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# GOVERNMENT PROCUREMENT IN MEXICO: A CANADIAN BIDDERS HANDBOOK



FIRST EDITION



Department of Foreign Affairs and International Trade  
Ministère des Affaires étrangères et du Commerce international  
Latin America & Caribbean Trade Division



B U S I N E S S G U I D E - M E X I C O

## **Business Guide – Mexico**

**Government Procurement in Mexico: A Canadian Bidders Handbook**, First Edition, was developed by the Department of Foreign Affairs and International Trade (DFAIT), researched by Stratec Consultants International, Mexico City and published by Prospectus Inc. The Business Guide was made possible through the support of the Toronto office of Baker & McKenzie.

This Business Guide is designed to provide an overview of the process for government procurement in Mexico. It is not intended to be the only source of information for this vital aspect of business planning. All efforts have been made to avoid errors and inaccuracies in this Business Guide. We encourage the reader to use this Business Guide as one of the resources for commercial dealings with Mexico, evaluating business decisions with the assistance of appropriate professional advisors. Neither the author, the publishers nor the collaborating organizations will assume any responsibility for commercial loss due to business decisions made based on the information contained in this book.

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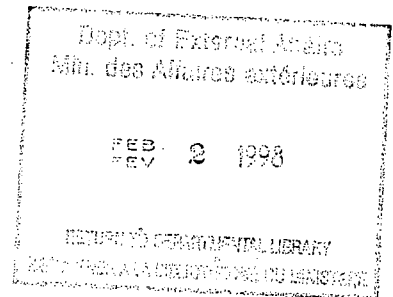
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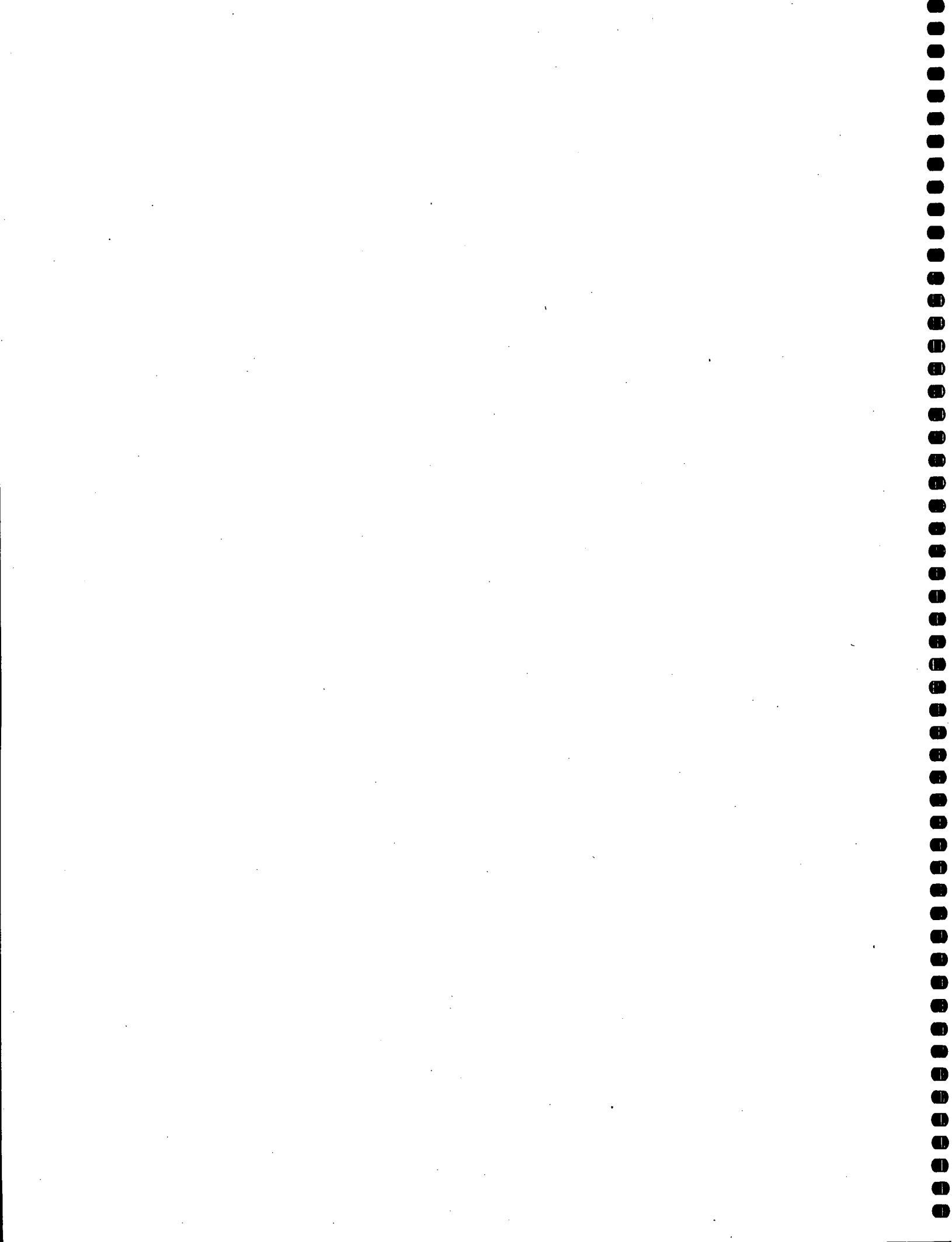
# BUSINESS GUIDE

## GOVERNMENT PROCUREMENT IN MEXICO: A CANADIAN BIDDERS HANDBOOK

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MEXICO



## FROM BAKER & M<sup>c</sup>KENZIE, BARRISTERS & SOLICITORS

With more than fifty offices in 27 countries, Baker & McKenzie is the largest law firm in the world. In Mexico, the Firm has had a very significant presence since 1961. In Mexico City, the Firm operates locally under the name *Bufete Sepulveda* and in all other locations in Mexico the Firm is known as Baker & McKenzie. The Firm currently has offices in the cities of Juárez, Mexico City, Monterrey, and Tijuana, with expansion plans to the other growing industrial regions in Mexico. A substantial percentage of all foreign companies establishing operations in the maquiladora regions have retained the services of Baker & McKenzie to assist them in all aspects of their endeavours in this regard.

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- Tax

The Baker & McKenzie offices in Canada and Mexico work to assist Canadian companies to find the right partner to enable them to establish or expand business activities in Mexico. Whether a company's objective is to raise capital, establish a joint venture or strategic alliance, or begin exporting to the Mexican market, Baker & McKenzie offers a coordinated approach to ably facilitate entry to the Mexican market.



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# Mexico



# TABLE OF CONTENTS

## THE NAFTA

The North American Free Trade Agreement (NAFTA) expands Canada's free-trade area of 270 million people into a market of 360 million — a market larger than the population of the 12 countries of the European Community and one with a total North American output of \$7 trillion.

Mexico is Canada's most important trading partner in Latin America. Two-way merchandise trade with Mexico exceeded \$5.5 billion in 1994 and is expected to increase to over \$7 billion by the end of the decade.

Canadian direct investment in Mexico is growing rapidly, increasing from \$452 million in 1992 to over \$1.2 billion in 1994.

This guide has been prepared with the problems inherent to the new exporter in mind. However it is not exhaustive; individual circumstances, interests and needs will dictate how companies should tailor their approach and strategy to the Mexican market.

Further assistance can be obtained by addressing requests directly to:

Department of Industry (DI) through the provincial International Trade Centres (Key Contacts Section)

or

InfoCentre

1-800-267-8376 or (613) 944-4000

Fax: (613) 996-9709

FaxLink: (613) 944-4500

Bulletin Board System (IBB):

1-800-628-1581 or (613) 944-1581

FOREWORD	5
1. AN OVERVIEW	6
Experience of Canadian Companies	7
Evaluating Mexican Potential	10
2. THE MEXICAN ENVIRONMENT	10
Recent Economic History	10
The Impact of the North America Free Trade Agreement	12
The Government Procurement Market	14
The Private Sector Market	16
3. DISCOVERING MEXICO	16
An Exploratory Visit to Mexico	17
Meeting Potential Clients and Representatives	18
Entering the Mexican Market	22
Organizing for Government Procurement in Mexico	26
4. THE PROCUREMENT PROCESS	27
Overview	27
Changes under the North American Free Trade Agreement	29
Decentralization and Privatization	30
Participation Thresholds	31
Bid Terms and Conditions	32
Disqualification	35
Guarantee Bonds	36
Protests	38
5. FINDING BID OPPORTUNITIES	41
Orientation of the Company's Representative	42
Presentations and Seminars	42
State-owned Corporation Bid Programming	43
Fine Tuning the Bidding Machinery	44
Acquiring Documents	50
6. THE BID PROPOSAL	52
Procurement Procedures	52
Clarifying Detail	53
Sizing Up the Competition	55
Managing Bid Activities	55
Documentation	56
Integrating the Bid	60
Pricing	64
Assembling the Bid Package	65
Proofing	67
Official Translations	67
Certified Documents	67
Compiling Sets of Documentation	68
Getting the Bid to Mexico	68

7. THE BIDDING PROCESS	69
Last-minute Corrections	69
Assembling Final Bid Envelopes	70
Preparing for the Bid Ceremony	70
Arriving at the Bid Ceremony	71
Pre-opening Formalities	71
Opening and Checking Offers	73
Oral Presentation	75
Looking Through Competitors Bid Packages	76
Protesting the Official Minutes	77
Cultural Sensitivity	77
Signing the Official Minutes and Initialing Competitors' Offers	77
Early Protests	78
Debriefing	78
Responding to Clarifications	79
The Decision	79
Recording an Official Objection	80
Collecting the Offer Bond	81
The Order	81
8. PERFORMANCE	81
The Order	81
The Letter of Credit	83
Meeting Contract Obligations	83
Hastening Payments	87
Phasing Out Obligations	89
9. PERPETUATING SUCCESS	90
Expanding Horizons	90
"Piggy-back" Opportunities	91
Branching Out to Central and South America	91
Exploring Opportunities for Expanded Local Presence	91
Success Factors	91
Cementing Relationships	92
10. KEY CONTACTS IN CANADA	93
Canadian Government Departments and Services in Canada	93
Key Contacts in Canada	99
Canadian Government Departments and Services in Mexico	100
Key Contacts in Mexico	101
11. GLOSSARY OF TERMS	105
APPENDIX:	
Sample Request for Proposal from the Mexican National Railways	106



## FOREWORD

The North American Free Trade Agreement (NAFTA) will contribute to an economic expansion in Mexico that is likely to outpace growth in either Canada or the United States. Canadian suppliers have an opportunity to participate in this expansion. The opportunities are especially promising in the area of government industrial procurements.

The ratification of the NAFTA came at a time when Mexico was already undergoing massive structural change. Barriers to trade and investment had already been unilaterally lowered, leading to extensive industrial and commercial modernization. The Mexican government has also begun massive upgrading of the country's antiquated infrastructure. These developments have combined to create unprecedented sales and investment opportunities.

