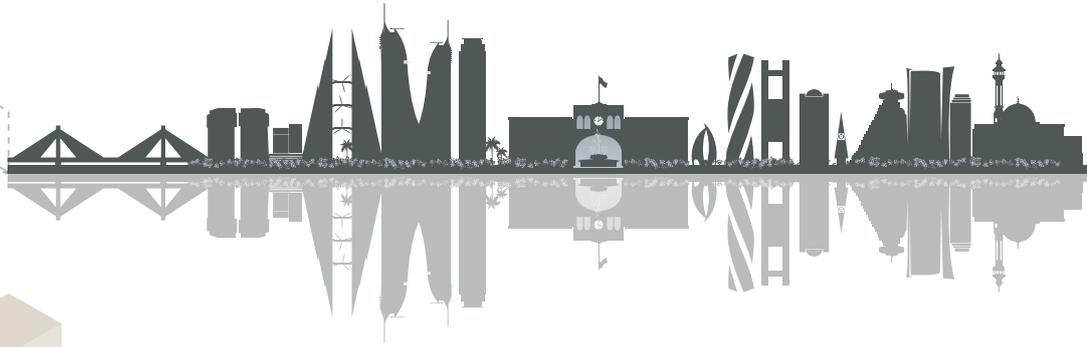


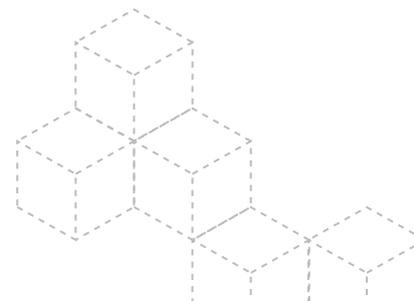


مجلس المناقصات والمزايدات
TENDER BOARD



TRANSPARENCY
FOR SUSTAINABLE
NATIONAL
DEVELOPMENT

ANNUAL REPORT 2017



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His Royal Highness,
Prince Khalifa bin Salman
Al Khalifa

The Prime Minister



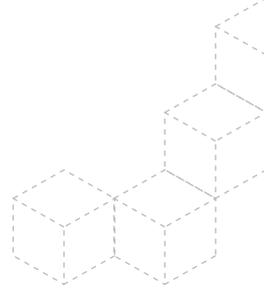
His Majesty,
King Hamad bin Isa
Al Khalifa

The King of the
Kingdom of Bahrain



His Royal Highness,
Prince Salman bin Hamad
Al Khalifa

The Crown Prince,
Deputy Supreme Commander
& First Deputy Prime Minister



مجلس المناقصات والمزايدات
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 15 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.

"Quality, transparency, and fairness are the hallmarks of our business."



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.

mission
mission
values

TENDER BOARD MEMBERS



4

8

2

1

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**



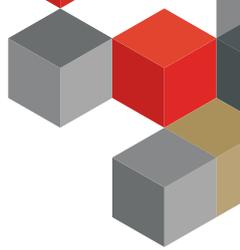
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CHAIRMAN'S MESSAGE



On behalf of the Members of the Tender Board, I am delighted to present the Annual Report for the year 2017, which showcases the progress that the Board has made during 2017, particularly the improvements made to systems and procedures aimed at better serving our stakeholders.

"Over the last 12 months, the Tender Board processed over 1,890 tenders with a total value of more than BD 3.7 billion."

2017 was another year of growth for government projects, driven by both organic and inorganic economic expansion. Despite a difficult global economic atmosphere and increasing budgetary pressures, the year on year national economic growth rate for the first three quarters of 2017 was 3.6%, marking an acceleration from the 3.2% headline growth rate recorded in 2016, according to the latest available official statistics from the Economic Development Board (EDB). It was no coincidence that this came with a rapid build-up in large-scale infrastructure investments, highlighting the profound impact of government procurement on the Bahraini economy. This is thanks, in part, to the liquidity injected by GCC development funds, namely those of the Kingdom of Saudi Arabia, United Arab Emirates (Abu Dhabi) and State of Kuwait, to whom we are grateful for financing some of Bahrain's major developmental projects which are spurring business activity across all sectors, and bolstering the economy as a whole.

