

## SELLING TO THE CNA

There is no central publication which announces upcoming projects with the CNA. As with all public works tenders, the CNA places announcements in at least two national newspapers. It generally uses *El Universal*, *Excelsior*, *Novedades*, *El Nacional*, *Uno Mas Uno*, or *El Financiero*. The cost of bid documents normally ranges from about U.S. \$320 to \$640, varying with the contract size. Bids must be submitted in Spanish. Contract award decisions, as well as the administration of the project, are handled at the state and municipal level.

A company is not required to register with the CNA prior to bidding on a contract. Instead, registration is conducted during the bid process. Foreign construction companies must register with the *Cámara Nacional de la Industria de la Construcción* upon the award of a contract. Bidding companies are expected to have a net worth in excess of 20 percent of the project cost.

Companies without permanent representation in Mexico should assign someone in Mexico to track the process of the competition and to respond to any questions that the CNA might have. Their responsibility will be to visit the job site, personally submit the bid, be present when the decision is made, sign the contract and receive the down payment. The representative should be notarized as having power of attorney.

The World Bank and the InterAmerican Development Bank fund over 50 percent of all potable water and sewage projects and over 80 percent of all irrigation and drainage. World Bank policy requires that any project funded by the Bank in excess of U.S. \$5 million must be open to international tender and have a bidding lead time of 45 days.

## OPPORTUNITIES FOR CANADIAN COMPANIES

The large demand for water services, and the commitment of Mexican government bodies to deliver these services, create a substantial market for Canadian engineering and construction firms that specialize in water infrastructure development.

- Waste water and sewage treatment will be the growth area in Mexico's water sector. Public construction contracts will go to the companies that can combine state-of-the-art technology with financial backing.
- Projects will vary in size and scope. It will be important to search out opportunities that lie within one's capabilities. A local partner could be instrumental in matching skills to specific opportunities.
- Private sector markets will emerge based on new environmental regulations. Many companies are now forced to construct plants to treat their industrial waste water. Canadian firms should also investigate opportunities in industrial parks. Groups of Mexican companies are exploring the possibility of building communally-owned plants to treat their combined effluent.
- Good sources of information on upcoming water projects in Mexico are the InterAmerican Development Bank's project pipeline, and the CNA itself. At the CNA, inquiries should be directed to the *Gerencia de Construcciones* — Office of Construction Management.

### REHABILITATING MEXICO CITY'S WATER SYSTEM

Commenting on the Mexico City water program, Ing. Alonso Gutierrez Cortina, director of Urban Services for Grupo Gutsa, stated that the City's plan will be the model for future administration of the country's municipal water systems.

The city has been divided into 4 zones. Contracts totaling U.S. \$2 billion have been extended to four major consortia to carry out the rehabilitation program. The deal will involve both Mexican and European partners, including Britain's Severn Trent, Anglian Water and North West Water; France's Compagnie Générale des Eaux and Lyonnaise des Eaux Dumez; and Mexican construction firms ICA, Gutsa and Bufete Industrial.

The program has 3 phases:

- 1) Installation of metres and establishment of a billing system.
- 2) Repair of the system, which is estimated to have a water loss rate of 30 percent. Repairs will cost U.S. \$500 million and are expected to take 5 years.
- 3) Finally, the expansion of the system to keep up with the city's growth.

