

Second Public Procurement Review of the Mexican Institute of Social Security (IMSS)

Review of the public procurement policies and practices of the Mexican
Institute of Social Security (IMSS)

Overall, OECD countries have improved the quality of their healthcare, but the price tag has been high – on average amounting to 9% of gross domestic product (GDP) in 2016. While healthcare has also improved in Mexico, the country persistently ranks low for health spending, a reliable determinant of a population's health status. Furthermore, at just above 50% of total health expenditure, the share of public financing of healthcare in Mexico is the second lowest in the OECD. In addition, Mexico is facing pressing social challenges that have substantial implications for health such as an ageing population, pollution, sedentary lifestyles and obesity. To improve value for money and reduce health inequities, the country needs to further invest in cost-effective programmes that affect the personal, environmental and social determinants of health. This includes more effective public services that use health budgets – particularly public funds – more efficiently.

IMSS is the largest social security institute in Latin America. As a key actor in Mexico's healthcare system and largest public buyer, IMSS strives to be a leader in the strategic use of public procurement. In 2012, IMSS asked the OECD to peer review its procurement organisation and practices. Implementing the OECD's policy recommendations has brought tangible benefits to the Institute. However, strengthening public procurement requires continuous assessment of the effectiveness of strategies and processes to ensure that they remain relevant and have an optimal impact on public service delivery. IMSS therefore invited the OECD to review progress made in implementing the previous policy recommendations and suggest improvements, taking into account evolutions of the healthcare system and organisational changes in the Institute.

This second peer review highlights IMSS's achievements in a number of areas that are pivotal for transforming its procurement operations. Overall, IMSS has improved its procurement efficiency and developed strong competition in the markets in which it operates, allowing it to lead the largest consolidated procurement scheme in the Mexican public sector.

Fast Facts

Country: Mexico

Timeframe: November 2016 – April 2018

Counterparts:

- **Mexican Institute of Social Security** (*Instituto Mexicano del Seguro Social, IMSS*)

Areas of focus:

- Transparency and integrity
- Efficiency
- Secondary policy objectives
- Professionalisation of public procurement practitioners
- Economic competition
- E-procurement

List of Deliverables

- Public Procurement Review
- Two workshops

Timeline

- **November 2016** Signature of the agreement between IMSS and the OECD
- **April 2017** First capacity building workshop on implementing tender strategies
- **January 2018** Launching of the Second Public Procurement Review of IMSS
- **April 2018** Second capacity building workshop on reviewing OECD recommendations and designing an action plan

Content of the project

The project supports the implementation of good practices in the public procurement system of IMSS. The OECD worked closely with the Institute to present a series of conclusions, international comparisons, recommendations, and proposals for improvement, including concrete actions that IMSS could carry out to address the remaining opportunity areas after the implementation of the recommendations from the first review.

The work by the OECD consisted in carrying out a second review and providing support to IMSS authorities for the development of two capacity-building workshops. The project comprised two components:

Component 1 – Second Public Procurement Review

This review highlights achievements by IMSS in a number of areas – human resources, technological capacities and relations with suppliers – which were previously identified by the OECD as pivotal for the successful reform of IMSS procurement operations. This report highlights the progress made and offers recommendations to support IMSS in achieving procurement excellence and fulfilling its mandate to provide the best possible, most cost-effective healthcare services to citizens.

Component 2 – Capacity building workshops

Two capacity-building workshops included both, a theoretical and a practical component. The OECD selected the topics of these workshops in consultation with IMSS. The first one focused on the implementation of tender strategies and the second one on designing an action plan for the implementation of the new recommendations. Country experts and OECD staff led these workshops, which include practical exercises so that participants could apply their learning.

Outputs and resources

- [*Public Procurement Review of the Mexican Institute of Social Security: Enhancing Efficiency and Integrity for Better Health Care*](#)
- [*Second Public Procurement Review of the Mexican Institute of Social Security \(IMSS\): Reshaping Strategies for Better Healthcare*](#)
- [*OECD Recommendation of the Council on Public Procurement*](#)