

التقرير السنوي

2019



مجلس المناقصات والمزايدات
TENDER BOARD



مجلس المناقصات والمزايدات
TENDER BOARD

ANNUAL REPORT

2019

الاستثمار
في المستقبل

INVESTING
IN THE FUTURE





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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





PROFILE

The Tender Board was established in 2003 as the independent regulatory body overseeing government procurement practices in the Kingdom of Bahrain through a regulatory mechanism that establishes the principle of transparency and integrity in all procedures, ensures equal opportunities and justice for all suppliers and contractors and encourages domestic and foreign investment. The Board is considered to be an effective contributor in support of the local economy and strengthening the business sector in the Kingdom of Bahrain.

The Tender Board feeds into and supports the Bahrain's Economic Vision 2030, by providing the appropriate environment for economic development, in a way that facilitates business in the Kingdom and makes it more efficient, and in line with the steady economic growth on one hand and the available resources on the other.

Being the authority in charge of overseeing government purchases and sales, the Tender Board has played a pivotal and effective role in the volume of the Mega Projects in the Kingdom of Bahrain, including the expansion of housing projects such as East Sitra City, Al Ramli Housing Project, Khalifa City and East Hidd City, in addition to the Bahrain Airport Expansion Project, Exhibitions & Convention Center and many other projects in the fields of oil, gas, electricity, water and infrastructure.

The establishment of the Tender Board was one of the early stages of the launching of the King's reform project. The Board has endeavored during the past years to stand at a fair and equal distance from the Authorities and local and international contractors and suppliers. The Board has been able to build a strong relationship with all parties, and has been recognized for its professional performance and highest levels of transparency, ensuring equal opportunities for all suppliers and contractors participating in tenders through the integration of the legislative environment by the issuance of the Tender Law that regulates tendering practices and government procurement and guaranteeing the rights of all partners. This contributed to strengthening investor confidence, being highlighted as one of the most attractive business destinations.



STRATEGIC DIMENSIONS

The Tender Board has adopted the four strategic dimensions of its plan for development which are centered around organizational readiness through the employment of technology and innovation, in order to upgrade the operation's efficiency in an adequate legal environment. The plan is designed to create an effective communication platform, benefit from partnership opportunities, strengthen the role of the Board in government procurement, realize independence and develop governance, in addition to upgrading the quality of services provided to customers, and developing a durable infrastructure that is capable of fueling the national investment.

NATIONAL PROCUREMENT SYSTEM

As a phase of the National Procurement System project, the Board is working on promoting the development of the electronic system, to transform to the fourth generation of the smart procurement system "Procurement 4.0" which will provide an integrated and comprehensive system that encompasses all processes and procedures. The Board is also keen to support small and medium-sized enterprises, as one of the initiatives of the Board's plan for development, which would contribute to the creation of a competitive, equal opportunity and growth-stimulating environment. Furthermore, the Board is currently working on improving the status of the Kingdom of Bahrain in the international Ease of Doing Business index and raising the awareness of the Acting Authorities, suppliers and contractors of the provisions and articles of law as well as circulars and resolutions issued by the Board.



VISION, MISSION & VALUES

VISION

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

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.



VALUES

Integrity & Transparency

To strive to achieve the highest levels of integrity and transparency in our performance, and in our relationships with our stakeholders.

Trust & Respect

To strive to gain our partners' and customers' trust and respect through professional commitment in all of our dealings and decisions.

Equality & Equity

To achieve equal opportunities for all stakeholders.

Quality & Excellence

To work as a team to maximise the quality of our performance, in order to achieve service excellence.

Accountability

To be responsible for our decisions and actions and fully embrace team spirit.

Professionalism

To invest in developing and motivating our employees in order to enhance our professional ability and credibility.

Creativity

To encourage and utilise the full spectrum of our employees' creativity and talent to enhance organisational performance and achieve strategic success.



BOARD MEMBERS

The Tender Board continues to inspire confidence in the business environment in Bahrain in addition to promoting and attracting local, regional and international investments through careful supervision of government tenders. As a result, the Board acquired a fine reputation for its transparent, equal opportunity, fair and competitive achievements within a relatively short period since its founding, which strengthens the great role that the Board plays in providing services of distinctive quality.

THE TENDER BOARD'S RESPONSIBILITIES

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



Shaikh Nayef bin Khalid
Al Khalifa
Chairman



Eng. Ahmed
Abdulaziz Al-Khayyat
Deputy Chairman



Dr. Mohamed Mubarak
Bin Daina
Member



Isa Radhi
Al-Aradi
Member



Eng. Saeed Husain
Abdulrahman
Member



Eng. Waleed Yousif
Al-Saie
Member



Rashid Ahmed
Al-Jowder
Member



Jassim Abudlla
Humood
Member



Noor Hafedh
BuAli
Member



CHAIRMAN'S MESSAGE

Welcome to the Bahrain Tender Board's 2019 annual report. It has been an incredible year of delivery for the Tender Board and I would to extend my sincere thanks to His Majesty King Hamad bin Isa Al Khalifa for issuing the first royal decree of 2020 to restructure the board. This decree will help us reshape the future of the Tender Board and set us up for even greater success.

Our mission remains the same; to help the government purchase and sell products as well as services keeping in line with the best standards, ensuring the efficiency and effectiveness and entrenching the fairness and transparency in all aspects of the action-system. We are assisted in this cause by the constant support the Board receives from HRH the Prime Minister Prince Khalifa bin Salman Al Khalifa, and we are guided by the vision of HRH Prince Salman bin Hamad Al Khalifa, the Crown Prince, Deputy Supreme Commander and First Deputy Prime Minister.