Over the last 12 months, the Tender Board processed over 1,890 tenders with a total value of more than BD3.7 billion. This

is up from approximately 1,600 tenders worth BD1.5 billion in 2016, more than doubling the volume of business offered to the market by the Government of Bahrain. This surge comes with an increase in the complexity of the tenders processed, including mega projects such as the Bapco Modernisation Program, the purchase of engines for Gulf Air's new fleet, the forward sale and leaseback for Gulf Air aircrafts, transmission development of cable works for the Electricity and Water Authority, and the construction and maintenance of housing units for Ministry of Housing. This puts increasing pressure on us to improve efficiency and ensure a swift response in processing requests. Thankfully, our 2017 statistics clearly show that our execution times are among the best in the world, with more than 90% of Government requests processed within two weeks or less.

This outstanding performance by a team of only 32 people might leave little room for improvement when it comes to speed, but it doesn't mean we are resting on our laurels. Anticipating a further increase in Government requests in the coming years, we have invested heavily in new IT systems and processes, allowing us to strategise and plan better, and to focus on further improving quality, transparency and fairness, which are the hallmarks of our business.

Among the highlights was a complete revamp of our primary gateway to the world, our website, and the addition of new communication channels, including a hotline available for all stakeholders. It is essential that we broadcast the message that Bahrain is an easy place to do business, that its Tender Board is efficient and independent, and that we offer a level playing field for all when it comes to lucrative government deals.





Looking ahead, we see a bright 2018. Procurement laws are being updated to better suit current business needs and further improve an already highly transparent system. The Cabinet recently approved new streams of revenues that will allow us to hire qualified personnel for new specialised roles, add further value to our services, develop our capacities, and implement further strategic improvements.

In conclusion, I'd like to thank 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 for their visionary leadership. The Tender Board remains committed to supporting the Government of Bahrain by providing an independent critique of its activities while at the same time helping it to achieve its economic goals.

“

Looking ahead, we see a bright 2018. Procurement laws are being updated to better suit current business needs and further improve an already highly transparent system.”

*H. E. Eng. Basim Bin
Yacob Al Hamer
Chairman*

SECRETARY GENERAL'S MESSAGE

As a critical touchpoint between the Kingdom's private and public sectors, the Bahrain Tender Board recognises the need to stay abreast of the latest market developments and the flow of business as streamlined as possible. In 2016 we embraced a new business strategy to realign our activities with market requirements and make the tendering process ever more simple and transparent. A core component of this strategy was a multi-phased revamp of our IT infrastructure aimed at boosting productivity and serving our stakeholders better.

Building on a project begun in the previous year, 2017 saw a continued upgrade of the e-Tendering System in which we relaunched our website with a more user-friendly interface. It now includes an online database of all prequalified suppliers and contractors as well as a summary of all current public tenders, giving suppliers a clearer picture of the requirements of a tender before they purchase the tender documents.

7216

Total Suppliers registered
with e-Tendering System

This greater transparency has encouraged more suppliers and contractors to engage with us, and the results speak for themselves. The number of local suppliers registered with the Tender Board surged by 37% from 3,123 to 4,268. We also attracted more international interest, with the number of regional and global companies registered jumping 35% from 2,176 to 2,948. A total of 2,568 companies took the initiative to prequalify themselves, an 18% increase from 2,180 a year previously. These are remarkable increases which demonstrate improved confidence in the Bahraini economy and its future potential, as well as in the Kingdom's tendering process.

