



Annual Report 2009







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His Royal Highness Prince Khalifa Bin Salman Al Khalifa The Prime Minister



His Majesty King Hamad Bin Isa Al Khalifa The King of Bahrain



His Royal Highness Prince Salman Bin Hamad Al Khalifa Crown Prince and Deputy Supreme Commander of Bahrain Defence Force

Chairman's Statement



Dr. Nezar Bin Sadiq Al-Baharna Chairman

During the prosperous reign of His Majesty, King Hamad Bin Isa Al Khalifa over the past decade, the Kingdom of Bahrain has witnessed unparalleled growth and development in all segments, in particular in the economic openness to the world stipulated within the guidelines of the Economic Vision of the Kingdom of Bahrain 2030. This contributed to supplying different societal sectors, the economic sector in particular, with a wealth of expertise and human resources that the King pays great attention to as the pillar for the growth of any society. The efforts towards the growth of the Kingdom were collaborated with the support of His Royal Highness, Prince Khalifa Bin Salman Al Khalifa, the Prime Minister, and the vibrant youthful vision of His Royal Highness, Prince Salman Bin Hamad Bin Isa Al Khalifa, the Crown Prince and Deputy Supreme Commander of Bahrain Defence Force. who have contributed to the growth of the Kingdom's economy in spite of the economic crisis the world has endured over the past year.

We are pleased to present to you our Annual Report for the year 2009, which includes the latest achievements of the Tender Board that we wouldn't have been able to accomplish without the dedicated efforts of all employees. In addition, the Annual Report features the latest statistics on all bids that were opened and the value of these tenders and the number of bids and tenders that were awarded.

The Tender Board has been in existence for seven years. This has resulted in a number of successful prominent achievements which have witnessed the positive role played by the Board and its members during this period. One of the most outstanding achievements of the Tender Board was handling of vast amount of tenders and purchases, as the total value of tenders awarded to local and foreign suppliers amounted to 1 billion and 642 million Bahraini Dinars, recording a solid growth of 32% compared to 2008. This reflects the importance of the Board as a facilitator to the transparent and vital purchasing channel for Government purchases in compliance with the Economic Vision of the Kingdom of Bahrain 2030.

The Tender Board has received several local and international recognitions as a perfect model of a government institution that provides public services of utmost commitment, transparency and fairness. The Board was awarded a number of prestigious local and international awards. In addition, it received letters of appreciation from various government agencies and suppliers. The Bahrain Center for Excellence awarded the Tender Board the Award for Excellence in Government Performance for the Best Electronic Services. The Board was also the recipient of the first GCC e-Tendering Systems Award in Oman. The Board is currently preparing the e-tendering system to compete for the United Nations Award for Public Service.

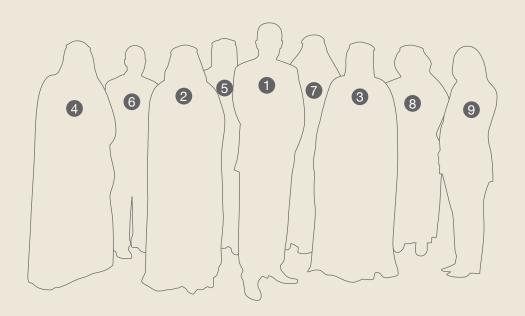
Furthermore, the Board's proactive steps towards the process of development was evident by the completion of the pilot stage of the e-tendering system and the preparations to Go Live, and to link stakeholders with the system. Moreover, it designed a number of training programs in coordination with Tamkeen (Labour Fund) for end-users to be trained to use the system. The e-Tendering system is the first of its kind in the region. With an easy application process and easy follow-up, the system will empower the Kingdom of Bahrain to take its place among the developed countries and stand out among the neighboring countries through the provision of information and transparency of different economic transactions which is a way to attract foreign investment.