In 2019, the Tender Board oversaw more than 1,700 tenders' worth over 1.8 billion Bahraini Dinars. 46% of these were in three priority sectors – services, infrastructure and housing. This volume of activity reflects our key role not just as an enabler of Vision 2030, but also as a guardian of strong and successful relationships among government entities and the international, regional and local businesses who look to invest with us. This a critical role because a strong, transparent procurement process is one of the main pillars of trust for vendors and suppliers and one of the best ways of strengthening the competitiveness of our business environment.

I hope that through this report you will gain a better understanding and recognition of the Bahrain Tender Board's role, and the part we play in supporting Bahrain's journey. I look forward to the Board continuing its significant work over the coming year.

Nayef bin Khalid Al Khalifa
Chairman

“

Awarding of 1730 tenders / bids in 2019 with a total value of 1.847 Billion Dinars, 45.5% of which are in the services, infrastructure and housing sectors.

”





SECRETARY GENERAL'S MESSAGE

Since its foundation in 2003, the Bahrain Tender Board has been on a journey of continuous improvement, combining a determination to operate to the highest ethical standards with a relentless pursuit of operational excellence. Those principles have been prominently displayed over the last year, as the Board set out to break new ground and redefine the breadth of its role.

That wasn't possible without the guidance of HRH the Prime Minister Prince Khalifa bin Salman Al Khalifa and the support of HRH Prince Salman bin Hamad Al Khalifa, the Crown Prince, Deputy Supreme Commander and First Deputy Prime Minister. The Crown Prince set the context at the 2019 Government Forum, urging us to strive for the highest standards of quality and to embrace a flexible strategy that best serves our customers across government.

So how did we meet this challenge? One of the first steps was deepening our relationships with our government partners. Key to this was forming joint working teams focused on improving performance across national indices. These teams were mandated to adopt working practices in line with international best practice and charged with working together to improve the Kingdom's global rankings.

The next step was to ask ourselves whether we were fully fit for Procurement 4.0. At a time when digital transformation is reshaping so many industries, it is critical that the Tender Board anticipates change and rapidly evolves its service delivery. We are all on a journey and as Bahrain digitises, so must we.

Of course this modernisation will generate with it a huge dividend in terms of quality and pace. Our efficiency will rise, our customer satisfaction will grow and that will help us best serve our stakeholders in an ever more competitive global marketplace. We have committed to a focused programme of change and it is already yielding results. We are able to do more, better. In 2019, public tenders as a proportion of the overall number increased to 70.5% from 57% in 2018. Limited tenders decreased from 25% to 20.2% of the overall total. Direct contracting went down from 18% to 10.3%. As the process becomes easier, more procurement will be conducted through public tenders. This means vendors and contractors need to compete which in turn drives up quality and drives down costs, leading to a more competitive economy

We are on our way towards meeting the best global standards, and despite a decrease in the overall number of tenders, the Tender Board increased its revenue in 2019 to 718,482 Bahraini Dinars – up 4.87% in 2018. As further evidence of efficiency gains, and in line with the objectives of the Fiscal Balance Programme, the Tender Board saved 106 million Bahraini Dinars across 164 negotiations conducted by the Board with contractors and vendors. This is a considerable achievement for the national economy.

The last year has been one of the most transformative in the Tender Board's history. Steered by the vision of our national leadership, driven by a young and effective Bahraini workforce hungry to deliver change and focused on a clear plan for delivering service excellence, the Bahrain Tender Board is committed to supporting its government partners and advancing the

global reputation of Bahrain. We hope this annual report helps all our stakeholders learn more about our work and our priorities – and we look forward to delivering more success together in 2020.

Dr. Mohamed Ali Bahzad
Secretary General

“

The Board achieved distinguished results in the methods of tendering, as the percentage of public tenders surged to 70% and the number of selective tenders and direct contracting decreased by 19.2% and 10.3% respectively.

”





OVERVIEW OF TENDER BOARD OPERATIONS IN 2019

Concurrently with its regular weekly meetings, the board holds public openings of bids submitted for tenders offered by the Acting Authorities, in the presence of bidders and company representatives. These openings are broadcast live on the board's website. The board is currently conducting bid opening operations on Monday and Thursday of each week in an effort to accelerate the pace of the bidding procedures.

The total number of tenders and auctions whose bids were opened by the board during 2019 reached 1034 tenders and auctions, with an estimated value of 1,847 billion Bahraini Dinars. The total number of bids submitted for these tenders and auctions reached 5418 bids.

	2018	2019
Number of opened tenders and auctions	1119	1034
Number of opened bids	5174	5418
Number of tenders handled by the Board (Award, Extensions, Variation Orders and Renewals)	2102	1730
Total value of tenders handled by the Board (Award, Extensions, Variation Orders and Renewals) (BD)	3,737,350,550	1,847,174,347
Total number of grievances handled	446	541
Total number of suppliers registered with the Tender Board	8305	9707
Total number of Local Suppliers registered with the Tender Board	4839	5524
Total number of International Suppliers registered with the Tender Board	3466	4183
Number of Prequalified Companies	2420	2703

“ Public openings of bids in the presence of the Acting Authorities, suppliers and contractors in order to enhance the integrity and transparency of government procurement practices. ”



