

EQUAL OPPORTUNITIES IN FULL TRANSPARENCY

# ANNUAL REPORT 2007



مجلس المناقصات  
TENDER BOARD

# CONTENTS

Message from the Chairman	4
Profile	6
Overview	9
Key Achievements	12
Statistics	18
Future Plans	20
Press Clippings	22



HIS HIGHNESS SHAIKH  
KHALIFA BIN SALMAN AL KHALIFA  
THE PRIME MINISTER



HIS MAJESTY KING  
HAMAD BIN ISA AL KHALIFA  
THE KING OF THE  
KINGDOM OF BAHRAIN



HIS HIGHNESS SHAIKH  
SALMAN BIN HAMAD AL KHALIFA  
THE CROWN PRINCE AND DEPUTY  
SUPREME COMMANDER

## MESSAGE FROM THE CHAIRMAN

During 2007, the Kingdom of Bahrain has witnessed unprecedented development in the key sectors of the society under the patronage of His Majesty King Hamad Bin Isa Al-Khalifa, through the support of His Highness the Prime Minister, Shaikh Khalifa Bin Salman Al-Khalifa, and His Highness the Crown Prince, Shaikh Salman Bin Hamad Al-Khalifa, contributing significantly to Bahrain's extraordinary social, business and economic development.

On behalf of the members of the Tender Board, it is my honor to present to you the Tender Board's 2007 annual report. In the five years since our establishment, the Tender Board has evolved tremendously, rightfully earning a reputation for its best-in-class practices. The Board's constant commitment to regulating government tenders and purchases has prompted considerable economic growth and social reform within the Kingdom due to its transparent, cost-effective activities.

In the past few years, we have invested in several major long-term projects having great ambitions to develop our capacity as a model Tender Board. We are continually striving to provide the most efficient, impartial, transparent services of the highest integrity throughout all facets of our operations. In 2007, some of these major plans have ensued and soon we will have a comprehensive e-tendering system which will allow virtually all aspects of the tendering process to be conducted online. During the year we launched our new website with additional user-friendly functions, including the Live Opening of Tenders which automates the public opening sessions in real time via the internet. Presently we are in the process of initiating a new task to formalize and develop Key Performance Indicators (KPIs) that will monitor and measure the Tender Board's performance while facilitating the decision making process. This new task will also ensure that the Board upholds its high standards and maintains its international certification.

The Board's trustworthy reputation has successfully generated increased awareness amongst the public. We are now seeing an increase in the value of tenders awarded for public sector projects and a surge in bid numbers, which translates to greater value and savings for the government.



We have achieved some major milestones in 2007, which have had a significant and profound impact on our operations, allowing us to offer more efficient services with greater responsiveness, transparency and provision of information. The Tender Board's history of achievements has earned it a wide reputation of professionalism integrity, fairness, competitiveness, openness and equal opportunity. This has played a major role in attracting foreign investment and boosting investors' confidence in the Kingdom's economy, setting it apart from other countries in the region, and positioning it as a country with fair, competitive and sophisticated business practice.

The Tender Board is committed to supporting the Kingdom's far-reaching programme of economic, business and social reforms that will not only benefit the nation and its people, but also contribute to the ongoing growth and prosperity of the Gulf Region and the Middle East.

On behalf of the Tender Board, I am proud to report that in addition to our major achievements, our honorable standing and increased awareness, 2007 has proved to be our most successful year to date. I would like to take this opportunity to express my most sincere gratitude to His Majesty, the King, His Highness the Prime Minister, and His Highness the Crown Prince and Deputy Supreme Commander of the Bahrain Defense force, for their visionary leadership, valuable support and guidance. And I would also like to thank the Tender Board's members and staff for their commitment, professionalism, and hard work throughout this eventful yet productive year.

**Dr. Abdul Hussain Bin Ali Mirza**  
Minister of Oil & Gas Affairs &  
Chairman of the National Oil & Gas Authority  
Chairman of the Tender Board

## PROFILE

THE TENDER BOARD IS A COMPLETELY INDEPENDENT BODY, ESTABLISHED BY A ROYAL DECREE ON 7 JANUARY 2003, WITH A CLEAR AGENDA TO SET UP A STRICT REGULATORY SYSTEM THAT WOULD ENSURE FAIRNESS AND EQUAL OPPORTUNITY FOR ALL.

