

# Public Procurement Review of the State of Mexico

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Review of the public procurement policies and practices of the State of Mexico and support to the implementation of OECD recommendations

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Public procurement represents about **22% of the total government expenditure in the State of Mexico**—considerably above the average in OECD countries (13.2% as of 2015). The State of Mexico relies on a Central Purchasing Body (General Directorate of Material Resources, Ministry of Finance) responsible for addressing common needs of goods and services required by the state’s central public administration. Financing for public procurement in the State of Mexico comes from local resources and, in some cases, from federal funds. Procurement processes using federal funds are required to follow the national regulatory framework, while state-financed procurement follow the state rules and laws.

Still, to achieve further efficiencies in the use of public funds, as well as promoting integrity and transparency in public procurement processes, the State of Mexico should adapt its public procurement system to allow for greater reliance on ICT tools and multiple procurement strategies to leverage on the nature and characteristics of specific supply markets.

In January 2019, the Government of the State of Mexico and OECD established an agreement to work together on the reform of its procurement policies and practices in order to maximise value for money and advance trust in the public procurement function of the state.

## **Fast Facts**

**Country:** Mexico

**Timeframe:** January 2019 – May 2021

### **Counterparts:**

- **Ministry of Control of the Government of the State of Mexico** (*Secretaría de la Contraloría del Gobierno del Estado de México*)
- **State of Mexico institutions** (Central Purchasing Body, Ministry of Finance)
- **Stakeholders** (Business chambers, local and national CSOs)

### **Areas of focus:**

- Transparency and integrity
- E-procurement
- Efficiency
- Secondary policy objectives
- Professionalisation of public procurement practitioners
- Stakeholder engagement

## **List of Deliverables**

- Public procurement review
- Two workshops
- OECD participation as Technical Secretariat of the Plural Working Group on Public Procurement in the State of Mexico
- Follow up report assessing implementation of OECD recommendations

## Timeline

- **January 2019:** signature of the Agreement between the State of Mexico and the OECD
- **-May 2019:** First capacity building workshop
- **-March 2020:** launching of the Review of Public Procurement in the State of Mexico
- **-March 2020:** Second capacity building workshop
- **-May 2021:** launching of the Report to follow up the implementation of recommendations for the reform of the public procurement system in the State of Mexico

## Content of the project

The project supports the implementation of good practices in the public procurement system of the State of Mexico. The OECD will work closely with a multi-stakeholder group convened by the Ministry of Control of the State of Mexico and that will include participants from business chambers, CSOs, and public purchasing units.

The work by the OECD will consist in carrying out a review and providing support to State of Mexico authorities for the implementation of the recommendations. The project comprises four components as follows:

### **Component 1 – Public Procurement Review**

The review will comprise an analysis and evaluation of the public procurement processes and practices of the Government of the State of Mexico, by comparing them with existing OECD principles, namely the 2015 OECD *Recommendation of the Council on Public Procurement* and international best practices to determine if there are areas of opportunity for improving the efficiency, integrity, accountability, and the prevention of corruption, by adopting, when applicable, policy recommendations made by the OECD.

### **Component 2 – Capacity building workshops**

Two capacity-building workshops will include both, a theoretical and a practical component. The topics of these workshops will be selected by the OECD in consultation with the Government of the State of Mexico, but could include market research, award criteria, supplier engagement, contract management, integrity and transparency, risk mapping, bid rigging, among others. Country experts and OECD staff will lead these workshops, which will include practical exercises so that participants can apply their learning.

### **Component 3 – Participation of the OECD as Technical Secretariat to the Plural Working Group on Public Procurement in the State of Mexico**

In order to address the need by the Government of the State of Mexico to establish a dialogue with stakeholders, a working group will be established to reform public procurement. The OECD will provide terms of reference and experiences to put the group together. Once established, the OECD will play the role of administrative facilitator, collecting opinions, studies and contributions from the participants to incorporate them – if and as appropriate - in the Review. This would allow a participative approach to public procurement reform, aligned with good international practices.

### **Component 4 – Follow up report on the implementation of the Review recommendations**

Once the Review is published, the OECD will hold meetings every three months with the officials in charge of implementing the recommendations to facilitate the process, further dialogue, and advance coordination to overcome obstacles and document achievements. Twelve months after the publication of the Review, the OECD will publish a follow up report analysing achievements, identifying challenges, and proposing solutions.

## Outputs and resources

- Review of [Mexico's e-Procurement System: Redesigning CompraNet through Stakeholder Engagement](#)
- [Follow up Report on Mexico's CompraNet Reform: Improving e-Procurement through Stakeholder Engagement](#)
- [OECD Recommendation of the Council on Public Procurement](#)