Publicity surrounding the NAFTA negotiations, numerous trade missions, and increased promotional activities, has increased Mexican awareness of Canadian capabilities. Mexican buyers now see Canadian companies as an alternative to omnipresent U.S. suppliers.

Canadian suppliers will have to be aggressive if they want to take full advantage of these opportunities, in particular, the strong sales potential in the public sector. This includes government departments and agencies as well as state-owned corporations, known in Mexico as *paraestatales*. These entities constitute a combined market for consumables, services and equipment that will reach US \$8 billion in 1995. Despite the current economic crisis, this market is projected to grow at an annual rate of 10 percent through the year 2000. These estimates were based on the value of the Mexican peso prior to the December 1994 devaluation.

Participation of Canadian suppliers in Mexican government procurement has so far been limited, but they are now becoming aware of the potential and want to know more about how to secure this business. This Business Guide provides a step by step approach to the entire process of preparing, submitting, and following up tenders, for Mexican government and *paraestatal* procurement.

# 1. AN OVERVIEW

This Business Guide describes a step-by-step approach to the government bidding process in Mexico. It treats the subject in depth, from the first visit to Mexico and appointing a local representative, to preparing and submitting a bid. It also covers launching a protest and closing out a contract. A sample bid document is provided as an Appendix.

The Guide includes information provided by a wide range of participants in the bidding process, including government procurement officials, agencies involved in implementing the NAFTA and Canadian companies that have bid on Mexican government contracts.

In order to become better acquainted with the Mexican *paraestatal*, state-owned corporation, procurement scene, Spanish bid terms are included throughout the Guide. A glossary provides an alphabetical list of translated bid terms and their definitions.

The Guide is addressed directly to the "export manager". This term refers to the person responsible for leading the company's efforts in Mexico. This person is not necessarily a full-time export specialist, and in fact, in small and medium-sized enterprises (SMEs), this function may be carried out by other executives of the company, perhaps even the chief executive officer.

The Business Guide is divided into nine chapters. Chapters 1 through 4 are descriptive. They cover the operating environment for Mexican government purchases and describe how to evaluate the opportunities and set up an initial operation in Mexico. Chapter 4 includes an overview of the mechanics of the purchasing process.

Chapters 5 through 7 assume that the export manager has decided to proceed with at least one bid for a Mexican government contract. These chapters provide a practical step-by-step approach to the entire bidding process. Chapter 5, "Finding Bid Opportunities", explains how to track government tenders and where to get the necessary documents. It also suggests ways to prepare in advance of a bid opportunity. Chapter 6, "The Bid Proposal", takes the reader through each step required to prepare a winning bid package. Chapter 7, "The Bidding Process", provides a detailed description of the formalities and tactics involved in the *concurso*, or bid ceremony, that will take place in Mexico. It describes the roles of both the Canadian export manager and the company's Mexican representative.

Chapter 8, "Performance", assumes that the reader's company has succeeded in winning the bid. It reviews the steps necessary to execute a contract for the order, and to obtain a letter of credit. It explains how to complete the formal obligations found in Mexican government procurement contracts, and how to expedite payment. Finally, it shows how to phase out obligations under the contract, including equipment guarantees and performance bonds.

Chapter 9, "Perpetuating Success", suggests ways of building on initial successes in Mexico. It includes searching out complementary products, exploring opportunities for an increased presence in Mexico and expanding into other parts of Latin America.

## EXPERIENCE OF CANADIAN COMPANIES

When contemplating a possible move into Mexican markets, Canadian firms are often constrained by a number of real and perceived barriers. These include:

- the perception that it is complex to do business in Mexico;
- stories of fixed bids and undesirable business practices;
- lack of time to prepare an offer;
- not understanding all the terms and conditions;
- difficulty in preparing and managing a bid submission from a distance; and
- unfamiliarity with Spanish.

In spite of the steep learning curve, many Canadian companies have persisted and have moved into Mexican markets.

Succeeding in Mexico, in either the private or public sector, requires a Canadian enterprise to reorient itself and adapt to the Mexican business environment. Companies must become more flexible, adapting their product and service offerings to match the needs of Mexican clients. Mexicans like to get to know their suppliers and business partners, to learn to trust them, and to build strong personal relationships. Frequent social and business contacts are usually necessary to build this trust.

Marketing to major multinationals and large independent Mexican groups is relatively straight forward with worthwhile rewards, although it also takes time and patience, and the right connections to make substantial progress. The key is to tie these private sector activities into successful participation in *paraestatal*, state-owned corporation, procurements. For maximum use of resources, companies should approach both the private and public sectors simultaneously.

As part of the research for this Business Guide, thirteen Canadian companies with experience in selling to Mexican government entities were interviewed. They are representative of a wide range of product and service suppliers from across Canada. Most of them have participated in the Mexican *paraestatal* bidding processes:

**Canac International Inc.** of Montreal, Quebec, has pursued major railway rehabilitation projects with local associates. They were previously involved in railway components sales and have won one-third of about 20 bids.

**CPCS Ltd.** of Montreal, Quebec, is seeking consulting work in Mexican railways through local associates.

**General Electric (GE), Large Motors Division**, of Peterborough, Ontario, is entering *paraestatal* bidding for electricity projects through local GE offices.

**Intera Information Technologies Corp.** of Calgary, Alberta and Ottawa, Ontario, won a bid as subcontractor in a mapping services contract for the government statistics organization. They have won four World Bank bids as a subcontractor to a major engineering firm for environmental monitoring.

**Johnson Matthey Ltd.** of Brampton, Ontario, won many precious metal, catalyst mesh and recovery orders, and was successful in several protests.

**Novenco Canada, Inc.** of Cambridge, Ontario, secured several orders with a coal mine through a local representative.

**Railtech Ltd.** of Baie d'Urfé, Quebec, won a railway washbasin order on the first try through a local representative. It is now targeting bids for stainless steel toilets and other components.

**Reliable Engine Services Ltd.** of Edmonton, Alberta, bid on a railway crankshaft rebuild project through a local representative and placed second.

**Remcon Ltd.** of Arborfield, Saskatchewan, was approached by the *Comisión Federal de Electricidad (CFE)*, Federal Electricity Commission, to participate in a major turnkey project. Although they were ultimately turned down, they are now studying alternates.

**Stella-Jones** (formerly DOMTAR) of Burnaby, British Columbia, recently received an order for telephone posts from *Teléfonos de México (TELMEX)*, the National Telephone Company, through a local representative.

**Sydney Steel Corporation** of Sydney, Nova Scotia, has been highly successful in selling steel rails over two decades to *Ferrocarriles Nacionales de México (FNM)*, the Mexican National Railways, through a well-connected local representative.

**Veltec Locomotive Ltd.** of Montreal, Quebec, is investigating opportunities in Mexico.

**Wetherell & Associates Engineering Limited** of Calgary, Alberta, pursued, but lost, a major gas-flaring project for *Petróleos Mexicanos (PEMEX)*, the state-owned oil company, through a large local engineering company. It is continuing to pursue Mexican opportunities using revised approaches.

The experience of these companies indicates that success is possible for those willing to make the effort, and illustrates the range of sales opportunities involved. Conclusions derived from interviews with these companies include the following:

- opportunities with Mexican *paraestatales* are attractive and open to Canadian companies;
- companies cannot effectively pursue *paraestatales* bids at arms-length;
- having high-quality local representation is critical for success;
- on large turnkey projects, major local partners are crucial;
- companies must understand the bidding process more completely;
- firms need to prepare ahead of time;
- documentation is complex, but becomes better understood with experience;
- fast, accurate translation of documents is important, although sometimes costly;
- restrictive or outdated specifications can be modified at the clarification stage;
- guarantee bonds, or *fianzas*, are a necessary part of an offer, and are readily established;
- some flexibility exists in final order terms and subsequent delivery delays;
- high-quality goods, prompt delivery and post-sales service are key considerations;
- payments are usually not a problem with correct documents and monitoring;
- it is important to document irregularities and disputes for possible protest;
- focus on developing winning proposals and solid relationships;
- ignore corruption; do not even consider requests to "grease the way";
- more advantage should be taken of the protest mechanism to enforce position; and
- participation requires the investment of time and money, before seeing returns in the medium term.

The majority of these companies are determined to continue their participation, but with improved approaches. They expect the recent revisions to procurement procedures, under the NAFTA, to make their efforts easier.

## EVALUATING MEXICAN POTENTIAL

Whether a company serves the private or public market sectors, or both, management should recognize that through the year 2000 and beyond, Mexican market potential in both sectors will be substantial and will grow faster than in Canada. They should also be aware that prompt action will be needed to keep pace with the competition.

As export manager, you and your team need to evaluate the benefits and disadvantages of going to Mexico for both the short and the long term. The expenses incurred in the short term may well be long-term investments. You need to be aware of cultural differences which will affect both the manner and timeliness of those investments. This analysis needs to include all relevant factors, including the resources needed to launch the effort, and the company's alternative uses of those resources. The costs of not proceeding should also be a consideration.

If your decision to go to Mexico is affirmative, and management concurs, visit Mexico as soon as possible and investigate the opportunities first hand. To succeed you need to learn about your company's potential *paraestatales*, state-owned corporations, clients; check out possible local marketing representatives; study the Mexican bidding process; and evaluate whether your firm can price its product competitively. Mexican markets are growing increasingly competitive. Suppliers from the United States are already well established and European and Asian competitors are moving in quickly.

## 2. THE MEXICAN ENVIRONMENT

To operate effectively in the Mexican environment, companies need a basic understanding of recent Mexican history, as well as of the economic and political events that have served to create the current business environment. This chapter provides a brief summary of these topics, and also highlights some key statistics. An economic and political outlook is included, and several important cultural considerations are discussed.

### RECENT ECONOMIC HISTORY

The oil crisis of 1973, with its rapid escalation of oil prices, propelled the world into major economic dislocation. In Mexico, this stimulated a frenzy of petroleum-related industrial expansion. The enormous growth of oil and gas during the late 70's and early 80's spurred massive government borrowings against future oil income. The money was used to fund grandiose infrastructure, industrial, and social projects. Private industry also borrowed heavily against the bright economic projections. Bankers around the world eagerly lent to both the public and private sectors. Multinationals were fighting among each other for a piece of the action, pushing imports and expanding local operations.

Then, suddenly the bubble burst. Oil prices collapsed in 1981 and 1982, and Mexico's "lost decade" began. Public and private enterprises defaulted on their loans, creating a debt crisis. By late 1982, Mexico was faced with rapid devaluations, spiraling inflation, plummeting oil revenues and falling industrial production. Adding fuel to the fire, outgoing President José López Portillo nationalized the banks, blaming them for the financial crisis.

From 1982 to 1988, under the presidency of President Miguel de la Madrid, some calm was gradually restored as the massive public and private debt was renegotiated. However, the damage had been done. Industry was in the doldrums, unemployment was high, and purchasing power had been lost. Tragically, the 1985 earthquake resulted in the cancellation of most industrial, tourist and other expansion plans.