The principal objectives of the Tender Board are clearly expressed in the Legislative Decree No: 36 issued on 9 October 2002 With Respect To Regulating Government Tenders and Purchases. These objectives are:

- Protecting public property and preventing the influence of personal interests on tender formalities and processes.
- Achieving maximum levels of economic efficiency in obtaining government purchases at competitive and fair prices.
- Encouraging the participation of suppliers and contractors in government purchasing procedures.
- Enhancing integrity, competitiveness, and providing fair treatment and equal opportunity to all contractors and suppliers.
- Achieving total transparency in all aspects of government purchasing procedures.

## VISION

To be a role model organization, demonstrating best practice with regards to our business processes and our ethics, thereby earning the trust of all contractors and suppliers.

## MISSION STATEMENT

Oversee and supervise all tendering, purchasing and awarding processes related to public sector and government-owned organizations, in a totally transparent manner, maximizing the economic benefit to the Kingdom, enhancing integrity, promoting competitiveness, and ensuring fair treatment and equal opportunity for all.

## VALUES

- We value our staff as our most important asset.
- We always perform our duties with competence, efficiency, effectiveness, objectivity and impartiality.
- We uphold all laws associated with our work responsibly.
- We recognize that we must act at all times in a manner that builds trust in the transparency, credibility and integrity of the Tender Board.
- We accept individual and collective responsibility, and are accountable for the work we do.
- We demonstrate respect, fairness and courtesy in all our dealings.
- We strive as a team to maximize the quality of the work we do.
- We continuously seek ways to improve the quality of the work we do.



# OVERVIEW

## BOARD MEMBERS

1. **Dr. Abdul Hussain Bin Ali Mirza**  
Minister of Oil & Gas Affairs &  
Chairman of the National Oil & Gas Authority  
Chairman of the Tender Board
2. **Dr. Abdulmajeed Ali Alawadhi**  
Chief Executive  
Electricity & Water Authority  
Deputy Chairman
3. **Dr. Jumaa Ahmad Al Kabi**  
Undersecretary, Municipalities Affairs  
Ministry of Municipalities & Agriculture  
Member of the Tender Board
4. **Mr. Nayef Omar Al-Kalali**  
Undersecretary, Public Works Affairs  
Ministry of Works  
Member of the Tender Board
5. **Dr. Ebrahim Mohamed Janahi**  
President of Bahrain University  
Member of the Tender Board
6. **Mr. Ebrahim Bin Khalifa Al Dossary**  
Assistant Undersecretary for Information &  
Follow-up, Prime Minister's Court  
Member of the Tender Board
7. **Mr. Ebrahim Mahdi Shehab**  
Assistant Undersecretary for Human &  
Financial Resources, Ministry of Health  
Member of the Tender Board
8. **Mr. Abdul Razaq J. Zainalabedin**  
Assistant Undersecretary for Foreign Trade  
Ministry of Industry & Commerce  
Member of the Tender Board
9. **Mr. Taha Mahmood Faqihi**  
Acting Director of Projects,  
Ministry of Finance  
Member of the Tender Board



The Tender Board has achieved remarkable success and a prominent reputation since its establishment five years ago. As a result of the Board's dedication in conducting its operations with the highest integrity and exceptional transparency, it is now distinguished for attaining world-class standards. The Board is steadfastly committed to protecting public funds to prevent the influence of personal interests, while achieving economic efficiency, ensuring fair treatment and equal opportunity amongst all suppliers and contractors, and above all, to achieve total transparency in all aspects of government purchasing procedures.

To ensure maximum expediency, members of the Board hold uninterrupted weekly meetings to review and discuss matters and procedures related to the government tenders and purchases, to review and study all correspondence and to ensure that sound decisions are reached. The Board has experienced an increase in public purchases because of the rise in government owned businesses. Moreover, with the Board's rising reputation, it has witnessed an increase in demand, making its weekly meetings even more crucial. The growing interest in government projects amongst suppliers and contractors is attributed to their confidence in the Board's integrity to award the tenders to the most technically qualified bidders with the lowest price; the bidders value the impartiality and the opportunities available. Although the Board comprises a small team of board members and staff members, they are however, capable of processing and handling high volumes of bids and bid related matters because of their open communication, prompt interaction, tight and flexible organizational structure, together with an advanced database, quality control and a good archiving and retrieval system.