Finally, as a Chairman of the Tender Board and on behalf of all members of the Board, I would like to dedicate this success achieved by the Board as a result of tireless efforts and outstanding achievements, to His Majesty, King Hamad Bin Isa Al Khalifa, the King of the cherished Kingdom, His Royal Highness, Prince Khalifa Bin Salman Al Khalifa, the Prime Minister, and to His Royal Highness, Prince Salman Bin Hamad Al Khalifa, the Crown Prince and Deputy Supreme Commander of Bahrain Defence Force, and the people of Bahrain. I hope that our modest work meets your expectations. We seek your guidance and advice for the benefit of our nation and the progress of the Kingdom of Bahrain.

Board of Directors

- Dr. Nezar Bin Sadeq Al-Baharna Chairman
- 2 Engr. Nayef Omar Alkalali Deputy Chairman
- 3 Dr. Nabeel Mohammed Abulfatih 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 Mr. Taha Mahmood Faqihi Member
- 9 Mrs. Hayam Mohammed Ismail Al Awadhi Member









The Tender Board was established by a Royal Decree issued on 7th January 2003, in compliance with the Legislative Decree No.(36) for 2002, issued on 9th October, 2002 with respect to Regulating Government Tenders and Purchases, and in accordance with article No.(8) of this decree. The Tender Board was established as a fully neutral and independent official regulatory body, reporting directly to the Cabinet. The main purpose of the establishment of the Board was to set up a strict regulatory mechanism, develop and apply clear policies and procedures that would ensure absolute fairness and transparency in the tendering and procurement processes carried out by all ministries and other governmental institutions that are subject to the law. In addition, the establishment of the Board was meant to ensure total fairness and equal opportunity to all suppliers and contractors involved.

The Legislative Decree also defines the principle objectives of the establishment of the Tender Board as follows:

- Protection of public property and prevention of any influence of personal interests on tender formalities and processes.
- Achievement of maximum level of economic obtaining efficiency in government purchases at competitive and fair prices.
- Encouragement of suppliers and contractors' participation in government tenders and purchases.
- Enhancement of integrity, competitiveness and provision of equal opportunity and fair treatment to all suppliers and contractors.
- Achievement of total transparency in all aspects of government purchasing procedures.

Vision, Mission, Values & Goals

STRATEGIC VISION

To be a world class model in tendering practices.

STRATEGIC MISSION

governing authority to assure excellence, equality, transparency and fair competitiveness in government tenders and purchases.

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 partners and customers' trust and respect through professional commitment in our dealings and decisions.

EQUALITY & EQUITY: Achieve equal opportunities for customers, and equity in pay and rewards for employees in compliance with policy standards.

QUALITY & EXCELLENCE: Work as a team to maximize the quality of performance standards to offer service excellence.

ACCOUNTABILITY: Be responsible for our decisions and actions and to embrace our full commitment to teamwork spirit.

PROFESSIONALISM: Invest in developing and motivating our human resources competence and performance to enhance our professional ability and credibility.

CREATIVITY: Value our human resources as the important source for creativity, performance and strategic success.

STRATEGIC GOALS

PARTNERS & CUSTOMERS: Sustain the principles of integrity, transparency, fair competitiveness and service excellence.

LAWS & POLICIES: Enforce compliance with legal, technical, ethical and professional practices.

PROCESSES & SYSTEMS: Improve work processes, procedures and technology applications.

KNOWLEDGE & RESOURCES: Ensure optimum utilization of human and financial resources.

Overview of Operations 2009

Within such a short period of time, the Tender Board has achieved remarkable success, so much so that it now serves as a role model. A key achievement of the Tender Board has been the establishment of the highest standard of fairness in Government performance in terms of transparency and impartiality. Through hard and constructive work, the Tender Board has extended bridges of cooperation between itself and public sector purchasing authorities on one hand, and local and international contractors and suppliers, on the other hand.

The aims of the Tender Board are clearly expressed in the Legislative Decree with respect to regulating the Government tenders and purchases. The Tender Board aims to protect public funds and prevent the influence of personal interests on tender formalities; to achieve maximum levels of economic efficiency in purchasing activities at competitive and fair prices; to encourage integrity, competitiveness, fair treatment and equal opportunity to all contractors and suppliers; and finally, to achieve total transparency in all aspects of purchasing procedures by the Government.