During 1987, the government launched the *apertura*, or opening. This was the first step toward exposing the heavily protected and subsidized economy to foreign competition. The border was thrown open and tariffs were drastically reduced. Imports started flooding into the country and for the first time, Mexican business faced the challenge of world competitiveness. Export development became a major theme. Then another major oil price decline occurred, accelerating annual inflation to almost 160 percent for the year. Rapid currency devaluations followed.

The government reacted in late 1987 with *El Pacto*, The Pact, a dramatic economic stabilization program embracing price, wage, federal spending and exchange rate controls. *El Pacto* was a three-way agreement between government, labor and business, which is still in force through its successor, *Pacto para el Bienestar, Estabilidad y Crecimiento (PABEC)*, Pact for Well-Being, Stability and Growth.

The results were exceptional. Exchange rates stabilized, inflation declined rapidly, and industrial expansion and export growth surged.

## **THE SALINAS ERA**

President Carlos Salinas, representing the Institutional Revolution Party (PRI), assumed office in late 1988 and immediately introduced sweeping economic and political changes.

His government's programs focused on lowering inflation, reducing the foreign debt load, minimizing government debt, improving social services, privatizing much of the public sector, and opening Mexico to foreign trade and investment. The privatization of more than 800 non-strategic government entities, including hundreds of industrial *paraestatales*, state-owned corporations, and the recent privatization of the nation's banks, has contributed over US \$28 billion to the government's coffers.

To pave the way for the North American Free Trade Agreement (NAFTA), the Mexican government has also promoted private participation in large transportation, communications, and energy projects. This is a means of accelerating infrastructure development to support the expected boom in industrial activity. *Petróleos Mexicanos (PEMEX)*, the state-owned oil company, has begun selling off secondary petrochemical operations, and the government is allowing increasing private investment in petroleum and electrical generation.

The actions taken since 1988 have slowly established economic stability and have transformed Mexico from one of the world's most protected economies to one of its more open markets. This dramatic shift has brought with it unparalleled growth, creating opportunities for Canadian suppliers, and the NAFTA will expand these opportunities even further.

Towards the end of 1994, in the final days of the Salinas administration, a climate of uncertainty was created by several unfortunate political events and by a lack of attention to the economic pressures on Mexico. Initially, the international business community reacted favourably to the election of President Ernesto Zedillo of the PRI party on December 1, 1994. However, the new administration was thrust immediately into a major economic and political crisis that resulted in the devaluation of the peso.

Broad-based international support has now come forth in the form of financial resources from countries, including the United States and Canada, to assist Mexico. President Zedillo has also released his Six-year Economic Development Plan for sustained and broad-based economic growth and political reform through to the end of his term in November 2000. Initial signs of stability are appearing even though 1995 will be a very difficult year for Mexico, with no significant economic growth expected until mid-1996.

## **THE IMPACT OF THE NORTH AMERICA FREE TRADE AGREEMENT**

Following implementation of the NAFTA on January 1, 1994, fundamental changes were introduced in the Mexican government's procurement procedures, as well as to many other domestic laws.

### **GOVERNMENT PURCHASING**

The Government of Mexico implemented changes to the *Ley de Adquisiciones y Obras Públicas*, Public Purchasing Act, on December 30, 1993. As a result, the law now complies with Chapter Ten of the NAFTA. The new laws for government procurement and protests of irregularities provide for non-discriminatory treatment of Canadian and U.S. suppliers of goods and services.

The basic bid terms and conditions have been revised as necessary by each *paraestatal*, state-owned corporation, to comply with the new laws and the NAFTA provisions. The changes include timely and widespread notification



of upcoming procurement opportunities, guaranteed rights of qualification and participation, balanced evaluation criteria and fairer treatment in dispute resolution.

At the same time, a wider range of procurement opportunities have been opened to Canadian and U.S. participation. The new levels of participation for non-Mexican companies supplying goods and services begin at US \$50,000 and US \$250,000 for government entities and *paraestatales* respectively. For construction services, the new minimum thresholds are US \$6.5 million and US \$8.0 million, respectively.

Mexico reserves the right to set aside a declining annual dollar volume for local suppliers for the first ten years. Even so, the volume available to Canadian and U.S. participants will be substantially larger than it is now, and will grow rapidly.

Mexican content requirements will also be reduced, allowing larger Canadian or U.S. participation. Other requirements, such as offers being in Spanish and the requirement for *fianzas*, guarantee bonds, will remain at the non-discriminatory discretion of the *paraestatal*.

Evaluation criteria must be based on a Cost, Insurance and Freight (C.I.F.) destination basis. If competitor prices are equal, decisions will be made on the best combination of delivery, technology, operating costs, terms and guarantees, as defined in the specific *bases*, or bid terms.

## **DISPUTE RESOLUTION**

Should disputes arise, faster and fairer resolution is specified in the new *inconformidades*, which are the dispute resolution laws. Among other provisions, the NAFTA requires each party to establish an un-biased, independent review authority for dispute resolution.

Companies will be able to protest at any stage, from the time the *licitación*, public tender, is announced through the award ceremony and even beyond. The Canadian government's representative has the right, if necessary, to intervene on behalf of its national bidders and review results, particularly in the case of unsuccessful bids.

The three governments will periodically review each other's statistical reports of bid solicitations by amount, product and service category, entity and country of origin. They will also review the outcome of protest resolutions by each country's review authority.

## **OTHER LAWS FOR DOING BUSINESS IN MEXICO**

Under the NAFTA, Mexico will revise and relax many of the regulations that have been an impediment to Canadian and U.S. producers and investors in the past. This includes the laws regulating foreign investment, technology, property rights, labour, the environment, immigration, customs and taxation.

All of these laws affect companies operating in Mexico, and it is important to become familiar with them. Translated versions of the laws are usually available through major accounting and legal offices in Mexico. The Canadian Embassy can also provide details. There are several more general publications, such as, *Canada-Mexico: Partnering for Success*, that provide more general information about doing business in Mexico.

### **INCREASED AWARENESS OF CANADA**

One of the side-effects of the debate surrounding the NAFTA was the enhancement of Canada's image as a trading partner. This has been reinforced by frequent Canadian and provincial trade missions to Mexico. The Canadian Ambassador and the Commercial Division at the Canadian Embassy have aggressively promoted Canada and this has begun to produce results.

The outlook for Canadian suppliers is especially promising because most Mexican decision-makers see Mexico as being overly reliant on the United States, and they wish to diversify their sources of supply.

Mexican government purchasing officials and those in private industry are interested in learning more about what Canadian firms can offer to Mexico. The Embassy and the trade office in Monterrey receive daily requests for information about suppliers, equipment and possible joint venture partners.

At the same time, the enormous Mexican opportunities have not gone unnoticed by Canada's competitors, especially those in the United States. European and Asian firms are also stepping up their promotional efforts so they can participate in the NAFTA-era Mexico. The window of opportunity is closing quickly.

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## **THE GOVERNMENT PROCUREMENT MARKET**

In this Business Guide, the term "government procurement" is meant to include purchases by government departments and by *paraestatales*, state-owned corporations. Despite the fact that nearly three-quarters of all *paraestatales* have been privatized, government budgets remain high. In 1992, the total Mexican federal budget was US \$57 billion (see table on the next page). *Paraestatales* accounted for more than half of that total. About two-thirds of *paraestatal* spending is for consumables, which is a key market under the NAFTA. Most consumables are currently purchased locally, at prices that are high relative to imports. The remaining one-third of *paraestatales* purchases involve equipment purchases, about half of which come from foreign sources.

The table does not include budgets for the *Departamento del Distrito Federal (DDF)*, Department of the Federal District, the 31 states, or the municipalities. These probably total at least one-third of the federal budget. This implies total federal and state spending of about US \$76 billion in 1992, of which approximately US \$20 billion was spent on goods and services. Of the estimated US \$5.9 billion in goods and services imported by Mexican governments in 1992, about US \$4 billion is believed to have originated in the United States. The Canadian share of this market is estimated at only about US \$50 million, which suggests considerable potential for growth.

Further breakdowns and projections are provided in the accompanying tables. Although only two-thirds of these estimates are based on hard data, they are considered reasonably consistent with published data and provide a rough estimate of the magnitude of the market.

## 1992 GOVERNMENT BUDGETS AND ESTIMATED IMPORT PROCUREMENTS

### US\$ BILLIONS

Entity	Activity	Budget	Imports
Petróleos Mexicanos (PEMEX)	oil/gas/petrochemicals	7.7	1.5
Comisión Federal de Electricidad (CFE)	electricity	5.1	0.8
Secretaría de Comunicaciones y Transportes (SCT)	communications and transportation	1.6	0.2
Ferrocarriles Nacionales de México (FNM)	railroads	1.6	0.2
Luz y Fuerza (LyF)	electricity, Mexico City	0.9	0.1
Fertilizantes Mexicanos (FERTIMEX)	fertilizers	0.7	0.1
Secretaría de Energía, Minas e Industria Paraestatal (SEMIP)	energy, mines and state-owned corporations	0.5	0.1
Camino y Puentes Federales de Ingresos y Servicios Conexos (CAPFISC)	roads and bridges	0.4	0.1
Productora e Importadora de Papel (PIPSA)	newsprint	0.3	0.1
Aeropuertos y Servicios Auxiliares (ASA)	airport services	0.2	0.1
Sub Total of Main Paraestatales		19.0	3.3
Other Paraestatales		12.1	1.2
Other Secretariats/Government		25.9	0.8
<b>Total Federal Budget</b>		<b>57.0</b>	<b>5.3</b>

## PROCUREMENTS BY MEXICAN FEDERAL AND STATE GOVERNMENTS (ESTIMATED 1992)

### US\$ BILLIONS

Category	Total US\$ billions	Imports US\$ billions
Consumables	14.0	3.3
Equipment	6.0	2.6
<b>Total Goods and Services</b>	<b>20.0</b>	<b>5.9</b>

## IMPORTED PROCUREMENTS BY MEXICAN FEDERAL AND STATE GOVERNMENTS (PROJECTED 1993 TO 2000)

US\$ BILLIONS

Year	Consumables	Equipment	Total Goods and Services
1993	3.6	2.9	6.5
1994	3.9	3.3	7.2
1995	4.3	3.7	8.0
1996	4.7	4.1	8.9
1997	5.1	4.6	9.7
1998	5.5	5.2	10.7
1999	6.0	5.8	11.8
2000	6.6	6.5	13.1

## THE PRIVATE SECTOR MARKET

The numbers in the tables exclude the spending of the quasi-government private concession projects in areas such as co-generation, water treatment, thruways, airports, maritime ports and terminals. Excluded also are private sector expenditures for upgrading *paraestatales*, state-owned corporations, being privatized or joint-ventured by the government. These private expenditures could possibly be more than double the projected government spending. Whichever level of projections are considered, the amounts expected for both public and private sector industrial procurements are extremely large.