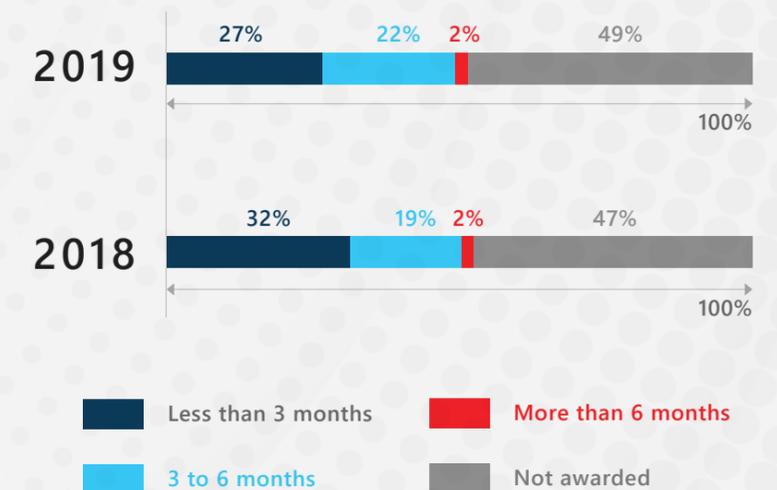
RESPONSE TIME FOR INQUIRIES

4307 Total No. of Responses to Requests



PROCESSING TIME FOR TENDERS

972 Awarded Tenders





AWARD STATISTICS IN 2019

INFRASTRUCTURE

**589**No. of Tenders
Awarded in 2019**503,923,810**Value of Tenders
Awarded in 2019 (BD)**Ministry of Works,
Municipalities Affairs and
Urban Planning****249,708,265**
Amount (BD)**214** No. of Tenders**Electricity and Water
Authority****240,408,930**
Amount (BD)**273** No. of Tenders**Information and
eGovernment Authority****7,279,425**
Amount (BD)**25** No. of Tenders**Ministry of
Transportation and
Telecommunications****3,875,802**
Amount (BD)**42** No. of Tenders**Telecommunications
Regulatory Authority****1,150,305**
Amount (BD)**14** No. of Tenders**Bahrain Internet Exchange****637,765**

Amount (BD)

14 No. of Tenders**Urban Planning &
Development Authority****611, 638**
Amount (BD)**6** No. of Tenders**Survey and Land
Registration Bureau****251,680**
Amount (BD)**1** No. of Tender

OIL & GAS

**265**No. of Tenders
Awarded in 2019**460,234,878**Value of Tenders
Awarded in 2019 (BD)**Tatweer Petroleum****322,620,375**

Amount (BD)

121 No. of Tenders**Bahrain Petroleum
Company (Bapco)****136,263,158**

Amount (BD)

137 No. of Tenders**Oil and Gas Holding
Company****788,121**

Amount (BD)

4 No. of Tenders**Bahrain National Gas
Expansion (Banagas)****319,223**

Amount (BD)

2 No. of Tenders**National Oil and
Gas Authority****244,000**

Amount (BD)

1 No. of Tender

AVIATION

**244**No. of Tenders
Awarded in 2019**252,311,679**Value of Tenders
Awarded in 2019 (BD)**Gulf Air****175,400,924**

Amount (BD)

161 No. of Tenders**Bahrain Airport Company****71,676,808**

Amount (BD)

80 No. of Tenders**Gulf Aviation Academy****4,993,947**

Amount (BD)

2 No. of Tenders**Hala Bahrain
Hospitality****240,000**

Amount (BD)

1 No. of Tender

HOUSING

**59**No. of Tenders
Awarded in 2019**348,202,658**Value of Tenders
Awarded in 2019 (BD)**Ministry of Housing****347,563,766**

Amount (BD)

55 No. of Tenders**Eskan Bank****638,892**

Amount (BD)

4 No. of TendersEDUCATION
& YOUTH**88**No. of Tenders
Awarded in 2019**24,353,019**Value of Tenders
Awarded in 2019 (BD)**Ministry of Education****14,107,457**

Amount (BD)

22 No. of Tenders**University of Bahrain****4,529,541**

Amount (BD)

16 No. of Tenders**Ministry of Youth and
Sports Affairs****3,653,769**

Amount (BD)

16 No. of Tenders**Bahrain Polytechnic****1,173,931**

Amount (BD)

20 No. of Tenders**Education and Training
Quality Authority****494,144**

Amount (BD)

4 No. of Tenders**Institute of Public
Administration****271,233**

Amount (BD)

3 No. of Tenders**Supreme Council for
Youth and Sports****122,943**

Amount (BD)

7 No. of Tenders

INVESTMENT

**74**No. of Tenders
Awarded in 2019**67,559,069**Value of Tenders
Awarded in 2019 (BD)**Bahrain Real Estate
Investment (Edamah)****58,958,212**

Amount (BD)

34 No. of Tenders**Economic
Development Board****6,338,181**

Amount (BD)

25 No. of Tenders**Bahrain Mumtalakat
Holding Company****816,000**

Amount (BD)

2 No. of Tenders**BAPCO Retail Company SPC****688,420**

Amount (BD)

1 No. of Tender**Bahrain Development
Bank****369,103**

Amount (BD)

2 No. of Tenders**Bahrain Institute for
Pearls and Gemstones
(Danat)****196,266**

Amount (BD)

4 No. of Tenders**Bahrain Bourse****192,887**

Amount (BD)

6 No. of Tenders

INFORMATION

**132**No. of Tenders
Awarded in 2019**52,354,753**Value of Tenders
Awarded in 2019 (BD)**Bahrain International
Circuit****21,678,570**

Amount (BD)

25 No. of Tenders**Tamkeen****8,824,308**

Amount (BD)