Derived from its mission statement and the values found in the government reform initiatives and in line with the Economic Vision of the Kingdom of Bahrain 2030, the Tender Board has been a catalyst of implementing integrity and transparency in its operations over the last seven years. Since its inception, the Board's role has expanded and the authorities and responsibilities have increased with the establishment of many government institutions fully owned by the Government whose all tenders and purchases have become under the supervision of the Tender Board, in accordance with the Legislative Decree with respect to regulating Government tenders and purchases.



The Board's regulatory and supervisory role over government tendering and purchasing, has been adhered to by the purchasing parties throughout the various stages of the tendering activities processes, starting from tender announcement until the final stages of bid evaluation, selection of the successful bid and recommendation of the award of tender for the Tender Board's approval.

The law of Tenders & Purchases stipulates that all along the tender and purchase activities and processes, the ministries and other government institutions (the purchasing authorities) should observe and abide by the highest standards of integrity, absolute transparency, availing equal opportunities to all suppliers and contractors.

In 2009, the number of tenders increased substantially as a direct result of the growing number of institutions which come under the regulatory framework of the Tender Board. The number of awarded tenders increased from 1,142 awarded tenders with a total value of 376 million Bahraini Dinars in 2003, to 1,809 awarded tenders equal to 1 billion 642 million Bahraini Dinars in 2009. The cumulative number of tenders awarded from the period of 2003 to 2009 is 11,443 with an impressive total sum of 5 billion 585 million Bahraini Dinars over the last 7 years.

Moreover, in the past few years, the Kingdom has witnessed a big increase in the number of suppliers who have opted to participate in tenders announced by government institutions for the implementation of these projects and acquisitions. This is due largely to the excellent reputation that the Tender Board has achieved in terms of ensuring application of absolute integrity, transparency and equal opportunity to all suppliers and contractors and preventing any interference or influence of personal interests in the tendering processes. The increase in the number of participating bidders in government projects and procurements would lead to increase in the number of competing bids and therefore would provide the purchasing authorities multiple alternatives to choose from. In addition, the higher number of bidders would result in more competitive prices, which in turn would lead to having government projects and acquisitions



implemented with a higher degree of economic efficiency and protection of public funds.

The number of correspondence received by the Tender Board in 2009 was 3,765 letters of which 93% were replied to within 1 to 2 weeks, which reflects the efficiency of operations within the Board and the responsibility towards providing clear and sufficient amount of attention and information to all the parties, despite the relatively small number of employees in the Tender Board's Technical & Administrative Unit.

Furthermore, the number of complaints received by the Board are considerably low compared with the increasing number of tenders over the past seven years, which reflects the confidence of suppliers and contractors in the efficient and transparent operations carried out by the Board.

Finally, the Electronic Tendering System that was introduced on trial basis in 2008, has reached the implementation stage and will become operational in the future. The system will considerably improve the functioning of government tendering and purchasing as a whole. The system virtually allows all aspects of government tendering and purchasing to be carried out online with utmost convenience.

Tender Board Annual Highlights & Achievements 2009

1. KEY PERFORMANCE INDICATORS

During the year 2009, the Tender Board reviewed its overall strategy including vision, mission, values, strategic goals and developed an appropriate performance measure to monitor and support the overall performance of the Tender Board. In addition, the Tender Board strategy and key performance Indicators (KPIs) were approved by the Board members for initial implementation.

The Tender Board Quality Management System (QMS) was updated to be fully compliant with the requirements of the international standard ISO 9001:2008. Furthermore, the Tender Board's Quality Management System went through compliance audit (recertification audit) by a wellknown certification body in order to achieve accreditation to the international standard ISO 9001:2008.

2. E-TENDERING

One of the major achievements of the Tender Board in 2009 was the preparation for the e-tendering Go live system. The pilot stage for the e-tendering Go Live system is near its completion. A strategy was established to implement the Go Live e-tendering system in phases. In order to implement this system, the Board liaised with different purchasing authorities and conducted several meetings to agree on standards and regulations necessary for the successful implementation of the e-tendering Go Live system.

3. RECRUITMENT

One of the main focus areas of the Tender Board is the development of its human resources and the empowerment of Bahraini nationals. This derives from the Board's belief in the vital role these resources play in the implementation of the Board's decisions and the effective execution of the bidding procedures to achieve the highest degree of technical competence and managerial skills.