## 3. DISCOVERING MEXICO

The opportunities for sales to both the private and public sectors in Mexico are substantial. Canadian companies that decide to pursue these opportunities usually start with some preliminary research, based on publications available in Canada. Several good sources are listed in the contacts section of this Guide. In particular, *Canada-Mexico: Partnering for Success*, provides a broad overview of the opportunities in Mexico and strategies for entering the Mexican market.

The next step is an exploratory visit to Mexico, to learn more about market opportunities, and also to investigate possible Mexican representation. With this orientation complete, you can decide whether to recommend a commitment to enter the Mexican market.

## **AN EXPLORATORY VISIT TO MEXICO**

Mexico City is the most likely destination for an exploratory trip, unless the company has already decided to focus on a specific regional market. The trip will take at least a week, especially if it will cover other cities. Since it must include an adequate number of business days, you need to note Mexican holidays.

A passport is required for Canadians traveling to Mexico, and if business will be conducted, a visa should be obtained. For short orientation trips of a week or so, most Canadian business people enter as tourists, since this requires no special documentation. Under the NAFTA, a one-month visa can be obtained, without charge, from any Mexican Consulate or port of entry into Mexico.

### **GETTING ASSISTANCE**

The federal government's Program for Export Market Development (PEMD) offers financial support in several areas of international activity, including major project bidding. Some provinces offer assistance towards export brochures and trips to Mexico, as well as travel and per diem costs to help Mexican clients visit a company in Canada. The Export Development Corporation (EDC) offers financing and insurance to support sales development in Mexico.

Business information on Mexico is available from a variety of Canadian sources. The Department of Foreign Affairs and International Trade InfoCentre provides information and publications on market sectors and also on a variety of other programs in support of potential exporters. Five of the largest Canadian banks have offices in Mexico City, actively supporting Canadian trade development, and some have publications on doing business in Mexico.

The Key Contacts section of this Guide includes further details about government programs and other information sources.

### **PROMOTIONAL MATERIAL**

Having company promotional materials, and related technical information, translated into Spanish will create a good initial impression with potential clients or partners. Government assistance is sometimes available for this purpose. Mexicans are impressed with high-quality presentation material. Promotional handouts such as pens and key rings are best left for trade shows, but a high-quality item may be appropriate as a gift for some clients.

## **CULTURE AND LANGUAGE**

Mexicans appreciate visitors who have taken the time to understand their culture and learn something about their country.

If possible, speak Spanish to Mexican clients. No matter how limited your language skills are, Mexicans appreciate the effort. Most business conversations will quickly revert to English, but a positive first impression will have been established. You will need more extensive language skills if your Mexican venture proceeds.

If you do not speak Spanish, hiring a translator is highly recommended. This can be pre-arranged through the Canadian Embassy. Translators' fees are approximately \$150\* per day.

## **PHYSICAL ENVIRONMENT**

Mexico City is at an altitude of 8,500 feet above sea level, and the atmosphere can be quite taxing due to the thin air. People with heart, asthmatic, or other serious health problems should check with their physicians before traveling to Mexico.

The temperature in Mexico City hovers in the 15°C to 27°C range most of the year, getting a bit colder in January and February. It rains almost daily in the late afternoons between May and September. In the north, the temperatures range to extremes, freezing with occasional snow during the winter, and rising to above 37°C in the summer. To the south, temperatures stay in the tropical 21°C to 32°C range, with high humidity between May and August, and some cold snaps during the winter.

## **MEETING POTENTIAL CLIENTS AND REPRESENTATIVES**

### **ORIENTATION MEETINGS**

The Commercial Division at the Canadian Embassy can usually provide a briefing to help orient Canadian companies, if you notify them in advance of your visit. Information about your firm will help them prepare for the briefing.

The Embassy maintains a comprehensive set of Mexican business and industrial chamber directories, and other economic information that may help to identify clients or gather preliminary market data.

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\* Note: Unless otherwise specified, currency used is Canadian dollars.

The staff of the newly-opened Canadian Business Centre can render additional assistance. The Centre has temporary offices available for rent, and provides a variety of services, including translation, at competitive prices. A variety of trade promotion events are held there.

Another source of information is a pre-arranged meeting with the local representative of your company's bank. The representative's main activities in Mexico are arranging financing and lines of credit for Mexican buyers and Canadian suppliers, and matching Canadian clients with potential business partners in Mexico.

The bank representative may be able to give you additional material on Mexico, as well as a briefing from a different perspective. The bank representative may provide the names of direct contacts in Mexican companies and *paraestatales*, state-owned corporations, and possibly names of some potential marketing representatives or distributors.

Other sources of information are the Canadian Chamber of Commerce in Mexico City, or one of the Mexican trade associations, some of which are listed in the Key Contacts section of the Guide.

## **MEETING LOGISTICS**

Following the initial orientation, will be meetings with prospective clients and potential representatives or distributors. These may have been pre-arranged from Canada, or may be drawn from contacts provided by the Embassy, bankers, or other sources in Mexico. A Spanish-speaking person should arrange the meetings, as this can be a time-consuming task in Mexico.

Organizing an intense interview schedule can be difficult. Government office hours in Mexico City are generally 10:00 a.m. to 3:00 p.m., with some meetings scheduled from 5:30 to 8:00 p.m. Private-sector executives and professionals usually work from as early as 8:30 a.m. to as late as 6:30 p.m., but lengthy lunches are not uncommon.

A Mexican executive's secretary is a gate-keeper, and making contact for the first time is often difficult, sometimes requiring many calls. Typically, a number of call-backs will be needed to confirm a meeting. If this fails, consider going to the offices on a "cold-call" basis. Usually, once the secretary or assistant realizes that you represent a Canadian company, they will arrange a meeting.

Mexico City has very heavy traffic, and interviews are best clustered on a geographic basis. Even then, it takes at least thirty to forty-five minutes to get from one meeting to another. Given the traffic problems, showing up on time is the exception. Do your best to be punctual, but be prepared to wait up to half an hour before being called in for the meeting. With some top government officials, waits of an hour or more are not uncommon.

Mexicans have a tradition of early breakfast meetings, and they are a good way to get interviews out of the way early. Long lunch meetings, from 2:00 to 5:00 p.m. are time consuming, but traditional, and sometimes unavoidable. Business meetings are also held over the evening meal, typically beginning at 8:00 or 9:00 p.m.

Traveling by air to other cities is readily accomplished with early morning flights and late night returns. Setting up appointments by long distance, within Mexico, can be demanding. The best approach is to have the initial meeting set up, and to arrange the others after arrival.

## **CONFERRING WITH POTENTIAL CLIENTS**

Your meeting with potential clients should ideally include the purchasing manager and a technical advisor. Normally, such meetings are about a half-hour long. An extended meeting, additional people being asked to join, or a request for you to meet someone else, may signal stronger interest.

Mexicans greet each other, and say good-bye, by shaking hands. Meetings begin with introductions and the exchange of business cards. You will need to outline the purpose of your visit, describe your company and its offerings, and distribute promotional literature. Ensure that your translator has prepared all of this in advance, and then the meeting may be conducted in Spanish from the start. The translator may be required to do most of the talking and should pause frequently to keep you informed of what is being said. Often the person being interviewed will gradually switch over to English.

You then need to explore the needs of the potential client, asking about annual purchase quantities and purchasing procedures, as well as details of upcoming bids. Ask for a set of typical bid documents; they can help you make advance preparations for placing your bid.

It is considered appropriate to inquire about the competition. The purchaser may mention things it wants to see done better, and perhaps, rough numbers on unit costs. This information is useful in the preparation of your bid.

As the end of the meeting approaches, recap your description of the company's products or services, and ask a few closing questions to make sure the potential client understands these offerings. Suggest a further meeting to take place after you have appointed a Mexican representative.

## **IDENTIFYING POTENTIAL REPRESENTATIVES**

A Canadian company should not attempt to service Mexican clients simply by visiting on an ad-hoc or even periodic basis. This will be interpreted as a lack of seriousness, or disinterest, in their business. Mexican business people take time to judge and accept a new supplier.



It is usually effective to assign business-development work to a qualified local representative, or perhaps a distributor. Once local experience is gained, and the scope of market opportunities and the resource requirements are fully understood, the company may consider a larger presence in Mexico.

The local agent can lay the foundation for the company's broader, longer-term acceptance. Even if it is only for entering a bidding process, the right representative can help improve the company's position. The agent can gather information on client needs, track the competition and watch for upcoming bids. The alternative approach of attempting to manage the bidding process from Canada is extremely difficult, if not impossible.

Locate and interview at least three or four representative or distributor candidates (hereafter referred to as representatives). Recommendations from other Canadian firms doing business in Mexico are valuable. Some of them may have their own subsidiary or joint venture in Mexico and could put you in touch with their resident manager.

The Canadian Embassy may also be able to provide a list of candidates. The Embassy cannot guarantee the representatives' capabilities or suitability, but a contact list can be very useful. Even if the prospects you contact are not interested, they may identify other candidates.

Various trade directories list representatives. The membership lists of the Canadian, U.S., British, German and French Chambers of Commerce are also good sources. Lawyers, accountants, banks, and consultants may provide names. Prospective clients may also have suggestions for some good representatives. Another approach is to place an advertisement in the local English-language newspaper, *The News*, and a Spanish-language newspaper such as *El Universal* or *Excelsior*.

## **SCREENING CANDIDATES**

The main criteria for evaluating potential representatives are their qualifications, past performance, contact base, and relationships. The potential representative must have access to the targeted clients and have the resources to represent the company on an ongoing basis.

Obtain a resumé from each candidate and conduct interviews to assess their qualifications and English comprehension. Review the list of other companies and product lines the representative handles to ensure that there are no conflicts. Obtain references, and if there is time, arrange to meet one or two of the candidate's clients.

A similar procedure should be followed for potential distributors, but in this case, a careful inspection of the distributor's office and warehouse facilities should be made. For further suggestions, see the Canadian government publication *Selecting and Using Foreign Agents and Distributors*, which is listed in the Key Contacts section of the Guide.

Before leaving Mexico, provide the most qualified candidates with a list of any information that may be missing. This information can be sent to Canada to complete the candidate evaluations. Let the candidates know that you will advise them of a decision promptly. Finally, review the interviews with the interpreter, who can often provide a Mexican perspective of the results.

## **ENTERING THE MEXICAN MARKET**

After completion of meetings with a short list of potential clients and representatives, it is time to analyze the overall situation and make recommendations to management. If your decision is positive, the company's next move is to establish a marketing arm in Mexico, directly through a branch office or indirectly through a representative or distributor.

### **DIRECT MARKETING**

Until the company demonstrates its capabilities and obtains some orders, it is unlikely to set up a Mexican office unless the potential is large enough to justify the investment. If this is the decision however, careful consideration has to be given to using an experienced company manager, recruiting a qualified international marketer, or seeking out a capable Mexican manager. Mexican professional counsel will also be needed to set-up operations properly.