Still, in order to accommodate this increase, as well as future growth, the Tender Board is investing in upgrading its systems to enable us to maintain our current efficiency and provide an even better service. Among these are systems which will provide us with more detailed and accurate statistics, including a digitisation initiative that will automatically collect data from each transaction we process. Access to more accurate raw data will improve our

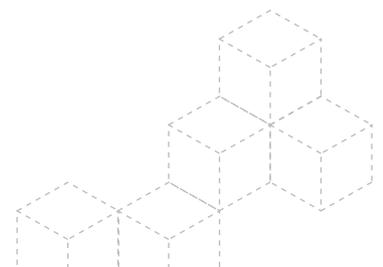
analytics and allow us to make more informed decisions which will ultimately benefit our stakeholders, including Government purchasing authorities, suppliers, and contractors.

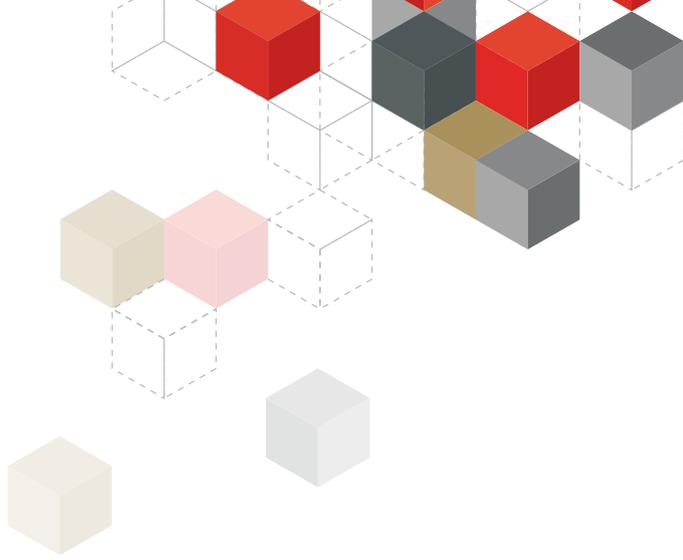
We remain committed to the six strategic objectives and 18 strategic initiatives, developed in discussion with our stakeholders, which we started implemented during 2017. This four-year plan will smooth work flow from one department to another, while standardising documents and continuing to ensure that all requests are dealt with in a timely manner as our workload and the number and complexity of the tenders we process continues to increase.

We look forward to welcoming 11 new qualified personnel to our team in 2018, increasing its number to 43. This capacity increase will ease the enormous pressure on us, allowing us to divert resources towards higher level decision-making. This, along with a proposed update in legislation expected to be implemented in 2018, will bring our capabilities more in line with the current needs of the procurement industry, allowing for more flexibility, fluid processes and better communication.

The Tender Board also worked closely with the public and private sectors throughout 2017 to enhance the transparency and efficiency of the Kingdom's government procurement practices. We listened to our partners and implemented much of what they asked of us, and this is an ongoing process which we will keep up as we continue to promote Bahrain's position as a country to do business in within a fair, ethical and honest framework. Furthermore, we will ensure that all stakeholders understand the important role that the Tender Board plays in shaping international perceptions of Bahrain. To this end, we have launched a friendlier face to the public, with a new corporate identity that better reflects our new strategy of reaching out to stakeholders through new communication channels, such as an upcoming public relations function that will find new ways engaging our target audiences.

I'd like to thank each and every one of our hard-working team members for the effort and dedication they put into achieving our 2017 objectives. We have laid a solid foundation for future success and we look forward to a 2018 filled growth and progress. Above all, we look forward to facilitating business in the Kingdom to support the national economy in line with the Government's Economic Vision 2030.





Our greater transparency has encouraged more suppliers and contractors to engage with us."