With the increased number of government bodies that are subject to the law regulating government tenders and purchases and its implementing regulations, the Board is keen to re-consider the current organization structure of the Tender Board and to establish a structure that parallels the workload and achieves the goals of the Board. The Tender Board was keen to recruit qualified Bahraini nationals to support the Administrative and Technical units with high level of expertise.

4. AWARDS

In 2009, the Tender Board was awarded the Bahrain Government Excellence Award for the Best eProject, and the Bahrain Government Excellence Award for the Best eService by the e-Govenment Authority. In addition, the Board also received the first GCC Award for e-tendering in Oman. The Tender Board's e-tendering system is also in the process of competing for the United Nations Public Service Award.

During 2009, the Board also received praise and recognition from different government



authorities and agencies both in Bahrain and abroad for enhancing the transparency regarding government tenders and purchases. In this respect, the Board gave a valuable contribution to attracting investment in Bahrain.

5. WEBSITE DEVELOPMENT

One of the major achievements of the Tender Board, was the development of an interactive and informative website which currently airs live feeds of the weekly opening of tenders. The live feed which refreshes every 5 seconds during the tender bid sessions, allows all potential bidders to keep track of the proceedings without being present physically at the opening of tenders.

The content of the website has also been edited in order to meet the United Nations' guidelines for public services organizations' websites. The content of the website has been recognized as fully compliant with UN standards, which has also enabled the Tender Board to be among organizations competing for the prestigious UN Public Services Award.

In compliance with the Economic Vision of the Kingdom of Bahrain 2030, the e-Government Authority has placed a banner link of the Tender Board website on the websites of most service providing government institutions which will allow users to access the Tender Board site through e-Government.

6. HUMAN RESOURCES DEVELOPMENT and TRAINING

The Board is currently coordinating with the Bahrain Institute of Public Administration in order to study the training requirements to provide training programs for all levels of management and technical staff of the Board that will improve the performance level of individuals and the institution in general.

The Tender Board is also competing for the title of "Ideal Organization" by enrolling in the Bahrain Center for Excellence with a group of government institutions that seek innovation and learning and work transparently to achieve sustainable development and increase the competitiveness of the national economy.

Moreover, The Board seeks to gain optimum benefit for such training programs that will promote the Board's staff to play an important role and influence in the institution and maintain high level of experiences and select distinct Bahraini cadres to work in the Board.

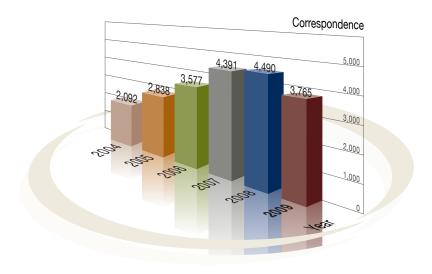
The Tender Board has liaised with several other government bodies, such as Tamkeen (Labour Fund), to develop integrated and simple training programs for contractors and suppliers to help them utilize the new technologies implemented to facilitate the e-tendering procedures and other joint projects.

During 2009, a number of training programs were conducted to enable a larger group of suppliers and contractors to use the e-tendering system. The first batch of beneficiaries (around 300 people in total representing suppliers and contractors) had already graduated. The second batch of suppliers and contractors (700 in total) started the training program in October 2009.

In liaison with the e-Government Authority, another training program designed for government purchasing authorities was completed by the end of November 2009. The successful completion of the program resulted in all purchasing authorities being linked to the e-tendering system of the Tender Board.