With one of the most advanced operational systems in the region, the Board has become more efficient and accurate with the implementation of its state-of-the-art databank, archiving and communication systems. The recent initiation of the Live Opening session of Tenders will enhance the transparency while accelerating operations and facilitating communication between the Tender Board and stake holders, making information more accessible via Tender Board website on the internet.



generating interest, making the bidding process easier and more convenient for suppliers and contractors. Through the Live Opening session of Tenders, bidders have the option of choosing between watching the opening of the tenders online or attending in person the Public Opening sessions on Thursday mornings. These new systems ensure utmost transparency while allowing suppliers and contractors from anywhere in the world to bid at their convenience and view the Live Opening session online.

The Tender Board has established a number of specialized subcommittees consisting of distinguished professionals and experts from various fields. These subcommittees avail to the Board, offering their technical skills and capabilities in dealing with a range of requirements such as the pre-qualification of contractors and suppliers, ratification of technical specifications, reviewing of complaints and reconsiderations, and the supervision of the opening of tenders for bids of less than BD 500,000/- in cost.

In 2007, new amendments have been recommended to the law regulating government tenders and purchases to streamline some procedural aspects which will be of benefit to all those concerned. One such modification dealt with the execution of the tenders and the effectiveness of the related contract after being awarded by the Board. Previously the Law stated that a contract shall be effective immediately upon the issuance of the award decision by the Board to the successful bidder. This term is now amended so that a contract shall not be effective until the Purchasing Authority officially informs the successful bidder about the Board's decision to award the tender to him. Now all contracts between purchasing authorities and successful bidders will no longer be effective immediately upon the issue of the award decision, but upon the communication of such a decision. This amendment allows the unsuccessful bidder to file a grievance to the Tender Board if they deem so. Subsequently, if such a complaint is lodged, the Board has the authority to issue temporary precautionary measures to order the purchasing authority to stop implementing the Award Decision until a decision in the grievance is delivered by the Tender Board. To benefit the most from the Board's diverse expertise and to ensure continued progress, another amendment related to the term of membership of the Board members has been introduced. It states that any Board member's term in office shall be determinate to two years, renewable once. Two thirds of the Tender Board may be reappointed for another term,

provided that no member remains in office for more than six consecutive years. In the upcoming year, the Board anticipates new amendments to the law that will give the Board more influence, benefiting the public authorities and the tenderers. One major projected amendment relates to entrusting the Tender Board with the responsibility of overseeing government auctions and the syndication of the selling of government property.

As a result of the board's commitment to achieving excellence in economic efficiency, implementing principals of transparency, fairness, and opportunity, while contributing towards heightening Bahrain's investment position on the global map. The keenness of the Tender Board on enhancing the principle of transparency in all procedures followed in Government tenders and purchases has enhanced the Tender Board's reputation. For example, Standards and Poor's organization, which focuses on evaluating nations and major development plans, pointed out that among the factors that contributed to improving the investment standard of Bahrain was the policy of the Tender Board to bolster the principle of transparency in tendering procedures. The Board also received the ISO certificate for Management Excellency, ISO 9001:2000. Last year, the Tender Board realized many significant achievements that have had a tremendous impact on procedures, and have helped the Board to provide higher quality services, more expedient response times and more transparent treatment of information.

The Tender Board's high standards in supervising and overseeing all tenders for the purchase of goods and services from the public sector organizations has played a significant role in encouraging investors' confidence in the nation's economy. The Board's devotion to upholding Bahrain's ambitious course of economic, business and social reform will not only benefit the Kingdom, but it will also contribute to the ongoing growth and prosperity of the Gulf region and the Middle East.

The Tender Board's high standards in supervising and overseeing all tenders for the purchase of goods and services from the public sector organizations has played a significant role in encouraging investors' confidence in the nation's economy. The Board's devotion to upholding Bahrain's ambitious course of economic, business and social reform will not only benefit the Kingdom, but it will also contribute to the ongoing growth and prosperity of the Gulf region.