*Hayam Mohammed
Ismail Al Awadhi
Secretary General*





مجلس المناقصات والمزايدات
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

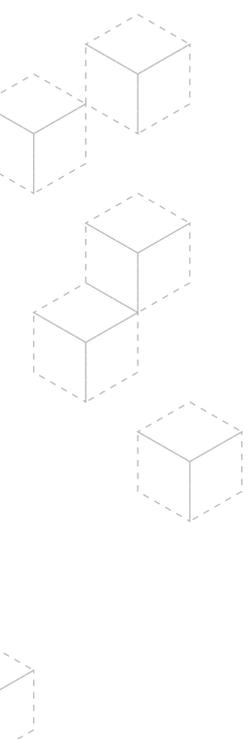
Decide upon acceptance or rejection of bids

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



AT A GLANCE



	2017	2016
No of opened tenders	1091	999
No of opened bids	5208	5320
Number of tenders handled (awarded, extensions, variation orders, renewals)	1892	1661
Total value of tenders handled (awarded, extensions, variation orders, renewals) (BD)	3,748,024,245	1,464,146,026
Total number of grievances handled	296	205
Total suppliers registered with the Tender Board	7216	5299
Number (percentage) of Local Suppliers registered with the Tender Board	4268 (59%)	3123 (59%)
Number (percentage) of International Suppliers registered with the Tender Board	2948 (41%)	2176 (41%)
Number of Pre-Qualified Companies	2568	2180



The Bahrain Tender Board maintains open channels of communication at all times, particularly for our stakeholders, whom we treat as clients to be served.

AWARD STATISTICS 2017



Infrastructure

730

No of Tenders
Awarded in 2017

387,946,727

Value of Tenders
Awarded in 2017 (BD)

Electricity and
Water Authority

309,148,424

Amount (BD)

412 No. of Tenders

Ministry of Works, Municipalities
Affairs and Urban Planning

69,827,683

Amount (BD)

222 No. of Tenders

Telecommunication
Regulatory Authority

3,570,844

Amount (BD)

19 No. of Tenders

Ministry of Transportation and
Telecommunications

2,894,666

Amount (BD)

33 No. of Tenders

Information and
eGovernment Authority

1,677,937

Amount (BD)

32 No. of Tenders

Bahrain Internet
Exchange

827,174

Amount (BD)

12 No. of Tenders



Oil

278

No of Tenders
Awarded in 2017

1,859,651,327

Value of Tenders
Awarded in 2017 (BD)

Bahrain Petroleum
Company - Bapco

1,779,431,963

Amount (BD)

192 No. of Tenders

Tatweer
Petroleum

77,556,885

Amount (BD)

74 No. of Tenders

Bahrain National
Gas Company - Banagas

2,178,192

Amount (BD)

6 No. of Tenders

National Oil and
Gas Authority

262,288

Amount (BD)

2 No. of Tenders

The Oil and Gas
Holding Company

222,000

Amount (BD)

4 No. of Tenders



Aviation

185

No of Tenders
Awarded in 2017

1,257,084,707

Value of Tenders
Awarded in 2017 (BD)

Gulf
Air

1,195,801,280

Amount (BD)

150 No. of Tenders

Bahrain
Airport Company

56,766,881

Amount (BD)

30 No. of Tenders

Gulf Aviation
Academy

4,191,087

Amount (BD)

4 No. of Tenders

Gulf Air
Group

325,458

Amount (BD)

1 No. of Tenders



Housing

51

No of Tenders
Awarded in 2017

82,760,480

Value of Tenders
Awarded in 2017 (BD)

Ministry of
Housing

81,917,983

Amount (BD)

47 No. of Tenders

Eskan
Bank

842,497

Amount (BD)

4 No. of Tenders





Our list of registered and pre-qualified suppliers and contractors witnessed a significant leap over the course of 2017, helped by improvements to our website interface and the upgrading of our e-Tendering System in 2017.