If a local Mexican manager is appointed, total compensation will be about double the nominal salary after allowing for benefits, taxes and Mexican labor law requirements, about US \$100,000 or less. With an expatriate manager, total costs, including overheads, could easily be as much as US \$150,000 to US \$200,000, or more. If the opportunity is large, the direct approach may be the best way to go, but it will require an all-out commitment to succeed.

### **INDIRECT MARKETING**

If the opportunity is not large, or if it will take time to penetrate the market, the main alternative is an indirect approach, using a local representative or distributor, on a commission basis, to help develop the market. This will require a full evaluation of their qualifications. If the present candidates are not satisfactory, another trip to Mexico may be necessary to continue the search. The company may also pay some form of retainer, as well as business development expenses, to its Mexican representative. With a distributor, a representation agreement could possibly be coupled with goods consignment. This can help control the markup for competitive reasons.

In order to move ahead in Mexico, it may be necessary to select a candidate who is not completely satisfactory. Evaluate the representative's performance and continue to search for better representation on subsequent trips.

It is the general experience of Canadian companies in Mexico that only about a quarter of appointed representatives work out, often because of poor initial screening. It is important to have another representative in mind, in case you need to make changes quickly.

## **COMMITTING RESOURCES**

Having chosen a local representative or distributor, your next priority is to secure the needed resources to support this effort over the next six months to a year. This means committing both financing, home-office marketing and technical support.

Promotional material, client seminars and several marketing visits are just a few of the expenses. Expenses for the Mexican representative, support services and added communication costs, must also be provided for. These expenses can be considerable and are best viewed as long-term investment, to be recouped over several years. Funding for international business must be consistent and substantial in order to position the company early and stay ahead of the competition.

The company may be able to offset some of these expenses through Canadian government export-support programs such as the Program for Export Market Development (PEMD) or provincial trade development financing programs.

## **APPOINTING THE REPRESENTATIVE**

Once the resources have been committed, return to Mexico to finalize the appointment of the local representative or distributor and prepare to launch the firm's marketing program. For brevity, the following sections refer to "representatives" but the points are also applicable to distributors.

The company's lawyer should prepare a draft representation or distribution agreement. The firm's province should be the basis for applicable law, in case legal interpretation or resolution of disputes is required. Mexican law can be much more protective of a representative's rights, creating potential problems in terms of severance payments, although the NAFTA may change some of this. If the representative wants the company to sign a Mexican-based agreement, have it reviewed thoroughly with a local lawyer before signing.

## **A FINAL BACKGROUND CHECK**

Notify the potential representative of the company's tentative decision and arrange for a meeting in Mexico to discuss representation terms. In the meantime, the candidate's credentials should be checked through the references provided earlier. This can be done by telephone, or in Mexico with help from a translator. If the translator is not qualified for this activity, the Embassy may be able to recommend a consultant who could conduct a background check. The consultant will use the data already obtained from the candidate, and may also have further questions.

If you decide not to use a consultant, personally check out some of the clients and references with the help of the translator. This should be done face-to-face rather than over the telephone. It is important to know whether the person would recommend the representative, and would they be comfortable working with the Canadian firm through that candidate?

If the answer is negative to either of these two questions, find out why. The reference may also be willing to recommend alternative representatives.

## **MEETING WITH THE CANDIDATE**

You should meet the candidate representative to review and clarify what you know. The representative should summarize the contribution he or she will make to the company's marketing efforts in Mexico, and what kind of compensation is expected. Some questions to ask the prospective representative are:

- Are there any potential conflicts of interest?
- How can the representative's existing client base be leveraged to help the company secure sales?
- How can the company's offerings complement the representative's present activities?
- What proportion of the representative's time will be devoted to the company?

Ask for meetings with the representative's existing personal clients. While asking direct questions about the candidate's past orders, assess the representative's past performance and client rapport, including their reaction to appointing him as the company's Mexican representative.

## **CONCLUDING A REPRESENTATION CONTRACT**

A representation contract will set out all of the details of the relationship, including the commitment required from the representative and the compensation to be paid.

Generally, commissions for representatives in Mexico are anywhere from 3 to 15 percent for equipment and services, depending on the total amount, the nature of the product or service, and the competitive situation. Lower amounts, ranging from less than two percent up to about five percent, are typical for commodities and consumable supplies. There should be some room for negotiation if the representative/agent agrees to absorb travel and

communications costs. The rate of commission should decrease for larger contracts, but this may be offset by a rising bonus for accumulated sales over the year, based on mutually-agreeable targets. There should be a provision for adjusting the commission for competitive reasons, on a bid by bid basis.

Considerable time will be required to conclude the first successful bid, and the company should consider some interim financial support to offset the representative's expenses. One approach is to offer a retainer of approximately \$500 to \$1,000 per month to help defray out-of-pocket expenses. This covers direct expenses incurred by the representative. Another approach is to pay a monthly advance against future commissions, which should be a little higher to compensate for the expenses.

Some expenses, such as those for traveling outside of Mexico City, or for major promotion campaigns or trade shows, should be paid for by the company.

Before signing the agreement, discuss a proposed marketing plan with the representative and agree upon the degree of committed time and effort expected. Once established, a sales plan is fairly straightforward and can be reviewed and revised during periodic visits. The representative should agree to submit monthly progress reports, summarizing the stage of sales or the bid cycle for each identified opportunity, as well as new prospects being targeted. The representative should include bid and competitive intelligence, along with the actions and support the representative requires from the company to keep bids on track, or to enhance the firm's position in the bidding process. A fax machine will likely be the primary means of communication, therefore, the representative may need to be provided with one.

Once everything is agreed to, both parties should initial any changes, and sign two sets of agreements. After the company lawyer's final check, two final copies, signed by a company official, should be sent back to Mexico for the representative to sign. The representative should return a signed copy to the company.

### **PUBLICIZING THE REPRESENTATIVE'S APPOINTMENT**

Upon the representative's appointment, an announcement letter should be sent to prospective clients. The company should also notify the Canadian Embassy and ask them to assist the representative wherever possible. Temporary business cards, in Spanish, need to be issued to the representative until permanent ones can be printed.

You should visit all of the key, targeted clients and formally announce the appointment of your representative. Each of them may be given a copy of the appointment letter along with other promotional material. Potential clients will appreciate this visit and will interpret the firm's rapid establishment of a local representative as a sign of a serious interest in Mexico and in their business.

# ORGANIZING FOR GOVERNMENT PROCUREMENT IN MEXICO

In order to ensure participation in procurement *licitaciones*, public tenders, you will need a Spanish-language promotional package, and the company must register and, in some cases, pre-qualify with targeted *paraestatales*, state-owned corporations.

## SPANISH-LANGUAGE PROMOTIONAL MATERIAL

Promotional material should be prepared in Spanish as soon as possible and should stress the suitability of the product or service to Mexican needs. It should be proofread by a person familiar with Mexican "business" Spanish. If it is printed in Canada, when it is sent to Mexico it can be declared as "printed matter" rather than "promotional material" to avoid customs delays.

## REGISTRATION

The representative should visit each *paraestatal*, state-owned corporation, that has been targeted by the company, and obtain a list of requirements and the forms needed to pre-register with them. *Petróleos Mexicanos (PEMEX)*, the state-owned oil company, has a computerized registration package, which can be completed on a diskette; most others have a single form to fill in, sign, notarize and have certified at a Mexican Consulate.

Registration documents must be prepared and notarized in Canada before filing in Mexico. *Paraestatales* frequently require certified copies of the representative's appointment letter and powers of attorney. These documents must be certified by the Mexican Consulate responsible for the province where the company is located.

The representative will then process the registration and will receive a registration number along with a *proveedor*, supplier, identification card. The card is used for entry to offices, as identification in *concursos*, bid ceremonies, and when receiving documents. Some institutions will provide one for the export manager; others restrict it to Mexican residents.

## PRE-QUALIFYING PRODUCTS

Some *paraestatales*, state-owned corporations, require prospective suppliers to submit copies of quality-approval certificates received from customers in Canada and elsewhere, before they will approve the firms' participation in bids. This should be done in advance of the bid process. The representative should contact each targeted *paraestatal* and inquire about approval procedures and obtain a copy of the rules and forms.

If the company's existing documentation is not considered acceptable, then the firm will have to arrange to ship samples for laboratory or field testing, sometimes over an extended period. The *paraestatal* often lists only a few U.S. or Canadian purchasers from whom they will accept such documents, but these tend to be large firms, which the *paraestatal* may have dealt with in the past. *Ferrocarriles Nacionales de México (FNM)*, the Mexican National Railways, for example, accepts quality certification from the major Canadian railroads.

Once samples are submitted, the company is given a "provisional" quality approval letter for each related interim *licitación*, public tender, until formal approval is issued. This letter has to be submitted with a company's bid documentation. Some entities charge a fee - between \$400 and \$1,000 - to enter the product into its quality-approval program. In some cases the samples may be returned, or paid for, if they pass the tests. Payment is not made, however, until after tests are completed; sometimes, as long as two years later.

## 4. THE PROCUREMENT PROCESS

This chapter describes the key elements of the Mexican government and *paraestatal*, state-owned corporation, procurement process. Chapters 5, 6, 7 and 8 provide step-by-step procedures for launching and managing a successful bid.

### OVERVIEW

Mexico's system of government procurement is somewhat more complex than the equivalent systems in Canada and the United States. At first the amount of detail may appear excessively bureaucratic, or even overwhelming, but it is manageable, especially in subsequent bids if the details have been computerized. It is also helpful to become familiar with Spanish bid terms, since they have specific meanings that are not necessarily captured in their translations.

Suppliers must be registered with a *paraestatal*, state-owned corporation, to participate in the bidding process. The bid process, or *licitación*, begins when the purchasing entity issues a set of *bases*, which are the terms and conditions governing the bid. The *bases* usually include a number of technical tables, or *anexos*, appendices, which set out detailed specifications for the goods or services to be purchased. Certain *anexos* must be completed by the bidder. This must be done very precisely. Some of them are provided with the *bases* on computer diskettes, and must be completed and returned with the bid.

When the supplier finds out that a *licitación*, public tender, has been announced, its Mexican representative buys a copy of the *bases* from the purchasing office of the *paraestatal*. Any questions, doubts, or concerns can be clarified in writing or in a bid clarification meeting called the *Junta de Aclaraciones*.

The clauses clearly define what a company can and cannot do. At the same time, there are provisions that allow the bidder to clarify - and attempt to negotiate changes in - the *licitación* specifications and terms, but the bid must still adhere to the *paraestatal* rules by first addressing their base requirements and then setting out any options separately.

*Paraestatales* insist that both *ofertas*, proposals, and *pedidos*, contracts, be guaranteed by *fianzas*, bonds, or by deposits paid by certified check. The bid can be disqualified for minor problems with the *fianza*. Throughout the *bases*, other possible reasons for disqualification are set out definitively. Disqualification, or other problems with the bidding process, can be protested either informally to *oficiales paraestatales*, state-owned corporate officials, or formally to the *Secretaría de Contraloría y Desarrollo Administrativo (SECODAM)*, Secretariat of the Comptroller General.

