



Increasing accountability for intra-government contracting in Mexico



Public Procurement Principle: **Accountability, Transparency**



Procurement Stage: **Tendering**



Audience: **Policy maker, Procuring entity**

Description

In Mexico, contracts between contracting authorities and other contracting authorities or state-owned entities (for example, universities), under what is known as an Article 1 exemption (Article 1, 5th paragraph, Law on Public Sector Acquisitions, Leases and Services (Ley de Adquisiciones, Arrendamientos y Servicios del Sector Público) & Article 1, 4th paragraph, Law on Public Works and Related Services (Ley de Obras Públicas y Servicios Relacionados con las Mismas)), are not required (or allowed) to be entered into the Mexican e-procurement system, CompraNet.

According to investigations by Animal Político and Mexicanos Contra la Corrupción y la Impunidad (MCCI), by using Article 1 exceptions, MXN 7 670 million (EUR 336 million) in public contracts were awarded, through eight public universities, to 186 companies. However, 128 of the companies were not entitled to receive public resources, given that they did not have the infrastructure or legal standing to provide the services for which they were hired, or simply because they did not formally exist.

Currently, even in these cases, contracting authorities are still obliged to apply standard procurement principles dictated by Article 134 of the Constitution. However, given that it is not made publicly available or loaded into any central repository, information related to this significant proportion of government expenditure is not easily accessible. The quality of insights that can be derived from CompraNet will affect the system's ability to increase accountability, advise public policy and generate value for public funds. However, the

quality of insights is dependent on the quality and completeness of the data that is entered into the system. Therefore, forthcoming reforms of the CompraNet e-procurement system, supported by the OECD, will seek to rectify this by making provisions in law, and in the CompraNet system, for publishing information on commercial agreements between government entities.

Source: OECD (2019), [Enhancing the Use of Competitive Tendering in Costa Rica's Public Procurement System](#), OECD Publishing, Paris