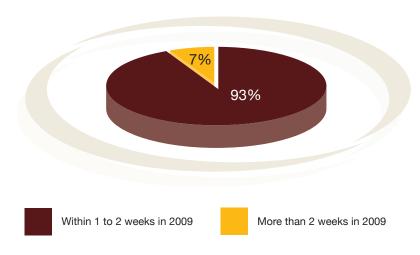






YEAR	Correspondence	
2004	2,092	
2005	2,838	
2006	3,577	
2007	4,391	
2008	4,490	
2009	3,765	

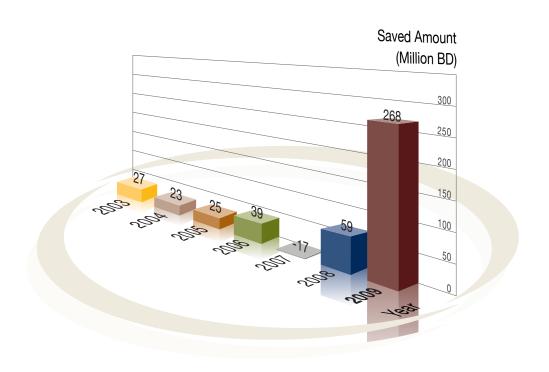
SUMMARY OF TOTAL CORRESPONDENCE RECEIVED BY THE TENDER BOARD FROM 2004 TO 2009



YEAR	Within 1-2 weeks	More than 2 weeks
2004	92%	8%
2005	88%	12%
2006	96%	4%
2007	94%	6%
2008	95%	5%
2009	93%	7%

SUMMARY OF SPEED RESPONSE TO THE CORRESPONDENCE RECEIVED BY THE TENDER BOARD FROM 2004 TO 2009

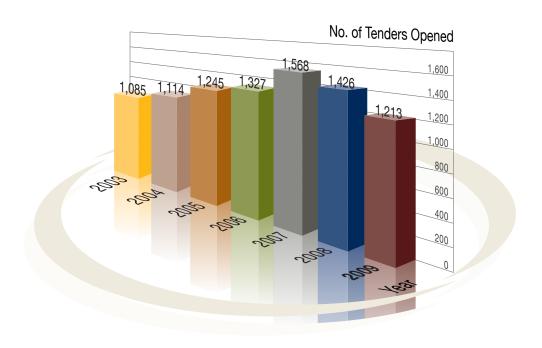
The Tender Board holds weekly meetings without interruption as it is keen to handle all mail received efficiently and to speed up the response to the purchasing authorities and suppliers and contractors. The chart above shows that 93% of correspondence received by the Tender Board in 2009 were replied to within a week to two weeks only.



YEAR	Estimated Cost (Million BD)	Awarded Value (Million BD)	Saved Amount (Million BD)	Increase (%)
2003	403	376	27	
2004	266	243	23	-14%
2005	665	640	25	10%
2006	722	683	39	53%
2007	740	757	-17	-144%
2008	1,303	1,244	59	444%
2009	1,910	1,642	268	355%
Total	6,009	5,585	424	

The Tender Board in liaison with the Government purchasing authorities was able to save an accumulative amount of BD 424 million in the Kingdom's budget since its inception in 2003 until the end of the year 2009 as indicated in the chart above.

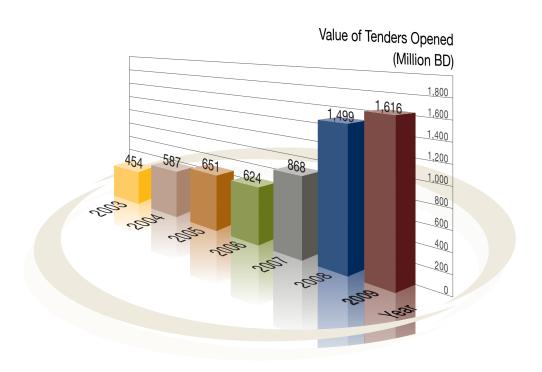




SUMMARY OF THE TOTAL NUMBER OF TENDERS OPENED BY THE TENDER BOARD FROM 2003 TO 2009

YEAR	No. of Tenders Opened	Increase (%)	No. of Bids	Increase (%)
2003	1,085		5,978	
2004	1,114	3%	7,354	23%
2005	1,245	12%	7,079	-4%
2006	1,327	7%	6,439	-9%
2007	1,568	18%	5,998	-7%
2008	1,426	-9%	5,834	-3%
2009	1,213	-15%	6,821	17%
Total	8,978		45,503	

The total number of tenders opened by the Tender Board during the period from 2003 until the end of 2009 was 8,978 tenders. The number of bids submitted for these tenders was 45,503 bids, which reflects the confidence of suppliers and contractors in the tendering procedures applied by the Tender Board and its role in achieving the principles of equal opportunities, integrity and transparency.