Suppliers submit their bid proposals through a formal bid opening ceremony called a *concurso*. The *ofertas*, proposals, are separated into three envelopes containing the company's qualifying data, the technical offer and the economic offer. In a one-stage *concurso*, all three envelopes are opened in sequence; the economic offers are read aloud so that competitors can question them. Bidders can also defend their own proposals. In a two-stage *concurso*, only the corporate and technical offers are opened. The economic offers of the bidders who survive possible disqualification in the technical evaluation are opened in another ceremony a few weeks later.

At the end of the *concurso*, participants wait while officials prepare the *acta*, which are the official minutes of the proceedings. If there are irregularities, a bidder can ask to have a protest registered in the *acta*.

Normally, winners are announced within a few weeks. The winner is expected to enter into a purchase agreement, or order, which can involve further negotiations. In some cases, attendance at a signing meeting is required. If a bidder fails to follow through, its *fianza*, bond, is "called" or forfeited. Before the order is signed, the bidder must convert the offer *fianza* into a performance *fianza*, usually at least 10 percent of the contract value.

When the order has been signed, the winning company is usually provided, through its local bank in Canada, with letters of credit, although other terms of payment may be negotiated. Letters of credit provide for very specific terms of payment, typically 30 days following delivery of the original shipping-receipt documents to the bank. The payment process is relatively straightforward and risk-free, as long as shipments are on time, and invoices and export documents are completed correctly, and properly delivered.

Given the amount of information required and the follow-up activities involved with a *licitación*, public tender, most Canadian companies will engage a Mexican representative to do this work. Although information copies of documents may be sent by fax, it is still necessary for a properly-accredited representative to appear at the *paraestatal*, state-owned corporation, offices to get the official copies *selladas de recibido*, stamped "received".



## CHANGES UNDER THE NORTH AMERICAN FREE TRADE AGREEMENT

Many of the purchasing laws that govern public sector procurement were changed in late 1993 to comply with the North American Free Trade Agreement (NAFTA). At many government entities, practices have already been changed to conform more closely with the new rules. Before considering the bidding process in greater detail, therefore, it will be useful to review the relevant provisions of the NAFTA.

The preamble of the NAFTA, or, *Tratado de Libre Comercio (TLC)*, enunciates some fifteen objectives that the governments of Canada, Mexico, and the United States are committed to achieve through implementation of the accord. Essentially, they embrace lofty but attainable goals: expanded and more secure markets, reduced distortion of trade, enhanced competitiveness, increased employment, upgraded workers' rights, improved working conditions and living standards, and enforced environmental regulations.

Within the NAFTA framework, Mexico has re-aligned its government procurement practices, making them more consistent with the policies of Canada and the United States. These modifications are in accord with the measures and provisions prescribed in Chapter Ten of the NAFTA Agreement.

Canadian suppliers can expect the following major improvements:

### Scope of participation:

- participation thresholds defined and expanded;
- equal treatment for Canadian suppliers;
- no NAFTA-benefits for non-signatories;
- elimination of national content requirements; and
- specifications to be performance-based and non-discriminatory.

### Tender procedures:

- simplified access to bid information;
- centralized listing of future *licitaciones*, public tenders;
- adequate pre-qualification time for supplier registration;
- companies judged on global sales, not prior Mexican experience;
- qualified suppliers cannot be refused registration or participation;
- rejected suppliers can request explanations and can protest;
- tender information will be more timely and detailed;
- wider notification of bids, including in Canadian newspapers;
- timely notification of changes in bid requirements;
- extended bid preparation periods;
- delivery to be based on reasonable needs;

- prompt response to requests for documentation and clarification;
- no rejection of bidder if receipt of offer delayed internally;
- open bid-evaluation criteria confined to essentials, compliance, and capabilities;
- award based on lowest price and most advantageous offer elements;
- bidders have the right to know winner's name and bid details; and
- limited tenders are restricted to defined situations or unique products.

#### Bid challenges:

- fair, open, and impartial protest procedures;
- challenges can be made at any point in the *licitación*, public tender, process;
- *paraestatales*, state-owned corporations, must cooperate with protester and try to resolve disputes;
- protest period of at least ten days after the bidder is aware of disputes;
- faster, unbiased resolution of bid disputes made through review authority;
- review authority can recommend re-evaluation, cancellation or re-bid;
- *paraestatales* must comply with review authority decisions, improvement recommendations; and
- governments can review awards and protest decisions on behalf of non-winners.

#### General provisions:

- governments have full access to bid and dispute information;
- statistics accumulated to prove fair threshold, award and dispute compliance;
- terms and conditions to become more uniform ;
- future negotiations for small businesses, excluded entities and states/provinces; and
- threshold and turnkey project limits to be phased out over ten years.

To further clarify the specific elements of the NAFTA provisions, interpretations are provided at appropriate places in this handbook.

## DECENTRALIZATION AND PRIVATIZATION

One emerging constraint is that the major *paraestatales*, state-owned corporations, such as *Petróleos Mexicanos (PEMEX)*, the state-owned oil company, and the *Comisión Federal de Electricidad (CFE)*, Federal Electricity Commission, are decentralizing their purchasing offices. This necessitates frequent regional visits and telephone/fax communications by a company's local representative to stay abreast of upcoming *licitaciones*, public tenders. Securing *bases*, bid terms, may become a bit more difficult and costly, although to comply with the NAFTA, some mechanism will likely be provided to purchase them in Mexico City.

Privatization trends will also have an impact on bidding procedures. For instance, *PEMEX* is planning to sell off, or joint venture, many of its petrochemical operations. *Ferrocarriles Nacionales de México (FNM)*, the Mexican National Railways, is scheduled to handle their locomotive repairs through *concesionarias*, dealerships, who will have responsibility for all purchasing and maintenance. *Aeropuertos y Servicios Auxiliares (ASA)*, Mexican Airport Authority, is scheduled to turn over airport services to private concessions.

If the government ceases to exercise majority control or influence in procurements, the NAFTA government procurement provisions no longer apply. However, most newly-privatized entities, like *Teléfonos de México (TELMEX)*, the National Telephone Company, have continued to use similar bidding procedures and *bases*, bid terms. Moreover, most of these privatized units will be purchasing more goods and services than before, as they modernize and expand operations and install environmental controls.

## PARTICIPATION THRESHOLDS

Before the NAFTA, purchases under US \$5,000 could usually be awarded directly. Procurements in the US \$50,000 to US \$200,000 range depending on the *paraestatal*, state-owned corporation, and its budget level, required at least three bidders to participate. Many of the lower-value *licitaciones*, public tenders, those under US \$50,000 were "closed", being available only to a select group of suppliers. Others were open to the public. Most purchases were, and will continue to be, handled informally, on a mail-in or drop-box basis or even by fax.

Above the upper threshold, purchases had to be made through public *licitaciones*, although certain major purchases could be limited to an informal bid with three "select" suppliers.

Tenders were also segregated as international or national, usually based upon the national content. Foreign suppliers could not always participate in national bids. If they did, their offer had to be stated in *pesos mexicanos*, Mexican pesos.

Under the NAFTA, the rules and cut-off levels have changed. The Accord ensures that Canadian and U.S. suppliers can participate, without discrimination, above certain procurement threshold amounts. Below these levels, they are not stopped from participating, but the protection of the NAFTA provisions, theoretically, do not apply.

The initial threshold amounts are based on pre-defined, non-manipulative, estimated values of *licitaciones*, public tenders. For government entities the threshold is US \$50,000 for goods and services and US \$6.5 million for construction services. For *paraestatales*, the thresholds are US \$250,000 and US \$8.0 million respectively. Threshold levels will be modified every two years to keep pace with inflation.

National content restraints have essentially been removed in *licitaciones* above the thresholds. However, under phase-out concessions, through the year 2003, Mexico can “set-aside” declining percentages of *Petróleos Mexicanos*, (*PEMEX*), the state-owned oil company, and the *Comisión Federal de Electricidad* (*CFE*), Federal Electricity Commission, purchases for local suppliers.

Below the threshold amounts, the government entities are under no obligation for the next five years to invite Canadian suppliers to bid, or to limit national content requirements. State and municipal governments are also exempted from the NAFTA provisions for that period. Canadian suppliers can still bid on such contracts through a local company or even their own branch office. In this case, the bid must be expressed in *pesos mexicanos*, Mexican pesos, and none of the NAFTA protections apply.

## BID TERMS AND CONDITIONS

In Mexico, bid terms and conditions are called *bases*. Traditionally, they were available for purchase from the day of the public announcement up until two days before the *concurso*, bid ceremony. Announcements were made at least 10 working days before the *concurso* for stock items, and 20 working days for custom products. Typically, this left inadequate time for Canadian companies to participate. In addition, some *bases* clauses favoured local suppliers, and all other things being equal, local content was preferred. Foreign suppliers needed to offer superior products or services, and more attractive terms to offset this built-in bias.

Under the NAFTA, these constraints have been eased. Notifications of tenders are being better communicated, bid announcements are being extended up to a minimum of 40 days, and treatment of Canadian and U.S. participants is non-discriminatory.

Implementation of the NAFTA provisions however, is not a panacea; it will still take hard work to succeed. A thorough understanding of the *licitación*, public tender, process and its related mechanisms is needed. Well in advance of a *concurso*, the export manager should become familiar with the *bases*, and create a complete set of draft bid documents. This will expedite the preparation of the actual offer, allowing concentration on specific bid terms.

## UNDERSTANDING BID DOCUMENTS

It is important to understand some basics about the *bases* - the terms, conditions and specifications that are issued for each *licitación paraestatal*, state-owned corporation public tender.

- Every Mexican federal government agency and *paraestatal*, state-owned corporation, is required to make procurements in accordance with the *Ley de Adquisiciones y Obras Públicas*, Public Purchasing Act. This law was amended to comply with the NAFTA, in late 1993.
- Each *paraestatal* has the right to prepare its own procurement *bases*, subject to compliance with the purchasing law, and the use of a common set of clauses, suggested by the *Secretaría de Hacienda y Crédito Público* (*SHCP*), Secretariat of Finance and Public Credit.

- *Bases* may vary somewhat in content and wording, both between and within entities.
- For a specific *licitación*, various clauses may not be applicable.

Most *bases* clauses used by the various *paraestatales* have been modified to meet the new law.

## A TYPICAL BID DOCUMENT

Under the NAFTA, the *bases*, bid terms, will become more uniform between *paraestatales*, state-owned corporations, benefiting suppliers dealing with more than one government entity. The *bases* were brought into compliance with the NAFTA rules by the end of 1994.