18 No. of Tenders**Ministry of
Information Affairs****7,940,964**

Amount (BD)

24 No. of Tenders**Bahrain Authority for
Culture and Antiquities****7,570,078**

Amount (BD)

20 No. of Tenders**Bahrain Exhibition and
Convention Authority****5,553,494**

Amount (BD)

33 No. of Tenders**Ministry of Industry,
Commerce and Tourism****541,306**

Amount (BD)

6 No. of Tenders**Bahrain Center for Strategic,
International and Energy Studies****246,032**

Amount (BD)

6 No. of Tenders

HEALTH

**101**No. of Tenders
Awarded in 2019**53,377,896**Value of Tenders
Awarded in 2019 (BD)**Ministry of Health****46,650,692**

Amount (BD)

93 No. of Tenders**Supreme Council
of Health****6,727,204**

Amount (BD)

8 No. of Tenders



AWARD STATISTICS IN 2019

OTHER



174

No. of Tenders
Awarded in 2019

66,290,261

Value of Tenders
Awarded in 2019 (BD)

Ministry of Finance and National Economy

39,299,169

Amount (BD)

37 No. of Tenders

General Poultry Company (Dawajin)

7,472,699

Amount (BD)

6 No. of Tenders

Labor Market Regulatory Authority

4,000,812

Amount (BD)

13 No. of Tenders

Ministry of Interior

3,798,645

Amount (BD)

14 No. of Tenders

Ministry of Labor and Social Development

3,000,112

Amount (BD)

34 No. of Tenders

Ministry of Foreign Affairs

1,468,993

Amount (BD)

8 No. of Tenders

Supreme Council for Environment

1,275,581

Amount (BD)

4 No. of Tenders

Council of Representatives (Nuwab)

1,112,241

Amount (BD)

6 No. of Tenders

Social Insurance Organization

973,663

Amount (BD)

14 No. of Tenders

Ministry of Justice and Islamic Affairs

846,853

Amount (BD)

6 No. of Tenders

Supreme Council for Islamic Affairs

499,321

Amount (BD)

1 No. of Tender

The Supreme Judicial Council

444,520

Amount (BD)

2 No. of Tenders

Ombudsman

432,000

Amount (BD)

1 No. of Tender

The Court of H.R.H. The Prime Minister

377,441

Amount (BD)

2 No. of Tenders

Public Prosecution

321,680

Amount (BD)

3 No. of Tenders

The Constitutional Court

220,160

Amount (BD)

2 No. of Tenders

Tender Board

204,471

Amount (BD)

5 No. of Tenders

Civil Service Bureau

153,423

Amount (BD)

6 No. of Tenders

National Audit Office

140,847

Amount (BD)

1 No. of Tender

Shura Council

85,054

Amount (BD)

3 No. of Tenders

Gulf Handling Company

49,500

Amount (BD)

1 No. of Tender

General Organization of Sea Ports

48,928

Amount (BD)

1 No. of Tender

Bahrain Chamber for Dispute Resolution

39,813

Amount (BD)

1 No. of Tender

Legislation and Legal Opinion Commission

14,985

Amount (BD)

1 No. of Tender

National Institution for Human Rights

6,872

Amount (BD)

1 No. of Tender

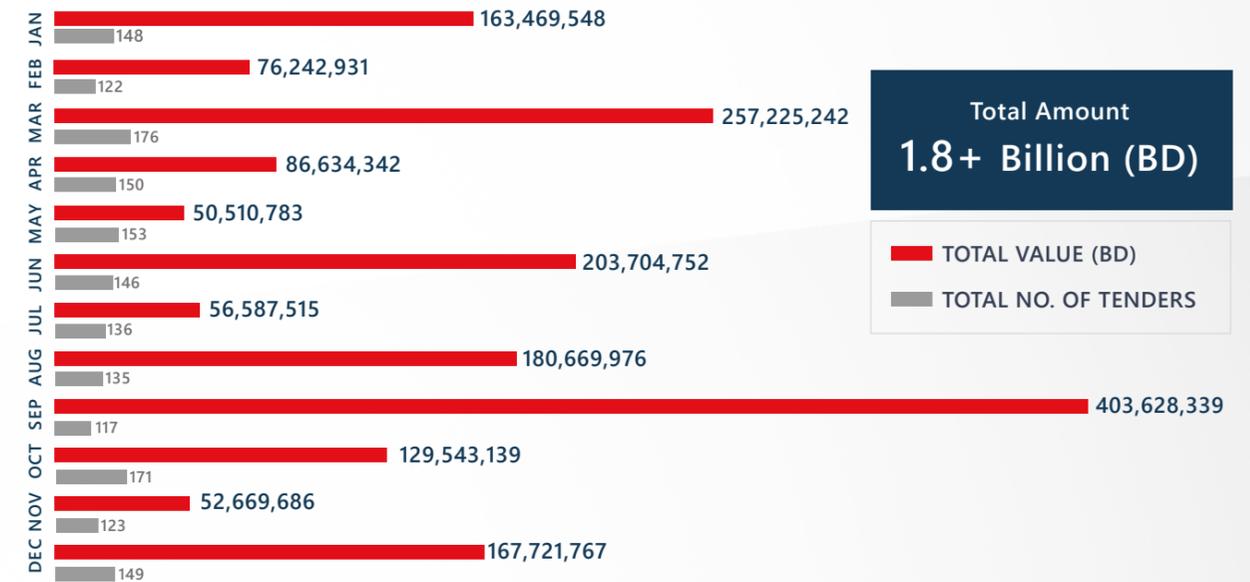
Ministry of Shura Council & Representatives Council Affairs