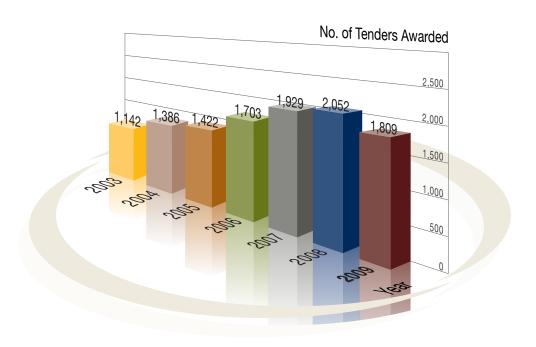


SUMMARY OF THE TOTAL VALUES OF TENDERS OPENED BY THE TENDER BOARD FROM 2003 TO 2009

YEAR	Value of Tenders Opened (Million BD)	Increase (%)
2003	454	
2004	587	29%
2005	651	11%
2006	624	-4%
2007	868	39%
2008	1,499	73%
2009	1,616	8%

The steady increase of the estimated value of the tenders opened by the Tender Board during the period from 2003 until 2009 reflects the increase in the number and size of tenders and Government purchases through these years, as indicated in the table above.

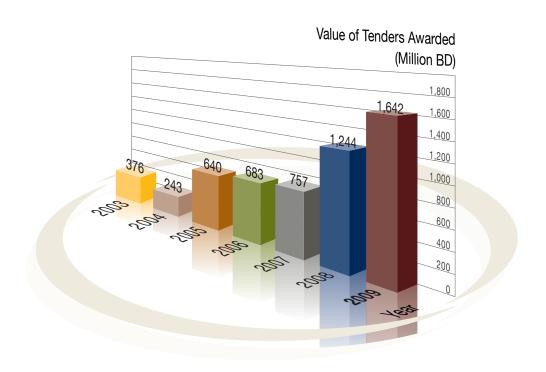




SUMMARY OF THE TOTAL NUMBER OF THE TENDERS AWARDED BY THE TENDER BOARD FROM 2003 TO 2009

YEAR	No. of Tenders Awarded	Increase (%)
2003	1,142	
2004	1,386	21%
2005	1,422	3%
2006	1,703	20%
2007	1,929	13%
2008	2,052	6%
2009	1,809	-12%

The above table indicates that the number of tenders awarded by the Tender Board is continuously increasing. Although the number of awarded tenders in 2009 is less than the number of awarded tenders in 2008, the awarded tenders in 2009 is greater in value by 32%.



SUMMARY OF VALUES OF THE TENDERS AWARDED BY THE TENDER BOARD FROM 2003 TO 2009

YEAR	Value of Tenders Awarded (Million BD)	Increase (%)
2003	376	
2004	243	14%
2005	640	163%
2006	683	7%
2007	757	11%
2008	1,244	64%
2009	1,642	32%

The above table shows that the total value of tenders awarded by the Tender Board since its inception is increasing and has tripled in the past two years. The percentage of increase in 2009 compared to 2003 was 336%.



1. KEY PERFORMANCE INDICATORS

Regarding Tender Board's Quality Management System (QMS) and Key Performance Indicators (KPIs), in 2010 the Tender Board will start working on translating and linking the approved strategic goals to micro objectives covering Tender Board key functions and operations in order to achieve the Tender Board strategic goals.

Furthermore, the Tender Board plans to conduct a detailed process analysis to identify opportunities for improvement and set performance measures to assist in deploying the strategic goals at all levels in the organization. This is in line with the Economic Vision of the Kingdom of Bahrain 2030.

2. E-TENDERING

In 2010, the Tender Board plans to introduce the go-live e-tendering system. The system will be introduced in phases to ensure successful and fully functional implementation of the system. In order to ensure this, the Board will collaborate closely with government purchasing authorities, contractors and suppliers and keep them involved in the piloting and the monitoring of the system.



3. WEBSITE DEVELOPMENT

In 2010, the Tender Board plans to upgrade its website by adding online corporate meetings feeds which will allow endusers to be informed about current issues and progress. It also plans to add SMS capabilities for its users and online initial bond fee payment facilities.

