Galicia

Infrastructure Update

New Procurement Law

Mexico City, April 11, 2025

On April 10, 2025, the Senate approved the bill presented by the Federal Executive, and previously approved by the Lower Chamber (*Cámara de Diputados*), with the draft decree enacting a new Public Sector Procurement, Leasing, and Services Law (the "New Procurement Law") and amending, supplementing, and repealing several provisions of the: (i) Federal Law on Republican Austerity; (ii) Law on Social and Solidarity Economy, and (iii) General Law on Cooperative Corporations (the "Bill"). Pursuant to the above, the Initiative was sent to the Federal Executive for its sanction and publication in the Federal Official Gazette (*Diario Oficial de la Federación*).

The main changes proposed in the New Procurement Law (compared to the current law) are the following:

- Social and Sustainability Component. It is established that government agencies and
 entities of the Federal Government must consider the following aspects in their
 procurement processes: (i) the social aspect, by promoting the participation of national
 companies, particularly micro, small, and medium-sized enterprises (Mipymes, for its
 acronym in Spanish), cooperatives, and other certified organizations within the social
 sector of the economy; and (ii) the environmental aspect, by incorporating the evaluation
 of technologies that enable the reduction of greenhouse gas emissions and improve
 energy efficiency.
- Public Procurement Digital Platform (the "<u>Platform</u>"). The implementation of the Platform, replacing CompraNet, through which procurement procedures, the signing and administration of contracts and framework agreements will be carried out, as well as access to information in relation to them.

It is important to mention that the disappearance of CompraNet has been questioned by various sectors of society under the argument that it represents a setback in terms of transparency and accountability.



However, the Bill proposes that, unlike CompraNet, the Platform will not be limited to being a repository of documents and information nor will it focus on isolated functionalities but rather will seek a comprehensive digital transformation of the processes that make up the complete cycle of public procurement, seeking to guarantee full traceability of public spending management.

For the Platform to meet the objectives set out in the Bill, it will be important to address key factors, such as the technological infrastructure that the Ministry of Anti-Corruption and Good Governance (the "Ministry") will have for its implementation and administration, as well as the mechanisms to guarantee the accessibility, integrity and inalterability of the information, including data migrated from CompraNet.

New Procurement Strategies

- Consolidated Procurements. It is established that the Ministry will be responsible for the policy regarding the determination of goods and services that can be acquired, leased, or contracted in a consolidated manner. For this purpose, said Ministry will have a Strategic Procurement Committee in which representatives from the Ministry of Treasury and Public Credit and the Ministry of Economy will also participate.
- Framework Agreements. The term "framework contracts" is replaced with "framework agreements". These agreements will be awarded through a competitive process conducted via the Platform and, once the potential suppliers are selected, they will be the only ones with which government agencies and entities may contract the specified goods, leases, or services.
- Subsequent Discount Offer. The subsequent discount offer modality shall be prioritized in procurement procedures (i.e., the possibility for bidders to offer additional discounts after the submission and opening of their financial proposals).

New Procurement Procedures

- Competitive Dialogue. Limited to works or services requiring a high level of specialization to address complex issues with potential social or economic impact; it will be conducted in two stages: (i) the preparatory stage, to prequalify the candidates eligible to submit proposals, and (ii) the conclusive stage, which includes the decision and contract award.

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- Direct Award with Negotiation Strategy. Designed for urgent cases arising from unforeseeable events, intended to address matters that cannot be delayed when it is not possible to procure goods, services, and/or leases through a public tender or an invitation to at least three parties.
- Award of a specific contract derived from the execution of a framework agreement.
 Its rules and characteristics will be established in the Regulations of the New Procurement Law.
- Assignment of Supply or Service Orders Derived from the Digital Store. Its purpose is
 to enable government agencies and entities to procure the required products or
 services immediately through the Digital Store (a module of the Platform).
- Strategic Dialogues. Their purpose is to allow government agencies and entities to exchange information with private parties and conduct negotiations regarding the description of goods or services, delivery conditions, benefits, and prices, among other aspects; its duration will be limited to ten calendar days, extendable for an equal period.

The Bill also provides for amendments to the: (i) Federal Law on Republican Austerity regarding consolidated procurements; (ii) Law on Social and Solidarity Economy, concerning the authority of the National Institute of Social Economy in relation to the certification model for organizations within the social sector, and (iii) General Law on Cooperative Corporations, in connection with the requirements for the incorporation and registration of the constitutive acts of such corporations, as well as the creation of the National Registry of Cooperative Corporations.

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