The *bases* must, by law, contain several elements:

- a brief introduction identifying the *paraestatal* involved, the number of the *licitación*, public tender, and related contact information. This includes whether it is a “national” or an “international” procurement and whether it is being conducted under the NAFTA provisions. The introduction also indicates whether it is a “one-pass” or “two-pass” *concurso*, bid ceremony. The latter requires technical qualifications first, then financial offers a week or so later;
- sections covering specifications, qualification requirements, and terms and conditions, typically:
  - products or services being purchased and related terms;
  - delivery timing and location;
  - participation and *concurso* procedures, from *bases* through contract signing;
  - pricing, financial aspects and payments;
  - requirements, powers, guarantees, etc.;
  - evaluation processes and decision-making criteria;
  - acceptable modifications;
  - the basis for disqualifying participants;
  - procedures for clarification of the *bases* clauses and technical questions;
  - procedures for handling nonconformities, disputes and sanctions;
  - sundry provisions, including non-negotiability of the *bases*;
- several *anexos*, or appendices, including:
  - product details, quantities and technical specifications;
  - specific powers of attorney format required for that bid;
  - the offer summary format;
  - letter on company letterhead stating the company is in compliance with specified bid provisions;
  - payment policies for national suppliers;
  - instructions for imports;
  - requirements for data on production capabilities and quality control;
  - bid and performance *fianza*, guarantee bond, wording; and
  - other conditions may be added to facilitate the decision process.

## EXAMINING AN ACTUAL BID DOCUMENT

To be successful, you must understand the specific needs and bid process of the *paraestatal*, state-owned corporation, involved and the applicable *bases*, bid terms and conditions.

It is useful for the company's representative in Mexico to obtain a copy of a typical bid document from each target *paraestatal*, ideally one for the firm's product line. Through good contacts, the representative may acquire one without charge. If not, a current one for another product line should be purchased. The *bases* generally cost between US \$300 to US \$1,000.

The representative should arrange to have the *bases* translated. The *bases* with *anexos*, appendices, but excluding the specific product data, runs a maximum of 50 to 60 double-space pages. A company's one-time investment per institution will be approximately US \$500 to US \$1,200, depending on the number of pages. Translation services are generally cheaper in Mexico than in Canada.

If possible, the translation should be obtained in a computer-readable form, which allows a quick and straightforward check to compare the standard clauses in the previous *bases* with the current *bases*. If necessary, translate anything new and update your file.

## AN EXAMPLE: MEXICAN NATIONAL RAILWAYS

The Appendix provides a complete interpretation of an actual *Ferrocarriles Nacionales de México (FNM)*, the Mexican National Railways, *bases*, bid terms, with the exception of some of the *anexos*, appendices. This is a pre-NAFTA document, which *FNM* is in the process of changing, but it will help you to understand the *bases* structure and the meaning of its clauses. There are, however, a number of caveats:

- the clauses contained in this railway example may not be the same as those in other specific *bases de licitación*, public tender bid terms;
- wording, and even meaning and/or context, may differ substantially between the example and actual *bases*; and
- the company and its Mexican representative are wholly responsible for the translation and interpretation of a specific *bases de licitación*, and clarification of all terms and specifications with officials of the *paraestatal* conducting the *licitación*.

Notwithstanding these cautions, the *FNM bases* are fairly representative of *licitaciones paraestatales*, public tenders of state-owned corporations. Nonetheless, each *paraestatal* interprets "standard" *bases* clauses in its own way, and the differences are important.

## DISQUALIFICATION

The sample *bases*, bid terms, in the Appendix, highlights numerous instances where a bidder can be disqualified for non-compliance with the *bases*. Under the NAFTA, the rules will become more uniform, and the *paraestatales*, state-owned corporations, will become more cautious in their disqualifications. At the same time, disqualification of bidders for violation of fairly straightforward compliance clauses will be enforced.

### REASONS FOR DISQUALIFICATION

Most of the reasons for disqualification are simple, and virtually all are avoidable:

- late arrival for the *concurros*, bid ceremony;
- previous or current illegal actions;
- letter, on company letterhead stating compliance, not submitted;
- missing originals of certified powers of attorney (and proper identification);
- bidder not actually representing manufacturer or supplier;
- quality certifications not provided;
- failure to provide diskette with required bid data;
- required samples not submitted or missing official import receipt;
- failure to provide suitable offer guarantee;
- the *fianza*, bond, amount is less (even slightly) than bid percentage or wording is incorrect;
- the *fianza* is not included in sealed financial package (two-pass bid);
- prices not removed on technical evaluation package copies (third envelope);
- poor, prior-quality or delivery performance;
- inadequate data provided on company's quality control procedures;
- failure to prove items equivalent to, or superior to, those specified;
- unacceptable standards or technology (the latter usually in two-pass bids);
- offer summary and detailed offer not in Spanish;
- overall offer different than that requested or offer information incomplete;
- collusion with other bidders to fix prices;
- using "dumping" prices in offer;
- offer validity period less than specified;
- delivery time longer than specified;
- payment terms different from those required (unless favourable);

- offer of financing not provided (if requested in the *bases*);
- changes made to offers (corrections and additions on typed pages);
- prevailing interpretation of number errors not accepted by bidder;
- contacting *oficiales paraestatales*, state-owned corporate officials, during evaluation (if not requested to do so); and
- winner refusing award or not complying with order signing procedures.

## PENALTIES

Bidders are subject to the loss of their offer *fianza*, guarantee bond, if they try to remove themselves from the *concurso*, bid ceremony, without being disqualified, or fail to comply with post-award, order-finalizing conditions. Suppliers' performance *fianzas* are also at risk if they fail to comply with delivery or product guarantee terms. In addition, payment penalties may be imposed on late deliveries.

## GUARANTEE BONDS

One critical element, mentioned in the Appendix, is the necessity to meet the *fianza*, guarantee bond, requirements for bid presentation, order fulfillment and goods performance guarantees. Once presented to the *paraestatal*, state-owned corporation, the *fianza* can be cashed if the supplier fails to comply with bid or performance requirements.

For bid compliance, the guarantee can take the form of a certified or cashiers check, or a Mexican *fianza*. If not presented, or not drafted properly with correct wording and amounts, disqualification of a company's bid is virtually automatic in a *concurso*, bid ceremony. To comply with order-fulfillment/product-performance requirements, only a Mexican *fianza* is permissible. There is a chance that Canadian bonds, such as those issued by the Export Development Corporation (EDC), will become acceptable under the NAFTA.

Any serious breach of contractual commitments can lead to "calling", or forfeiture, of the *fianza*. The bond will be cashed to compensate the *paraestatal* for non-compliance on the supplier's part.

## OFFER BONDS

As a *fianza*, bond, for the *oferta*, proposal, most foreign firms prefer one secured through a Mexican *afianzadora*, bond company, and its Canadian or U.S. underwriting correspondent. A cashier or certified cheque is an option, but this ties up working capital.

The export manager should pre-register the company with the selected *fianza* provider. The Key Contacts section provides contact information on Mexican *afianzadoras* and their correspondents in Canada.



For offer *fianzas*, normally five percent of the total offer amount is required, although it is sometimes 10 percent. The cost of these bonds ranges from 0.04 percent to 0.08 percent of the bid amount. They are normally valid for one year.

Even if a firm's offer *fianza* is short by just a dollar or so, the bidder can be disqualified. Care must therefore be taken with the definition of "total amount". To be safe, the total amount should be the sum of:

- the basic specified units;
- minimum quantity of recommended spare parts; and
- technical assistance and training fees.

These amounts should be calculated for the final plant destination (excluding duties), not the border.

Lower cost "options" that may be included in the bid should not be used in determining this total amount.

The *fianza* transaction can be started weeks in advance of the *concurso*, bid ceremony. Pre-registration ensures that the Canadian underwriter can give fast approval for a *fianza* to be issued. If timing is critical, or the *fianza* needs re-doing, a 24-hour turnaround is usually required.

## PERFORMANCE BONDS

Once a bid or offer bond has been approved, it automatically means that a performance *fianza* bond will be issued if the company wins the *licitación*, public tender. The *afianzadora*, bond company, will, however, need to review the order terms before issuing the performance *fianza*.

At the time of receipt of the order or contract, the *paraestatal*, state-owned corporation, requires the performance *fianza* to be produced, exchanging it for the offer *fianza*. Delivery/performance *fianzas* are usually 10 percent and occasionally as much as 20 percent of the offer amount. In the rare case when an advance payment is made, *fianzas* between 50 and 100 percent are often requested.

The fee for a performance *fianza* is about 0.2 percent per year for the duration of the performance guarantee, usually one or two years. In calculating the period involved, a company must include the delivery period and the guarantee period, the latter extending from receipt of the last delivered item. Therefore, if the first shipment arrives in month 6 and the last in month 10, and the product is guaranteed for a period of 18 months, the total *fianza* period is 28 months (10 plus 18).

## CLOSING OUT BONDS

If a bid is canceled, or the company does not win, the *paraestatal*, state-owned corporation, will return its offer *fianza*, bond, or certified check with a letter of release. The letter is necessary to close the bond. The *paraestatal* will also provide a letter when the company's performance *fianza* period has expired.

If *paraestatal* release of a performance *fianza* is earlier than the period paid for, then reimbursement for the unexpired premium will be made by the issuing firm. It is unlikely, however, that a *paraestatal* will disclose that units are in service earlier than anticipated, since it has an interest in maintaining the *fianza* for as long as possible.

### **"CALLING" OR FORFEITURE OF BONDS**

An offer *fianza*, bond, can be "called" if a bidder leaves a *concurso*, bid ceremony, without being disqualified, or as the winner, does not comply to post-award, order-signing requirements.

Similarly, excessive delivery delays, failures without satisfactory repair or replacement, or other problems can result in the performance *fianza* being "called".

The *paraestatal*, state-owned corporation, normally advises the company in writing, warning that such action is imminent. To have claims resolved, the company must respond quickly and work closely with the *fianza* provider, since these firms have experience in dealing with *paraestatales*. If this fails, the *paraestatal* will notify the *afianzadora*, bond company, that they want to have the bonded amount paid due to non-compliance on the company's part.

## **PROTESTS**

If there are disputes, protests can be made to the *Secretaría de Contraloría y Desarrollo Administrativo (SECODAM)*, Secretariat of the Comptroller General, commonly referred to as the *Contraloría*. Become familiar with the related procedures, but, challenging a dispute through the formal mechanism is wise only when the company has a strong case, based on well-documented evidence.

The *Departamento de Inconformidades*, Nonconformities Department, of the *Controloría* is responsible for investigating all protests related to *paraestatal*, state-owned corporation, purchasing. The *Contraloría*'s oversight and dispute resolution powers are considerably stronger under the NAFTA.

### **INFORMAL SETTLEMENT OF DISPUTES**

In the past, attempts to negotiate resolution of disputes directly with officials usually failed, and companies had no option but to protest through the *Secretaría de Contraloría y Desarrollo Administrativo (SECODAM)*, Secretariat of the Comptroller General. Under the NAFTA, companies are encouraged - and *paraestatales*, state-owned corporations, are obliged - to first try to resolve the dispute among themselves. The best approach is to use the new NAFTA leverage exerted by the *Contraloría* over the *paraestatales*, to convince them to be fair. In dealing with the *oficiales paraestatales*, state-owned corporate officials, courtesy is essential, and pressure tactics should be avoided.