2,478

Amount (BD)

1 No. of Tender

TENDERS AWARDED IN 2019



TOP 15 PURCHASING AUTHORITIES

PURCHASING AUTHORITY NAME	TOTAL VALUE (BD)	TOTAL NO. OF TENDERS
1 Ministry of Housing	347,563,766	55
2 Tatweer Petroleum Company	322,620,375	121
3 Ministry of Works, Municipalities Affairs and Urban Planning	249,708,265	214
4 Electricity and Water Authority	240,408,930	273
5 Gulf Air	175,400,924	161
6 Bahrain Petroleum Company - BAPCO	136,263,158	137
7 Bahrain Airport Company	71,676,808	80
8 Bahrain Real Estate Investment Company (Edamah)	58,958,212	34
9 Ministry of Health	46,650,692	93
10 Ministry of Finance and National Economy	39,299,169	37
11 Bahrain International Circuit	21,678,570	25
12 Ministry of Education	14,107,457	22
13 Tamkeen	8,824,308	18
14 Ministry of Information Affairs	7,940,964	24
15 Bahrain Authority for Culture & Antiquities	7,570,078	20



THE KEY PROJECTS AWARDED DURING 2019



Implementation of East Sitra Housing Project

Total cost of the project :
BD 259,727,811

Ministry of Housing

East Sitra City is one of the main projects added to the housing achievements made by the Ministry of Housing. The city provides more than 3000 housing units and building plots. The project will be implemented in 3 phases.

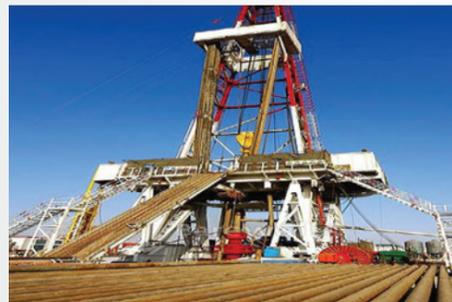


Exhibitions and Convention Center at Sakhir

Total cost of the project :
BD 83,600,000

Ministry of Works

The Exhibitions and Convention Center is located to the west of the Bahrain International Circuit. The exhibition center includes 10 halls. The project also includes a convention center that includes a main conference hall and a number of 27 medium and small-sized conference and meeting rooms.



Supply of Pipelines for Drilling of Oil and Gas Wells

Total cost of the project :
BD 62,642,078

Tatweer Petroleum Company

The supply of pipelines used for drilling of oil and gas wells for the next five years aims to meet the needs, increase oil and gas production and ensure continuity of maintenance for existing wells.



66 KV Transmission

Total cost of the project :
BD 55,659,046

Electricity and Water Authority

Designing, supplying, installing, testing, operating and maintaining switches (14), 66 kV and 11 kV.



Provision of Well-Drilling Services

Total cost of the project :
BD 11,311,000

Tatweer Petroleum Company

Providing well-drilling services to support the company's upcoming drilling projects over the next three years.



Oil and Gas Exploration Agreement with the Italian Company "Eni"

Total cost of the project :
Memorandum of Understanding

National Oil and Gas Authority

The agreement aims to check the feasibility of exploration for the development of oil and gas in the northern maritime block (No. 1) with the aim of expanding operations in the oil and gas field to increase the production to meet future demands.



The Salmaniya Carpark Development Project

Total cost of the project :
BD 4,500,000

Bahrain Real Estate Investment Company (Edamah)

Building and developing a multi-storey car parking near Salmaniya Medical Complex. The project includes 600 parking spaces to serve an average of 8,000 visitors and/or patients of Salmaniya Complex per day. Moreover, it provides space for retail and advertising for investment purposes.



The "Sa'ada" Project

Total cost of the project :
BD 4,500,000

Bahrain Real Estate Investment Company (Edamah)

Financing the first stage of the "Sa'ada" project which consists of 7 buildings that include 32 stores. It also includes multi-story parking lots that serve the Muharraq market, with a capacity of 200 parking spaces.



King Faisal Corniche Development Project

Total cost of the project :
BD 33,134,400

Ministry of Works, Municipalities Affairs and Urban Planning

Implementation of the second stage of the expansion of the King Faisal Corniche development and investment project, to establish a shopping mall and hotel apartments for a period of 60 years with an area of 100,000 square meters in consideration of utilization allowance for the Ministry.



Purchase of a Flight Simulator

Total cost of the project :
BD 1,305,288

Gulf Aviation Academy

Purchase of a package of Airbus aircraft data and documents to provide the necessary simulation information for the training of pilots and co-pilots during training on the simulator.

PREQUALIFICATIONS

It is worth noting that the prequalification process includes prior verification of the technical capabilities as well as financial and administrative means of companies willing to participate in government tenders in an attempt to ensure that the tenders are awarded to competent and capable companies. Prequalification is carried out through two means, either in response to a public prequalification announcement or through individual applications of companies for the approval of their qualification to include them in the prequalification register or for requalification in order to upgrade their position.

The Board is currently working on formulating the necessary plans and implementation mechanisms related to its development plans for prequalification. The Board's development plan includes a number of initiatives related to the prequalification process, such as prequalification plan activation, development of a mechanism to evaluate the performance of the suppliers and contractors and establishment of a database on the performance history of these suppliers in different tenders/projects completed.