AWARD STATISTICS 2017



Education & Youth

107

No of Tenders
Awarded in 2017

17,504,530

Value of Tenders
Awarded in 2017 (BD)

Ministry of Youth
and Sport Affairs

8,061,068

Amount (BD)

21 No. of Tenders

Ministry of
Education

5,208,681

Amount (BD)

47 No. of Tenders

University of
Bahrain

2,479,092

Amount (BD)

22 No. of Tenders

Bahrain
Polytechnic

1,470,856

Amount (BD)

15 No. of Tenders

Education and Training
Quality Authority

284,833

Amount (BD)

2 No. of Tenders



Health

148

No of Tenders
Awarded in 2017

39,153,880

Value of Tenders
Awarded in 2017 (BD)

Ministry of
Health

33,636,797

Amount (BD)

145 No. of Tenders

Supreme
Council for Health

5,517,083

Amount (BD)

3 No. of Tenders



Investment

58

No of Tenders
Awarded in 2017

24,394,371

Value of Tenders
Awarded in 2017 (BD)

Economic
Development Board

11,954,598

Amount (BD)

34 No. of Tenders

Bahrain Real
Estate Investment - Edamah

11,882,802

Amount (BD)

19 No. of Tenders

Bahrain
Development Bank

369,423

Amount (BD)

3 No. of Tenders

Bahrain Mumtalakat
Holding Company

122,850

Amount (BD)

1 No. of Tenders

Bahrain
Bourse

64,698

Amount (BD)

1 No. of Tenders



Information

60

No of Tenders
Awarded in 2017

14,467,850

Value of Tenders
Awarded in 2017 (BD)

Ministry of
Information Affairs

8,222,699

Amount (BD)

35 No. of Tenders

Bahrain Authority for Culture
and Antiquities

6,245,151

Amount (BD)

25 No. of Tenders



Others

275

No of Tenders
Awarded in 2017

65,060,373

Value of Tenders
Awarded in 2017 (BD)



The Tender Board's long-term goal is to integrate its systems with those of all Government purchasing authorities in order to streamline inter-organisation communication and data retrieval.

**Tenders
Awarded
2017**



Our improved analytics allow us to make more informed decisions, which benefits our stakeholders, including Government purchasing authorities, suppliers, and contractors.”

Month	Total Amount (BD)	Total No. of Tenders
Jan	677,757,809	179
Feb	76,136,135	164
Mar	509,209,071	199
Apr	100,858,233	187
May	84,612,802	159
Jun	81,912,852	146
Jul	70,568,552	122
Aug	61,238,944	173
Sep	26,686,348	50
Oct	248,750,304	219
Nov	1,714,491,971	144
Dec	95,801,224	150
Total	3,748,024,245	1,892

Processing Efficiency

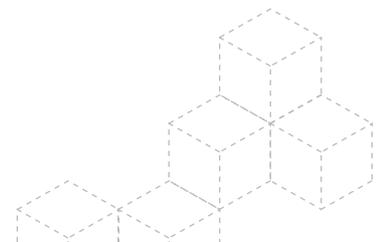
2017



2016



3,600+
Total Requests

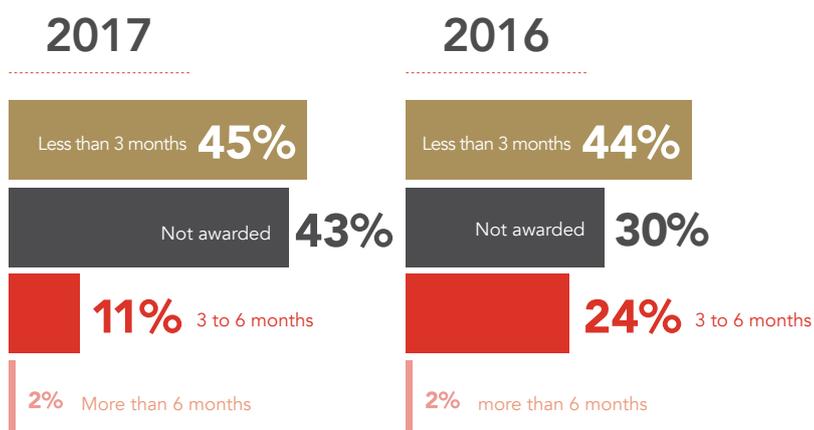


Number & Value of Tender Awarded during 2017 (Top 15 Purchasing Authorities)