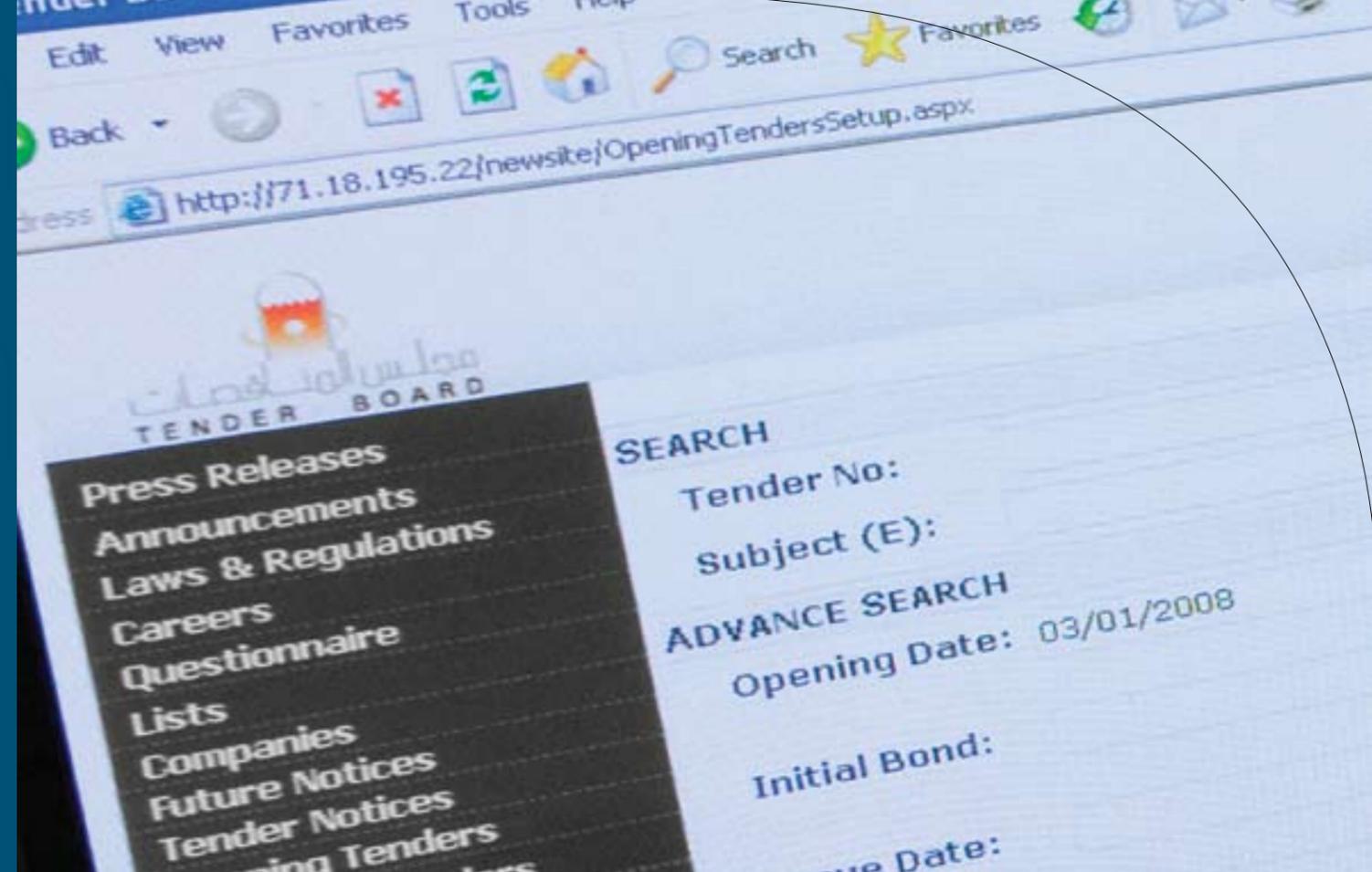
# KEY ACHIEVEMENTS

## LIVE OPENING SESSION OF TENDERS

Recently introduced to the Tender Board website, the Live Opening session completely automates the 'Public Opening session of Tenders', relaying all of the bidding information to the website in real time. Every Thursday morning, as bids are opened and shown at the Public Opening session, they are also presented online, enabling all those concerned to view the entire Public Opening session online via the Live Opening function on the website. All bid related information that is presented at the Public Opening session is also presented simultaneously on the Live Opening session in a clear and transparent manner. As the members of the Board (or the Tender Opening Committee) go through each bid at the Public Opening session, and as each form is displayed on the overhead screen, the exact image of the form is shown on the Live Opening session web page indicating the bid, the name of the supplier, and the company. This allows suppliers and contractors the freedom of either attending the Public Opening session in person or viewing the opening of tenders online at the Tender Board's website.