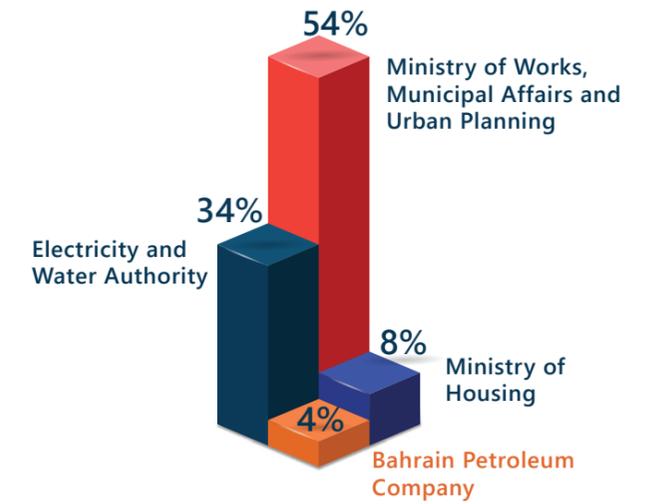
The number of qualified local companies until the end of 2019 increased by 10% to reach 1590 companies, which represents 59% of the total number of qualified companies during 2019 and about 29% of the total number of local companies included in the Electronic Tendering System. Similarly, the number of qualified international companies until the end of 2019 increased by 12% to reach 1113 companies, which represents 41% of the total number of qualified companies during 2019 and about 27% of the total number of international companies registered with the Board.

“
The Board is working on activating a development plan for the prequalification process.
 ”

The approximate number of prequalification applications approved by the Board since the beginning of 2011 until the end of 2019 is 3,044 qualification applications, an increase of 277 applications during 2019. Such applications were submitted by suppliers and contractors either individually or in partnership with other companies.

“
A 10% increase in the number of prequalified local companies until 2019, compared to a 12% increase in the number of prequalified international companies.
 ”

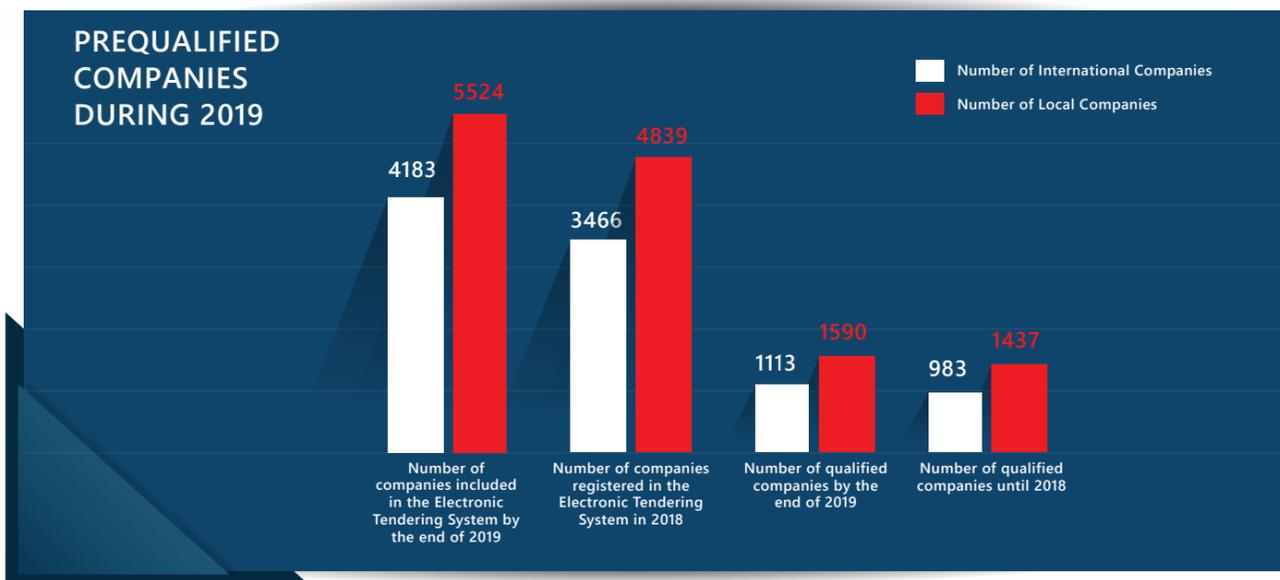
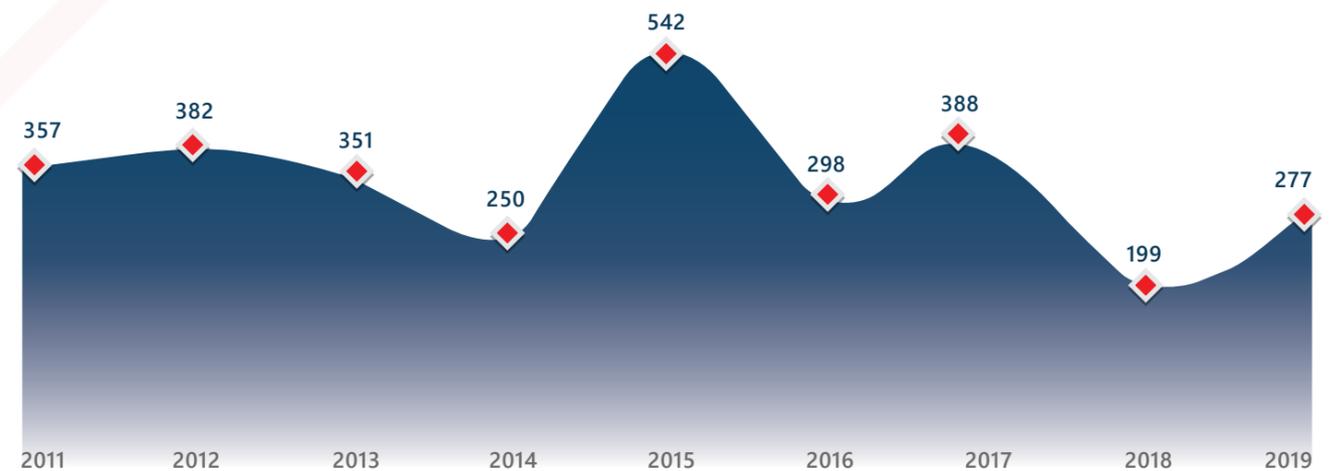
Distribution of approved prequalification applications until 2019 according to the Acting Authorities.



