Public Procurement Review of ISSSTESON

Review of the public procurement policies and practices of the Institute for Security and Social Services of the State Workers of Sonora, Mexico
The Public Procurement Review of the Institute for Security and Social Services of the State Workers of Sonora, Mexico (Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado de Sonora, ISSSTESON) comprises an analysis and evaluation of the public procurement processes and practices of the Institute. The Review compares practices followed by ISSSTESON against existing OECD principles, namely the 2015 Recommendation of the Council on Public Procurement and international best practices to determine the areas of opportunity for improving the efficiency, integrity, and accountability of ISSSTESON’s public procurement. The Review includes an appraisal of risk areas and a review of ISSSTESON procedures’ compliance with established public policy goals, including economic, social, and environmental complementary goals.

ISSSTESON, the institution that provides medical and social security services to public workers in Sonora, is experiencing financial hard times. One of the main concerns for ISSSTESON’s senior management is the lack of revenue stability, which has resulted in a solvency problem for the institution. This situation is having practical implications for its affiliates and is likely to worsen in the future unless reforms are implemented. ISSSTESON needs a comprehensive restructure to assure its financial stability. The review analyses ISSSTESON’s revenue structure, its recent evolution, its most important challenges, and provides recommendations to achieve financial sustainability.

In March 2017, ISSSTESON and the 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 Institute.

**Fast Facts**

**Country:** Mexico (Sonora)

**Timeframe:** March 2017 – Summer 2019

**Counterparts:**

- Institute for Security and Social Services of the State Workers of Sonora (Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado de Sonora, ISSSTESON)

**Areas of focus:**

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

**List of Deliverables**

- Public Procurement Review
- Two workshops
Timeline

- **March 2017**: Signature of the agreement between ISSSTESON and the OECD
- **July 2017**: First capacity building workshop on bid rigging
- **Summer 2019**: Second capacity building workshop and launching of the Public Procurement Review

Content of the project

The project supports the implementation of good practices in the public procurement system of ISSSTESON. The OECD will work closely with the Institute to present a series of conclusions, international comparisons, recommendations, and proposals for improvement, including concrete actions that ISSSTESON could carry out to address the opportunity areas identified in the analysis.

The work by the OECD will consist in carrying out a review and providing support to ISSSTESON authorities for the development of two capacity-building workshops. The project comprises two components:

**Component 1 – Public Procurement Review**

The review will comprise an analysis and evaluation of the public procurement processes and practices of ISSSTESON, by comparing them with existing OECD principles and international best practices to determine if there are areas of opportunity for improving the efficiency, integrity, and accountability of procurement operations. It also looks at the revenue structure of the Institute and makes recommendations to advance its financial sustainability.

**Component 2 – Capacity building workshops**

Two capacity-building workshops will include both, a theoretical and a practical component. The OECD will select the topics of these workshops in consultation with ISSSTESON. The first one focused on fostering competition and preventing bid rigging. Country experts and OECD staff lead these workshops, which include practical exercises so that participants can 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*