



## **Bahrain-United States Free Trade Agreement**

### **Government Procurement**

The Government Procurement chapter of the Bahrain-US Free Trade Agreement (FTA) applies to any measure regarding covered purchases by entities on the central government level, as well as selected other government entities. The Government Procurement Chapter stipulates that parties must ensure that government procurement rules are non-discriminatory and transparent and each party must give the other party's suppliers National Treatment when considering tender bids.

### **National Treatment and Non-Discrimination**

The Kingdom of Bahrain and the United States are required to accord to each others' goods, services, and suppliers treatment no less favorable than the treatment it accords its own goods, services, and suppliers. This means that Bahraini and US suppliers will have equal access to bid on tenders by all government entities covered by this chapter. The Agreement similarly bars discrimination against locally established suppliers on the basis of foreign affiliation or ownership.

### **Transparency**

The Agreement requires that the relevant authorities in Bahrain and the U.S. promptly publishes laws, regulations, and other measures governing procurement, and any changes to such measures and must, upon request, provide an explanation relating to any such measure.

Procuring entities must publish notices of procurement opportunities in advance. The Agreement also lists minimum information that such notices must include.

## **Tendering Procedures**

The Agreement sets out procedural guidelines that ensure the tendering procedures are impartial, fair, and transparent.

Provisions of the Agreement stipulate that any covered government entity shall publish a notice inviting interested suppliers to submit tenders in an electronic or paper medium that is widely disseminated and readily accessible, prescribe sufficient time limits for tendering, and provide information necessary for suppliers to prepare and submit responsive tenders.

The procuring entity or relevant authority is then required to receive, open, and evaluate all tenders under non-discriminatory and transparent procedures, and promptly inform bidder of its contract award decision. Decisions shall also be published in an officially designated publication. In addition, specific provisions are included to ensure that bidders are given the opportunity to challenge and appeal a decision to an impartial authority that is independent of the procuring entity.

## **Additional Provisions**

The Government Procurement Chapter is designed to promote integrity in procurement practices. It requires both countries to adopt or maintain procedures that disqualify suppliers that are determined to have engaged in fraudulent or illegal action in relation to procurement. It also establishes procedures under which the application of the Agreement may change, such as in the instance that a covered government entity is privatized.

Additionally, the Agreement provides that Bahrain or the United States may adopt or maintain measures necessary to protect: (1) public morals, order, or safety; (2) human, animal, or plant life or health; or (3) intellectual property. They may also adopt measures relating to procurement of goods or services of handicapped persons, philanthropic institutions, or prison labor.

## **Coverage and Thresholds**

The Agreement applies to purchases and other means of obtaining goods and services valued above certain monetary thresholds by those government departments, agencies, and enterprises listed in each country's schedule.

Specifically, the commitments of the Agreement applies to procurements by listed "central" (*i.e.*, Bahrain or U.S. federal) government agencies of goods and services

valued at \$175,000 or more and construction services valued at \$7,611,532 or more.<sup>1</sup> The equivalent thresholds for purchases by “other entities” are \$250,000 for goods and services and \$9,368,478 for construction services. All thresholds, except the \$250,000 threshold, are subject to adjustment for inflation.

#### **A. Covered Central Government Entities**

##### Kingdom of Bahrain Central Government Entities:

1. Central Informatics Organization
2. Equestrian & Horse Racing Club
3. General Organization for Youth and Sports
4. Ministry of Interior
5. Ministry of State for Cabinet Affairs
6. Ministry of Commerce
7. Ministry of Defense
8. Ministry of Education
9. Ministry of Electricity & Water
10. Ministry of Finance & National Economy
11. Ministry of Foreign Affairs
12. Ministry of Health
13. Ministry of Industry
14. Ministry of Information
15. Ministry of Islamic Affairs
16. Ministry of Justice
17. Ministry of Labor & Social Affairs
18. Ministry of Municipalities Affairs and Agriculture
19. Ministry of Oil
20. Ministry for the Shura Council & Representative Council Affairs
21. Ministry of Transportation
22. Ministry of Works & Housing
23. National Guard
24. Public Commission for the Protection of Marine Resources, Environment & Wildlife
25. Supreme Council for Oil
26. Survey & Land Registration Bureau
27. Tenders Board
28. Bahrain Monetary Agency (BMA)

---

<sup>1</sup> These thresholds are subject to adjustment every two years according to a “Threshold Adjustment Formula” set out in the Annex 9-F. In addition, as stated in that Annex, there are specific required threshold amounts during the first two years of the Agreement’s effectiveness.

United States Central Government Entities:

1. American Battle Monuments Commission
2. Commission on Civil Rights
3. Commodity Futures Trading Commission
4. Consumer Product Safety Commission
5. Broadcasting Board of Governors
6. Corporation for National and Community Service
7. Department of Agriculture
8. Department of Commerce
9. Department of Defense
10. Department of Education
11. Department of Energy
12. Department of Health and Human Services
13. Department of Homeland Security
14. Department of Housing and Urban Development
15. Department of the Interior, including the Bureau of Reclamation
16. Department of Justice
17. Department of Labor
18. Department of State
19. Department of Transportation
20. Department of the Treasury
21. Department of Veterans Affairs
22. Environmental Protection Agency
23. Equal Employment Opportunity Commission
24. Executive Office of the President
25. Export-Import Bank of the United States
26. Farm Credit Administration
27. Federal Communications Commission
28. Federal Deposit Insurance Corporation
29. Federal Housing Finance Board
30. Federal Maritime Commission
31. Federal Mediation and Conciliation Service
32. Federal Trade Commission
33. General Services Administration
34. Merit Systems Protection Board
35. National Aeronautics and Space Administration
36. National Archives and Records Administration
37. National Credit Union Administration
38. National Labor Relations Board
39. National Mediation Board
40. National Science Foundation
41. National Transportation Safety Board
42. Nuclear Regulatory Commission
43. Office of Personnel Management
44. Office of Thrift Supervision

45. Overseas Private Investment Corporation
46. Peace Corps
47. Railroad Retirement Board
48. Securities and Exchange Commission
49. Selective Service System
50. Smithsonian Institution
51. United States Agency for International Development
52. United States International Trade Commission

## **B. Other Entities**

### Kingdom of Bahrain Entities:

1. Bahrain Center for Studies and Research
2. Bahrain Convention & Exhibition Bureau
3. Bahrain Training Institute
4. Council of Representatives
5. Economic Development Board
6. General Organization for Social Insurance
7. Municipal Councils
8. National Audit Court
9. Pension Fund Commission
10. Radio & TV Corporation
11. Shura Council
12. The High Council for Vocational Training
13. Telecommunication Regulatory Authority
14. The Constitutional Court
15. University of Bahrain
17. Bahrain Petroleum Co. (BAPCO)

### United States Entities

1. Tennessee Valley Authority
2. Bonneville Power Administration
3. Western Area Power Administration
4. Southeastern Power Administration
5. Southwestern Power Administration
6. St. Lawrence Seaway Development Corporation
7. Rural Utilities Service