During 2019, the Ministry of Works, Municipalities Affairs and Urban Planning topped the percentage of approved qualification applications with 54% of the total approved qualification applications, followed by the Electricity and Water Authority with 34%.

The Cumulative Number Of Approved Qualification Applications

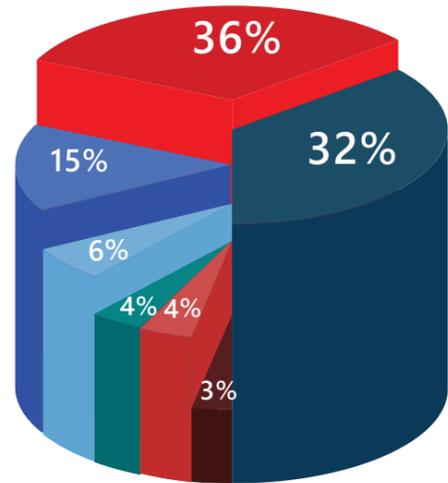
The following graph shows an increase in the number of approved qualification applications in 2019 by 28% compared to 2018, as 277 qualification applications were approved in 2019 compared to 199 qualification applications in 2018.





PREQUALIFICATIONS

The percentage of approved qualification applications of the Electricity and Water Authority reached 36% of the total number of requests submitted until 2019, followed by the Ministry of Works, Municipalities Affairs and Urban Planning with around 32% of the total number. This demonstrates the keenness and commitment of these Acting Authorities to carry out the qualification process on a regular basis.



Approved Qualification Applications Until 2019 According To The Acting Authority

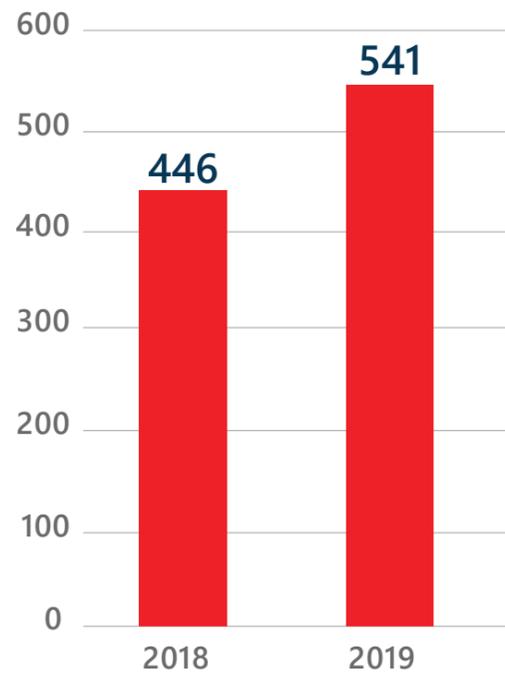
- Electricity and Water Authority
- Ministry of Works, Municipalities Affairs and Urban Planning
- Ministry of Housing
- Survey and Land Registration Bureau
- Bahrain Petroleum Company
- Other Authorities
- Bahrain Airport Company

REQUESTS FOR RECONSIDERATION AND GRIEVANCES

The Tender Board is committed to adopting the highest standards of transparency and fairness. All applications and grievances received by the Board are responded to in appropriate ways. Such applications and grievances are discussed on a weekly basis during the Tenders Board meetings in accordance with the provisions stipulated in the Law for Regulating Tenders, Auctions, Government Purchases and Sales.

During 2019, the Tender Board received 541 requests for reconsideration and grievances from suppliers and contractors, representing 10% of the total number of bids received during 2019 based on their reasons, which can be summarized as follows:

- Requests related to reviewing acceptance of the initial tender bond.
- Failure to submit the required forms.
- Requests related to award decisions.
- Requests related to tender procedures.



DEVELOPMENT PLANS

Since the beginning of 2019, the Tender Board initiated a new mechanism to monitor the indicators of tenders' operations, in an attempt to understand the strengths of the tenders' indicators of every Acting Authority and identify possible opportunities for development, in a way that achieves the objectives of the law and brings more speed, effectiveness and efficiency to decision-making processes within these bodies, and thus to the government's tenders' procedures as a whole. This contributed to the development of policies, procedures and indicators of major tender processes in order to enhance the efficiency and effectiveness of operations and to develop the performance of the Acting Authorities by enhancing their participation in workshops and specialized courses.