In the upcoming year, as an additional feature to the Live Opening session web page, the Board plans to install a webcam in the Public Opening session room that will show all the bid opening activities in the Public Opening session in real time manner. This will give suppliers and contractors the freedom to alternate between the webcam caption and the submitted bids. Obviously, this initiative will enhance the transparency of the Tender Board's operations and add to the convenience of the parties concerned.

The Bahrain Tender Board is one of the first of its kind in the world to offer Live Opening sessions. Through the internet, suppliers and contractors are able to view the Public Opening sessions from anywhere across the globe. This function will improve the operations of the Tender Board by making government tenders and acquisitions more accessible and transparent. Live Opening sessions of Tenders encourages international and local firms to participate in the tenders, consequently opening Bahrain to international companies and helping the government to obtain fair and competitive prices for its tenders and purchases.



## WEBSITE

The Tender Board website was revitalized with a fresh new look, a clean layout and a user-friendly interface. These new enhancements grant the users easy access to all Tender Board information including Laws and Regulations, Upcoming Tenders, Tender Notices, Operational Reviews, News & Events, and much more. The Live Opening session of Tenders is a major new service that was recently introduced on the website, allowing users to view Public Opening sessions online. The IT department continues to provide comprehensive support to the website users.

## RECONSIDERATION & COMPLAINTS

The Tender Board dealt with a total of 104 requests for reconsideration and complaints during 2007. All such requests were studied by the Tender Board in the light of the Law Regulating Government Tenders and Purchases and appropriate decisions were made in full transparency to ensure adherence to the principles of fairness and equality. Most of the requests for reconsideration and complaints reached the Tender Board were related to the procedures followed by Government Authorities in issuing, evaluating and awarding tenders. Throughout the past five years since the establishment of the Tender Board, only two cases have been sent to the court and these claims have been declined by the court. The Tender Board received frequent messages of praise and appreciation from suppliers and contractors for its fair, efficient and transparent disposition of duties.



## QUALITY MANAGEMENT SYSTEM

To assist in the continual improvement process of the Tender Board's Quality Management System (ISO 9001:2000), a new task has been introduced to systematically formalize and develop Key Performance Indicators (KPIs). This new task ensures that the Tender Board's performance is monitored and measured regularly, while upholding the Quality Management System requirements and applying the international operational best practices.

The KPIs will function to monitor and support the overall performance of the Tender Board in a systematic manner, applying professional data collection methods and using sophisticated tools for analysis. This task is dedicated to measure and manage the Tender Board's performance as a consolidated business unit. This includes tender preparation, bid submissions, bid openings and awards, reevaluation of bids, reconsideration and complaints, staff training and development, Board-related purchases and other processes.

The Tender Board's Quality Management System has achieved accreditation to the International Standard (ISO 9001:2000) in November 2006. The year 2007 has been devoted to improvement of Tender Board's Quality Management System and fulfilling its requirements to uphold this international accreditation.

## E-TENDERING

The first initiative of its kind in the region, the Tender Board is in the process of introducing a new electronic tendering system (e-tendering) that automates the tendering process in its entirety, enabling greater accuracy, efficiency and transparency. The e-Tendering is an electronic system that will allow publishing, communicating, accessing, receiving, and submitting of tender related information and documentation via the internet. When launched, it will handle all the government tenders and acquisitions online, primarily by posting bids, filling out documentation, regulating the quality of information received, and opening bids.

The development of this extensive e-tendering system first started in September 2007 and it is still in its initial stages of development. The e-tendering system is estimated to be fully functional, by April 2008 with a three month testing period during which, both manual tendering and e-tendering services will be available to cater to individual preferences. The eventual migration to a full-fledged e-tendering system, replacing the manual process in its entirety, is projected to transpire within the next year.