Purchasing Authority Name	Total Amount (BD)	Total No. of Tenders
Bahrain Petroleum Company - Bapco	1,779,431,963	192
Gulf Air	1,195,801,280	150
Electricity and Water Authority	309,148,424	412
Ministry of Housing	81,917,983	47
Tatweer Petroleum	77,556,885	74
Ministry of Works, Municipalities Affairs and Urban Planning	69,827,683	222
Bahrain Airport Company	56,766,881	30
Ministry of Health	33,636,797	145
Economic Development Board	11,954,598	34
Bahrain Real Estate Investment - Edamah	11,882,802	19
Bahrain International Circuit	11,235,789	26
Ministry of Industry, Commerce and Tourism	10,303,904	45
Ministry of Information Affairs	8,222,699	35
Ministry of Youth and Sport Affairs	8,061,068	21
Tamkeen	6,490,620	13

Opened Tenders in 2017 by Awarding Period



1,892
No of Awarded
Tenders

The increase of prequalified suppliers and contractors from 2011 to 2017



INVESTING IN THE FUTURE

This year saw the launch of a four-year strategy aimed at completely transforming the way that the Bahrain Tender Board conducts its business, bringing it in line with global market trends and the changes that have occurred to the procurement industry. Developed in consultation with a team of experts and a sampling of our stakeholders, the plan aims to bolster the Bahrain Tender Board's overall performance, including, crucially, the further development of our IT capabilities.

Building upon the groundwork laid down in 2016, the Tender Board began a phased approach to the introduction of new systems and processes to allow for more efficient workflow and ensure a full understanding of the updated systems by all stakeholders. Planned in coordination with the Information and e-Government Authority (IGA), the Bahrain Tender Board is working with commissioned external developers to fully implement the ambitious upgrades.

In line with the Government's strategy to digitise its activities and go paperless as far as possible, the Bahrain Tender Board has also adopted this environmentally friendly strategy with the ultimate goal of capturing all its documentation through online transactions. This will not only streamline and standardise the Board's processes, but will also give rise to efficiencies and savings.

Redesigning and launching the Tender Board website

Following a revamp, the Tender Board website is now the official platform for all new public tender announcements in the Kingdom of Bahrain. The new website was launched in December 2017 offering Cloud-based features through Amazon Web Services (AWS). Designed to the highest international standards, it includes many new features, allowing users to search for tenders by category and sector to find exactly what they are looking for.

Tender listings now feature a summary of open tenders and a clearer description of the scope of work, giving companies more information ahead of their decision on whether or not they would

like to purchase the full documents required for them to compete. Updates to tender listings are also now available in real time.

e-Tendering system enhancements

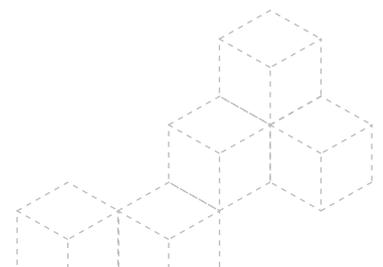
Along with the revamped website, the Bahrain Tender Board has worked to enhance the e-Tendering system, taking into consideration detailed feedback gathered from the system's users. One of the main features of the new system is that it links the Bahrain Tender Board's systems with the Commercial Registration database of the Ministry of Industry, Commerce and Tourism, allowing for a simpler interface and easier, more accurate, data entry. In addition, it permits tenders to be opened on any day of the week.

This project serves the Tender Board's long-term goal of integrating its systems with those of all Government purchasing authorities in order to streamline inter-organisation communication and data retrieval.