The Kingdom of Bahrain has adopted the "Bahrain's Economic Vision 2030" as an approach and road map for the economic and development work in the Kingdom. The vision, together with the guidance of His Royal Highness Prince Salman bin Hamad Al Khalifa, Crown Prince, Deputy Supreme Commander and First Deputy Prime Minister have outlined its goals and commitments, so that the Kingdom can be a leading model at all levels. In line with "Bahrain's Vision", a work team has been formed between several government agencies to work on an initial plan which includes several initiatives that will improve Bahrain's position in international indicators and support small and medium-sized enterprises which will help the Kingdom's agencies to achieve efficiency and effectiveness in their functions and competencies to the fullest extent and raise the level of services provided to beneficiaries in order to secure a prosperous future and sustainable development. The Board has also been working to strengthen the relationship with strategic partners from the government authorities in order to improve the level of performance, apply best management practices related to government purchases and sales and to achieve the highest and optimal investment rates for public finances in government authorities. Eighteen workshops have been held during the past year, in which more than thirty-five Purchasing Authorities have participated, in addition to a workshop for suppliers and contractors. It is hoped that many specialized courses and workshops targeting the other remaining authorities will be implemented.



FISCAL BALANCE

Following the objectives of the Fiscal Balance Program launched by Kingdom of Bahrain with the aim of creating a balance between expenses and revenues, which is based on six basic pillars designed to enhance the efficiency of government expenditure and drive economic growth, the Tender Board achieved revenues amounting to around 718,482 Bahraini Dinars. The Board looks forward to increasing its revenues during the year 2020 through development of additional services for partners.

However, the Tender Law laid down the principles of integrity, transparency and the optimal use of public money. Additionally,

the same law has ruled out one case where the Acting Authority, after obtaining the approval of the Board, may negotiate with the bidder who presents the best conditions and the lowest price if their tender price is higher than the estimated purchase cost in order to minimize their price to the lowest possible price. Accordingly, in 164 tenders, the Board approved negotiation of the Acting Authorities with suppliers and contractors, which contributed to achieving direct financial savings of 106.426 Million Dinars.

SUPPORTING SMALL AND MEDIUM-SIZED ENTERPRISES

In pursuit of the Board to implement its development plan in support of small and medium-sized enterprises, and in implementation of Council of Ministers Decision, the Board has been working on developing executive plans for a number of initiatives that aim to provide technical support and advice to small and medium-sized enterprises and to increase the competitiveness of these enterprises in order to participate in government tenders, which in turn would contribute to creating a competitive and equitable environment for all suppliers and contractors in accordance with best international practices.

A number of circulars were issued on November 18, 2019, including Circular No. (2) of 2019 regarding preference application to

small and medium-sized enterprises, and Circular No. (3) of 2019 regarding the central announcement of the internal tenders. These Circulars explained the mechanism of procedures for applying preference to institutions classified as small and medium-sized enterprises.

In addition, the Board held a number of training workshops for all Acting Authorities in order to ensure the proper application of the relevant procedures. Such workshops included clarifications on centralization of announcement of all local and international public internal tenders through the Board's website, thus ensuring that all enterprises are informed of these announcements.



DIGITAL TRANSFORMATION

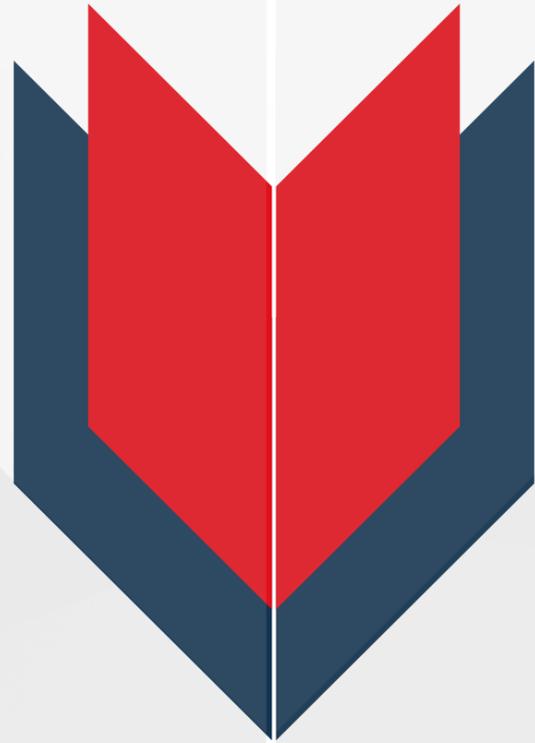
Consistent with the government's efforts in implementing the digital transformation strategy for the Kingdom of Bahrain and the employment of artificial intelligence technologies in the manufacturing and services sectors, including the management and organization of procurement and tenders processes, the Board is working on the implementation of a national electronic platform project for government procurement. It is anticipated that the project would be implemented and completed within 24 months, which confirms the Board's readiness to keep up to date with the future technical advances in the field of procurement by the transition to the fourth-generation procurement intelligent system (Procurement 4.0), as part of its continuous effort to present a leading example for government procurement practices and to adopt the best international practices. This step would enhance Bahrain's position in the field of digital transformation.

The system includes the activation of many features; the most prominent of which are: suppliers' registration, linking with Sijilat and the ability to open bids on any weekday. That is why the Board considered developing the working mechanism by creating a new, integrated and more comprehensive system, ensuring that the needs of all parties are met while promoting smoothness and speed of procedures and processes.

This platform aims to develop a new methodology that enhances the innovativeness, smoothness and speed of government procurement system. It is a results-based platform that targets achievement of the highest levels of satisfaction of the Acting Authorities, suppliers and contractors by reinforcing the principles of transparency, competitiveness and equal opportunities. The platform also works to enhance the efficiency and effectiveness of government procurement processes, by reducing the time needed to complete procurement procedures and reducing work routines, which in turn would contribute to reducing operational expenses, within a flexible procurement policy.



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