The e-tendering system will facilitate all Tender Board operations considerably. Everything will be organized on an online system, streamlining the submitting, managing and receiving of tender documents, while enabling easy access to information. It will serve as an important tool in speeding up the decision making process, helping the Tender Board reach accurate decisions. e-tendering will cut costs, reduce processing time, allow for more efficient monitoring of applications, increase the overall quality of services while reducing the number of complaints, and allow for greater transparency of decision making.

With the introduction of the e-tendering online platform, there will no longer be any physical requirement for contractors and suppliers to come to the Tender Board's offices in person; everything can be submitted and tracked online. If there happens to be missing or inadequate information, the system will alert the applicant immediately, preventing possible rejection of bids

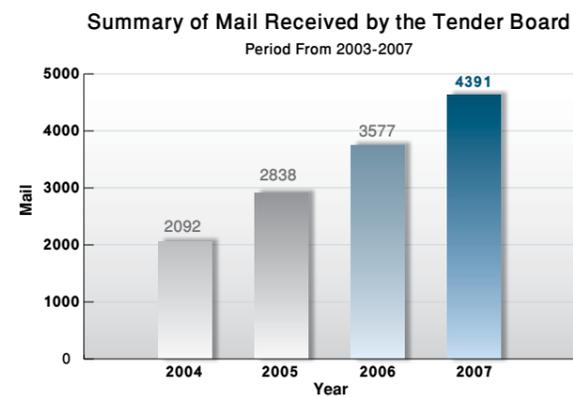


at the opening sessions due to routine errors. Since bids can be placed and monitored online, from anywhere in the world, the quality and range of suppliers and contractors is estimated to improve significantly. The higher number of bidders will provide greater selection, competition and added value, which will eventually lead to increased protection of the public property.

With the introduction of e-tendering, the Bahrain Tender Board will join the ranks of the leading international tendering and purchasing bodies. The Board holds ambitious plans to eventually link the e-tendering system with Bahrain's eGovernment platform, enabling access to pertinent information from relevant ministries.

## TRAINING & DEVELOPMENT

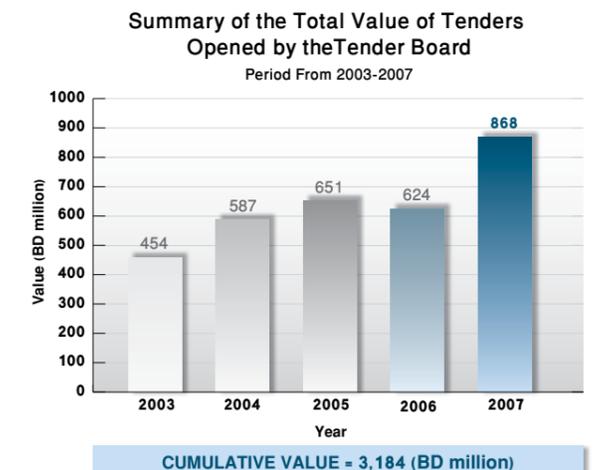
During the year 2007, the Tender Board has encouraged employees to attend various training courses and to participate in local and international conferences and functions. This has enhanced employees' knowledge and skills and kept them up to date with the development in the field of their work. Also, the Tender Board has sponsored a number of employees and provided them with financial support to further their educational qualifications. This will motivate employees, boost their morale, enhance their personal development and equip them with the necessary knowledge and skills to effectively perform their duties. Owing to the upcoming developments as well as the new advancements introduced in past years, there emerged a need for additional training in order to equip the staff members with the skills and proficiency required to interact with these new systems and to be fully familiar with the new procedures. By continually developing the professional skills of its employees, the Tender Board is fully equipped to reach its ambitious objectives well into the future.



The quantity of mail received by the Tender Board has steadily increased since its establishment. The quantity of mail received in 2007 is nearly doubled what was received in 2004.