Improving internal processes

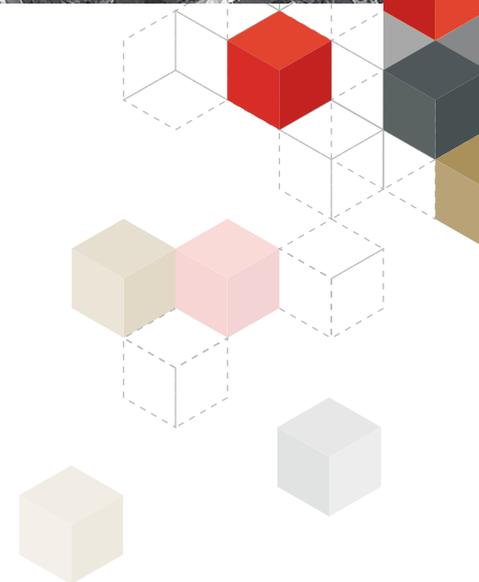
Internally, as well, the Bahrain Tender Board has streamlined its processes for greater expediency and efficiency. A new internal system, which is set to be rolled out over the course of 2018, includes an integrated workflow across various departments and automates several routine procedures. Since digital files are replacing physical ones in the transition to a fully paperless Tender Board, an easily-searchable database is being developed to facilitate rapid decision making. The Board's weekly meetings are also managed efficiently through the new system.

In 2018 and beyond, the Tender Board will continue to explore how technology can be further leveraged to improve services and be better connected with all partners in order to maximise the impact of its offerings to stakeholders.





The Tender Board website is now the official platform for all new public tender announcements in the Kingdom of Bahrain.



TRUST AND TRANSPARENCY

As one of the most important points of contact for business in Bahrain, the Bahrain Tender Board takes very seriously its responsibility to promote Bahrain as a fair and transparent place to do business. One of the means of achieving this objective is by maintaining open channels of communication at all times, particularly for our stakeholders, whom we treat as clients to be served.

A new help desk was created in late 2017 with the aim of helping us become even closer to our target audiences, and strengthening our relationships with the different purchasing authorities that make up the Government of Bahrain. It has also helped to identify bottlenecks, allowing us to overcome challenges we didn't notice before. Suppliers and contractors also use the service to get in touch with us for any enquiry.

Our list of registered and pre-qualified suppliers and contractors witnessed a significant leap over the course of 2017, helped by improvements to our website interface and the upgrading of our e-Tendering System in 2017. This also increased the diversity of our database, attracting many suppliers and contractors, and having the knock-on effect of improving competitiveness and quality.

Integrating our database of pre-qualified companies into our portal was another significant improvement in transparency, allowing users and other interested parties to view pre-qualified companies and flag those due for prequalification.

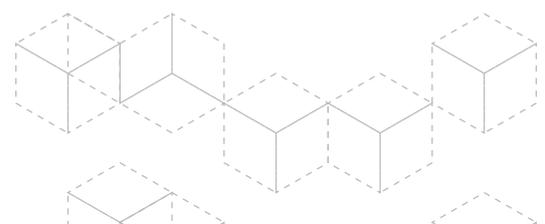
A new Customer Service Portal was created in late 2017 with the aim of helping us become even closer and efficient to our target audiences.

2018 will see the establishment of a new Public Relations function to keep the public abreast of the latest developments and announcements, and to reinforce the Board's key communication messages. This strategic approach to communications is aimed at further reinforcing the message that the Bahrain tendering system is consistent and fair to all suppliers and contractors, including both local, regional and multinational companies.

The Bahrain Tender Board received a fresh new look and feel with a rebranding that captures the organisation's progressive policies and futuristic vision, as evidenced by its up-to-date systems and technologies.

Our complaints system received 296 grievances during 2017, all of which we investigated and, in cases where we found sufficient merit, decisions have been taken using the proper official channels.

Ultimately, we are working every day to deliver a seamless, fast, secure, and above all, fair and transparent tendering system for the Government's projects, to drive economic growth and diversification in line with the Kingdom's Economic Vision 2030.





The Bahrain Tender Board takes very seriously its responsibility to promote Bahrain as a fair and transparent place to do business.

