

## THE BID TEAM

Companies interested in bidding should prepare in advance by having the right players in place to respond to a bid when it comes up through the system. This will make it easier to respond effectively within the time allowances in the bid.

A typical bid team might include the following people:

- a local representative, familiar with the *Cuadro Básico* and the eligibility of the product, who scans the bid notices for opportunities;
- a technical and marketing person who will put the elements of the bid together;
- a translator who can translate the specifications and the bid;
- an *afianzadora*, bond company, known to the purchasing entities involved;
- a notary who can certify documentation in the proposal; and
- contacts at the Mexican Embassy or closest Mexican Consulate in Canada, to certify parts of the proposal documentation.

## CONTRACT AWARDS

Bids are opened in a public session at a time and a date set out in the bid documents. Generally two representatives from each competing company are present at the opening. All other conditions being equal, the contract will go to the lowest bidder. Contracts must be awarded within 40 working days of the bid opening. A contract must be signed within 20 working days of the date the contractor was notified of the award. There may be a further extension of 10 days should the purchasing entity consider that it is necessary. Notification of a bid-award is sent to the relevant business chambers, or *Cámaras*.

Once a contract is awarded, it can be increased by 15 percent within six months without having to go back out to public tender.

## PERFORMANCE BONDS

The contractee is required to provide a performance guarantee in the form of a bond. The amount is set at the discretion of the purchasing entity, and is usually 10 percent of the contract value. This can be in the form of a *fianza*, bond, from an accredited Mexican *afianzadora*, bond company.

If advance payments are included in the terms of the agreement, a guarantee in the form of a bond, for the amount of the advance, is required. The bond is cancelled when the corresponding advance payment is fully amortized.