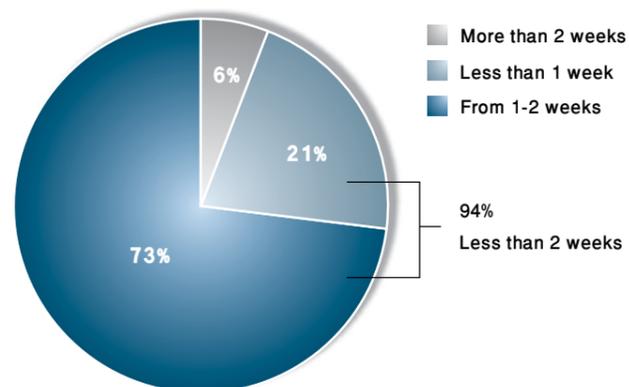


The number of tenders opened has steadily increased, indicating a rise in the number of Government Projects. In the graph representing the Summary of Tenders Opened, the number of tenders opened in 2007 has shown an increase of 18% over 2006. As a result, the total amount for the Tenders has doubled in 2007 in comparison to 2003. The total value of the tenders that have been opened by the Tender Board in 2007 is 868 million BD compared to 454 million BD in 2003.



### Summary of Response Time for Mail Received

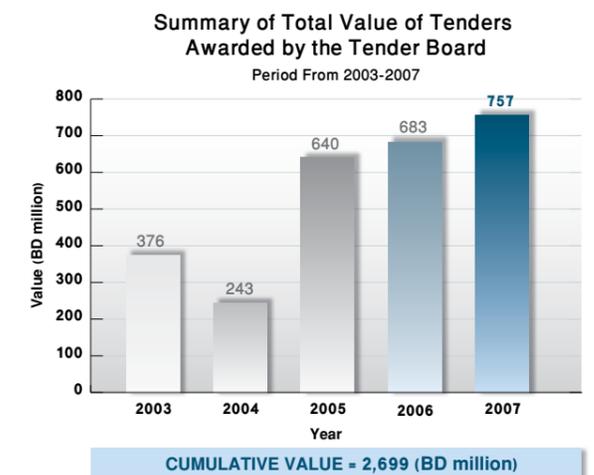
From Jan 2007 - Dec 2007



We are becoming more expedient in our decision making and our responses. We are efficiently handling all the mail that is sent to the Tender Board from the Government authorities subject to the law, and the suppliers and contractors.



The number of tenders awarded in the year 2007 has shown 13% increase over the year 2006. Whereas, the total value of the awarded tenders in the year 2007 was more than 2 times the total value of the awarded tenders in the year 2003.



## FUTURE PLANS

Bahrain's Tender Board is recognized as an objective body that has made tremendous progress in the Kingdom, achieving all of the targets defined by the Law Regulating Government Tenders & Purchases. The Board continually strives to additionally develop its tendering procedures, upgrade the quality of information, and streamline and accelerate all of the protocols related to Government tendering.

The Board is determined on fully implementing its new e-tendering system in 2008. In order to pursue this major undertaking, adequate training and support will be provided to equip its employees with the skills required to use the e-tendering system most effectively. The Board also holds long-term plans to eventually integrate the e-tendering system with the Kingdom's entire eGovernment system. The automatic linkage of key information will facilitate the Tender Board's acquisition of relevant data and records from the ministries, suppliers and contractors.

To uphold its high standards and maintain its esteemed certifications, the Board is firmly determined to continue to take the necessary measures to resolutely adhere to the specifications of its new Quality Assurance System and develop it further.

To ensure further efficiency, certain provisions of the law regulating the Government Tender and Purchases have been reviewed, revised and submitted to the authority concerned for approval. The greatly anticipated amendments include overseeing of government auctions, which will make public selling and leasing of government property more efficient and transparent, attract more competition and lead to greater return.



The Tender Board is committed to building upon its remarkable achievements and to uphold its reputation of credibility and trust, while increasing levels of transparency and impartiality. This will be achieved by further streamlining tender procedures, improving disclosure of information to all contractors and suppliers, further enhancing the Board's institutional capabilities. Its operations have contributed significantly to the nation's growing economy, by supporting competitive bidding practices among suppliers and contractors and awarding tenders in an open, transparent, and impartial manner. The Kingdom's dedication to conducting business in a responsible and honest approach, have undoubtedly boosted investors' confidence in Bahrain's economy.

The Tender Board of Bahrain has already been distinguished for its outstanding performance and is anticipated to join the ranks of the most prominent, world-class organizations. Many throughout the region consider Bahrain's Tender Board as a model of excellence in the regulation of government acquisitions.

