public tendering system bolsters investor confidence and facilitates growth in the economy. In line with international best practice, this requires that the Tender Board maintains its independence, has sufficient resources to manage and grow its role and is backed by a Tender Law that matches the requirements of a new economic reality.

During 2016 the number of tenders processed through the Tender Board continued to rise, reflecting an increase in the number of major projects launched by the government to meet the needs of a growing population in the areas of transport infrastructure, electricity and water, oil and gas, social housing, aviation, education, health, tourism and information. By ensuring that contracts are awarded on merit alone to companies with the relevant expertise and a robust track record for on time and on budget delivery, the Board is effectively guaranteeing value for money and supporting the fiscal needs of the government, while at the same time building the knowledge base and skill set of those supplying to the Government. Indeed, over the past year, there has been an increase in the number of private sector companies, both local and international, engaging in the public tendering process, evidence that levelling the

playing field and ensuring full transparency encourages inward investment to Bahrain.

Successful implementation of the Tender Board's remit, relies on a robust, two-way communication process between the Board and its stakeholders. The Board has worked hard in 2016 to build on the relationships it has forged with its clients in previous years. This includes advising vendors on their submissions, supporting Purchasing Authorities to eradicate tendering process errors and speed up the tendering cycle, and providing an open channel for grievances in relation to the tendering process errors. In developing these communication paths, the Board assists the government in its drive for the more effective and efficient application of funds to public development projects ensuring the swift realisation of projects demanded by an eager population.

"A transparent, effective and efficient public tendering system bolsters investor confidence and facilitates growth in the economy."





The Bahrain Tender Board

ENCOURAGING INVESTMENT, SUPPORTING VISION

This 3-year strategy, to be implemented commencing 2017, will ensure that the Board is well placed to support the needs of a revitalised and growing economy and assist in the achievement of the national vision.

The strategy was developed with the assistance of a team of consultants in conjunction with Tender Board staff and stakeholders. Its implementation is contingent on having sufficient human, financial and information technology resources and the Tender Board is grateful for the Government's ongoing support in this regard.

Grouped around the dimensions of operational efficiency, institutional readiness, regulatory environment and technology & innovation, the six strategic objectives are:

Attain Independence and Enhance Governance

Through a comprehensive review and update of Tender Law, our aim as an independent body is to deliver full transparency and build trust among our stakeholders. By enhancing and updating existing governance and reporting frameworks, we will deliver a tendering process that is more conducive to existing and evolving business needs and requirements.

'Our mandate is to provide an announced, transparent and fair public tendering process and our success in this respect relies on the strength of our role in Government Procurement as a whole.'



Improve the Quality of Service Offerings to Stakeholders

The present economic climate mandates that all public organisations offer value for money in the services they provide. To this end, we plan to develop an efficient, responsive and innovative e-tendering system, a real-time, interactive public procurement database and new processes, policies and procedures to more efficiently deal with customers.

Establish an Efficient Communication Platform and Capitalise on Partnership Opportunities

Our continued success is contingent on strong lines of communication with our various stakeholders. We plan to establish a customer service helpdesk to enhance these relationships. A new Public Relations Department will improve overall communication with external stakeholders and re-brand the image of the Tender Board.

Strengthen the Board's role in Government Procurement

Our mandate is to provide an announced, transparent and fair public tendering process and our success in this respect relies on the strength of our role in Government Procurement as a whole. In order to enhance our position, our strategic initiatives include the introduction of a Vendor Pre-qualification and Master List under the management of the Tender Board to ensure consistency across Ministries and Purchasing Authorities, the adoption of procurement planning into the mandate of the Board, and the strengthening of our inspection and audit division to ensure accountability and transparency throughout the procurement lifecycle.

Develop a Self-Sustainable Structure

The Tender Board will continue to improve the efficiency and effectiveness of its services. The enhancement of services provided by the Tender Board will indirectly enable it to be fiscally successful and enable the Board to develop a self-sustainable structure in the long term.

Invest back into the Nation's Economy

The work of the Tender Board serves to encourage investment in Bahrain. We will endeavour to engage an increasing number and diversity of local and regional vendors and help these entities to participate in tenders with the aim of increasing competition and lowering overall prices.



The Bahrain Tender Board

FUTURE FOCUSED, TECHNOLOGY CENTERED

Using the strategic plan as a guiding framework, our focus in 2016 has been to consolidate our systems and prepare the groundwork for the implementation of key elements of the strategic plan starting in 2017.

We have adopted a phased approach to the introduction of new systems and processes to allow for the necessary adjustments in workflow and to ensure a full understanding of the updated systems by all stakeholders.

In technological terms in 2016, we have enhanced our website to provide a more user-friendly interface. In addition, we have upgraded the e-Tendering System to ensure its reliability and security while also improving user experiences. During the reporting year, we restructured our database of pre-qualified companies in preparation for its integration into our website portal. This will provide a new service to vendors in 2017 whereby users and other interested parties will be able to view pre-qualified companies and flag those due for requalification, knowledge which will help minimise impediments to the tendering system.

A key strategy of the Government is to digitise government activities where possible and eliminate paper. Not only will this reduce the environmental footprint, but also it will give rise to efficiencies and financial savings. We wholeheartedly support this aim and have been working to streamline and standardised our processes throughout 2016 with the ultimate goal of capturing all documentation digitally. Enhancing controls and efficiency by linking the Tender Board system, initially to the commercial Registration data owned by Ministry of Commerce, industry and tourism. This will be expanded to linking other government entities in the future. This will ensure that we can efficiently and accurately acquire basic vendor information. In 2016, we have been working closely with the Information and eGovernment Authority to achieve this goal and, in preparation for this proposed update, we have identified the minimum IT systems requirements.

Ensuring the transparency and fairness of the tendering system is the shared responsibility of all stakeholders and in 2016 we continued to work closely with end-users, such as Purchasing Authorities and Ministries, to ensure that our tendering process meets this need. We have begun to engage them in a dialogue about the standardisation of internal systems across organisations to bring about improved efficiency and financial savings. This will also enable the Tender Board to build stronger partnerships so that the goals of the Tender Law can be more effectively achieved.

Alongside integration and standardisation of systems, we are keen to enhance our lines of communication with our stakeholders. We look forward to the establishment of a customer help desk facility in 2017 to handle day to day queries and a PR Department to present our new branding and logo to our valued clients.

'A key strategy of the Government is to digitise government activities where possible and eliminate paper. Not only will this reduce the environmental footprint, but also it will give rise to efficiencies and financial savings.'



CONTACT DETAILS

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