4. DOCUMENT MANAGEMENT SYSTEM

From the initiatives of Tender Board to ever improve processes and operations, it is currently implementing a new Document Management System, which will deliver accurate reporting and save time. The Document Management System is a software application that enables the users to retrieve various reports on different types of tenders.

The System will upgrade the existing database system to fully computerized archives that will not only eliminate traditional paper stacking filing system, but will also act as a disaster recovery backup system.



Media Clippings

Tender Board Opens bids for (14) Government Tenders

opened at its weekly opening session, (62 bids) for 14 government tenders at a total of BD 2m.

ولي العهد يبدي ارتياحه لأداء وبرامج مجلس المناقصات ويقول: أنظر بعين الرضا إلى ما يسعى هذا المجلس إلى تحقيقه The Tender Board, responsible for overseeing government tenders, has Tendering made easy Enrol now for e-tendering training الأمير سلمان بن حمد أل خليفة ولى العهد نائب القائد الأعلى

من جهته عبر الدكتور نزار البحارنة عن شكره وامتنانه هو والعاملين معه لمواقف سموه الداعمة باستمرار والتي نشكل حافزا وطنيا ومهنيا عاليين لكل مغتسبي المجلس مستعرضا الدكتور البحارنة قضايا وتحديات يعمل العجلس على تضطيها لتصل بمملكة البحرين الى بستوى الطعوح الذي يريده منا حضرة

وتأهيل الكفاءات وأن تبقى الرقابة ضرورة على نفس الإهتمام بدرجة الإنتاجية كحاجة. واستفسر سموه خلال اللقاء من الدكتور البحارنة عن لجنة التظلم ومدى تفاعلها مع شكاوى المراجعين. وأكد سمو ولي العهد دعمه ونقدير سموه لجميع العاملين في هذا المجال الحيوي الوطني

رضاه وارتساحه لأداء وبرامج مجلس المناقصات متمنيا لهذا المجلس المضي قدما في تعزيز مكانة الرقابة والحرص على الإنتاجية في نفس الوقت. وقال سمود لدى استقباله الدكتور نزار بن صادق البحارنة وزير الدولة للشئون الخارجية رئيس مجلس العناقصات بقصر الرفاع أمس انه ينظر بعين الرضا إلى ما يسعى هذا المجلس الى تحقيقه من تطوير للنظام وتسهيل للاجراءات، استجابة لما أراده جلالة الملك الوالد من تكريس لصعاني الرؤية الاقتصادية ٢٠٣٠ من استدامة

وعدالة وتنافسية. ولفت سموه النظر إلى الحاجة الماسنة إلى الاعتضاء بالخبرة وضرورتها في تطوير المناقصات و روزه إن الشرح القانوني العصاحب في هذا العجال له أعمية مبديا سموه اهتمامه بالغظر الى المعايير



زنتركن زبفيجا البد طليسل ش.م.ب. (مقفلة) THE BAHRAIN PETROLEUM COMPANY B.S.C. (CLOSED)

Office of the Chief Executive

مكتب الرئيس التنضيذي

H.E. Dr Abdul Hussain bin Ali Mirza Minister of Oil & Gas Affairs
Chairman - National Oil & Gas Authority Chairman – Bapco Board Committee P.O. Box 1435 Kingdom of Bahrain

Tender Board

Your Excellency,

On the occasion of the completion of Your Excellency's tenure as Chairman of the Tender Board, we would like to extend to Your Excellency the thanks and appreciation of Bapco for your tremendous efforts in bringing transparency and order to the tendering process for the Government of Bahrain.

Bapco fully recognizes the personal guidance and contribution Your Excellency has made, without which the Tender Law and Tender Board process would not have achieved such high standards and results.

ould also wish to record its thanks for Your Excellency's ass improving our own tender process and bringing transparency and clarity to it.

We wish Your Excellency every success in your future projects through your continued dedicated service to the achievements of the Government of the Kingdom of Bahrain.

Utmost regards

12 FAISAL ALMAHROOS Acting Chief Executive

Date

