

FOREWORD

In October 2011 the OECD executed an Inter-Institutional Agreement with the Mexican competition authority (*Comisión Federal de Competencia, CFC*) and the Government of the State of Mexico (*Gobierno del Estado de Mexico, GEM*). The purpose of the Agreement was to assist GEM in implementing the OECD Competition Committee's Guidelines for Fighting Bid Rigging in Public Procurement in its procurement processes. The Guidelines, approved in 2009, provide practical and applicable checklists for designing effective public procurement procedures and for detecting collusive practices during the course of tender processes, with the aim of reducing the risk of bid rigging in public tenders.

Since October 2011, the OECD Secretariat, GEM and CFC officials have worked closely to understand the legal framework and practices governing public procurement at GEM and to identify areas for possible improvement. An interim report was presented to GEM officials for discussion and feedback. This final Analytical Report contains more than 30 recommendations to GEM on how to improve its procurement procedures to avoid collusion among suppliers. It also identifies over 30 recommendations to address limitations and drawbacks in the current legal framework.

The implementation of the OECD recommendations, together with the increased awareness among GEM procurement officials of the costs and risks of collusion, will help GEM to increase the effectiveness of its procurement strategy to the benefit of the State of Mexico's taxpayers. The savings generated can then be used by GEM to fund additional and better services. Fighting bid rigging helps to improve the competitiveness and economic growth of countries and states over the long term.

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