A good guideline for protests is whether the company would protest similar circumstances in Canada. Another consideration is the longer-term implications for client relations. In Mexico, unless a company is on a *paraestatal* "black-list" for poor delivery or product performance, there should be no problem participating in future bids. The *Contraloría* will be keeping statistical track of repetitive disputes involving the same government entity, and intervene to modify their *licitación*, bid tender, policies when appropriate.

## FORMAL PROTESTS

If the company believes there were procedural irregularities, inconsistent application of the *bases*, bid terms, manipulated evaluations, or blatant favouritism during the *licitación*, public tender, or in the award, then it has the basis for a formal protest. Evidence will be required if the protest is to succeed.

The *bases* should be rechecked to make sure the company's offer is in compliance with all the terms. Notes made during the *aclaración*, clarification meeting, the *concurso*, bid ceremony, and the *fallo*, decision, should also be reviewed. Careful consideration must be given to the evidence, as it must be sufficient for a third party to reasonably decide in the company's favour.

The new laws suggest that the first attempt should be made directly with the *paraestatal's* management, with recourse to the *Secretaría de Contraloría y Desarrollo Administrativo (SECODAM)*, Secretariat of the Comptroller General, if the matter is not resolved. This agency is one of the government's key weapons against corruption. Over 50,000 public *licitaciones*, bid tenders, are held in Mexico each year, and of these only about 1,000 are protested. Under the new NAFTA-based rules, the number of protests is likely to rise, and they will come from Mexican as well as Canadian and U.S. suppliers.

The table below, based on official *Contraloría* guidelines, is not necessarily exhaustive, but it gives an indication of the scope of possible protests. In some cases, individual items are minor and would have to occur in combination with others, and/or be to the advantage of particular suppliers, for a protest to succeed. Fortunately, the grounds for protest listed in the table are mainly relics of the past, but they can still occur.

Specific procedures for protesting are outlined in Chapter 7.

## POSSIBLE GROUNDS FOR PROTEST IN MEXICAN GOVERNMENT PROCUREMENTS

### Bases and specifications — protest before the *concurso*:

- |   |  |
|---|--|
| ■ "pre-decided" brand names                           | ■ restrictive specifications in excess of industry standards |
| ■ delivery times too short relative to industry norms | ■ delays in processing mandatory quality certificates        |

### Clarifications in writing or at the *Junta de Aclaraciones*— protest before the *concurso*:

- |   |  |
|---|--|
| ■ rejection of reasonable requests for specification modifications      | ■ inadequate time extension to rework bids when specifications are changed |
| ■ rejection of sound options that reflect industry alternative practice |  |

### Conduct of the *concurso* — protest in the *Acta* and after the *concurso*:

- |   |   |
|---|---|
| ■ asking for <i>fianzas</i> in pre-bid meetings               | ■ unequal treatment for similar technical items                 |
| ■ disputed interpretations not accepted                       | ■ disqualifications for biased reasons                          |
| ■ refusal to accept protests of non-compliance by competitors | ■ procedural irregularities suggesting favouritism or collusion |
| ■ failure to properly evaluate proposed options               | ■ suspected collusion indicated by price irregularities         |

### Award announcement — protest after the award:

- |  |  |
|--|--|
| ■ disqualifying all bidders or finding all bids unacceptable       | ■ disqualifying supplier on grounds of "dumping"                                 |
| ■ refusing to allow checking of financial or technical comparisons | ■ written results do not agree with information presented in the <i>concurso</i> |
| ■ non-disclosure of winner's name and contract amount              |  |

### Post-award disputes — protest as soon as possible after occurrence:

- |  |  |
|--|--|
| ■ lengthy delay beyond <i>bases</i> terms in issuing order | ■ contract terms differ from the <i>bases</i>                      |
| ■ excessive delays in specification/drawings approvals     | ■ quality/inspection visits unreasonably delayed                   |
| ■ slow approval of finished goods                          | ■ rejection of reasonable delivery and letter of credit extensions |
| ■ improper refusal to accept goods                         | ■ apparent sabotage or intentional damage to goods upon arrival    |
| ■ unacceptable delays in payments                          | ■ disputes regarding goods after delivery                          |
| ■ unreasonable threats or action to call the <i>fianza</i> | ■ failure to provide letter to close out the <i>fianza</i>         |

### Bribe requests — protest immediately

- |                           |  |
|---------------------------|--|
| ■ directly from officials | ■ from third parties offering to "help secure the order" |
|---------------------------|--|

## **"DUMPING" AND COLLUSION CHARGES**

If a company is charged with "dumping" or collusion by the *paraestatal*, state-owned corporation, it must defend itself before the *Secretaría de Contraloría y Desarrollo Administrativo (SECODAM)*, Secretariat of the Comptroller General.

"Dumping" is usually interpreted as selling at a price lower than the full costs of production. To defend against "dumping" charges a company should maintain separate records for domestic and international sales, and each Mexican bid in particular. This should not reveal the company's pricing strategy or cost structure, but it should provide a summary of related costs. The relevant costs can be subject to differing interpretations. The rules will gradually be clarified under the NAFTA.

Collusion charges may state that a company has conspired with competitors to fix prices or influence the outcome of the *concurso*, bid ceremony. To be protected against such charges, the export manager should keep a detailed record of any and all discussions held with competitors, including those at *aclaración* meetings in the *paraestatal* offices. Discussions to improve or modify technical specifications on a consensus basis are not "collusion".

## **5. FINDING BID OPPORTUNITIES**

Persistence and patience are the only means to success in Mexico, more so because of the intense and increasing levels of competition. Mexican clients expect a foreign company to visit them frequently so that they can become comfortable with the firm. After some initial awareness and interest has been generated, Mexicans anticipate serious business development to be pursued in follow-up trips.

A visit to Mexico every two or three months may be necessary. The visits can also be used to expand the Mexican representative's knowledge of the company's offerings and to stay in touch with decision-makers identified by the representative. More generally, these trips are an opportunity to broaden your understanding of the Mexican potential and ways to address it.

## ORIENTATION OF THE COMPANY'S REPRESENTATIVE

After appointment, the company should arrange for the representative to visit the company's facilities in Canada. The representative needs to become familiar with the company and its product line. The representative should undergo training in technical selling and participate in sales visits to Canadian clients if possible, to learn how the firm's sales force approaches work in Canada and to advise on techniques that would work in Mexico.

This is also an opportunity for the representative to meet company employees, which will help to build rapport and team spirit, and provide a competitive edge at bid time and as private-sector sales develop.

To reinforce this initial training, orientation, and team building, the export manager should work with the representative in meetings with key technical and purchasing personnel, or possibly senior management, of the company's more important potential clients in Mexico.

In addition to calling on potential government clients, the representative's responsibilities include scanning trade directories and industry information to identify potential private industrial clients or distributors. Such data is generally more difficult to find in Mexico than in Canada. The representative will have access to the Canadian Embassy's commercial library, the Canadian Business Centre, and various Mexican business chamber's libraries, contact information contained in the Key Contacts section of this Guide. Additional sources of industrial market data are rapidly becoming available.

## PRESENTATIONS AND SEMINARS

Mexican managers and their technical advisors are quick to grasp and adopt new technologies and equipment that can help them become more competitive. A good way to convey technical information and to cover commercial issues is to conduct short presentations and seminars. These can range from a half-hour to a full day, depending on the technical complexities involved; their effectiveness is enhanced by the use of visual aids. Most Mexican companies will gather a strong showing of key people. The Mexican representative can identify potential participants and their interests, and ensure that the necessary preparations for the meeting, including the required display equipment, are complete. The orientation to the firm and its capabilities should be factual, low key, and focused on solutions to the potential client's problems. While *paraestatal* officials may still be focused on buying product, the company will need to strike a careful balance between immediate satisfaction of the officials' needs and the longer term solution for the *paraestatal*.

## TRADE SHOWS

Trade shows are an important source of business leads and competitive intelligence in Mexico. They are frequent and expanding, reflecting the industrial growth underway in Mexico. The Canadian government hosts missions of Canadian participants in a variety of industrial sectors.

Canada's largest-ever export show, Canada Expo '94, held in Mexico City in March, involved more than 400 exhibitors and drew 50,000 visitors over three days. This was part of an extensive, on-going Canadian government trade strategy designed to attract Mexican business people that want to do business with Canadians.

## DIRECT MAILINGS

Direct mailings are becoming more common, partly because of the high cost of traveling in Mexico. For this purpose, express mail is more reliable than regular mail. The Mexican representative can mount a mail campaign directed at prospects extracted from directory information. Respondents can be screened by telephone or by fax.

## STATE-OWNED CORPORATION BID PROGRAMMING

One of the representative's major responsibilities is to keep track of the *licitación*, bid announcement timings. This means frequent checks with each targeted *paraestatal*, state-owned corporation, by telephone or fax, along with personal visits.

It also means monitoring the newspapers. *Avisos de Licitaciones*, bid tender notices, in the newspapers were previously published only for a few days, beginning a minimum of 20 days before the *concurso* for custom items, and 10 days for standard goods. Under the NAFTA, these periods are increased to a minimum of 40 days. The Mexican government is publishing all the NAFTA-defined tenders in the *Diario Oficial*, Official Gazette, every Tuesday and Thursday, until a dedicated publication is established.

Some entities, like *Petróleos Mexicanos (PEMEX)*, the state-owned oil company, the *Comisión Federal de Electricidad (CFE)*, Federal Electricity Commission, and *Ferrocarriles Nacionales de México (FNM)*, the Mexican National Railways, also post their *avisos de licitaciones* on announcement boards in their purchasing departments, after they have been published officially in the press. *PEMEX* previously solicited bid quotations from registered suppliers through their Houston office; recent organizational changes may alter this approach.

## CLIPPING SERVICES

There are several clipping services that re-package *avisos de licitaciones*, bid tender notices, in a bi-weekly book. In the past this has not been fast enough considering that many bids are scheduled within two weeks or less. They may become more practical as *paraestatales*, state-owned corporations, introduce the 40-day announcement period.

## ON-LINE SERVICE

The Department of Foreign Affairs and International Trade (DFAIT) recently introduced Mexican bid information to their on-line Open Bidding System (OBS). Summary and contact information on upcoming bids are available within a day or two of announcement in Mexico. The Appendix provides contact information on this service.

## FINE TUNING THE BIDDING MACHINERY

The weeks or months between establishing a marketing representation in Mexico and responding to the first bid request should be spent fine tuning the bidding machinery.

### THE BID TEAM

In leading the bid team, the export manager is responsible for overseeing all the work elements, establishing the final bid pricing, and checking that the company's bid package fully complies with the *bases*, bid terms. The Mexican representative is charged with gathering competitive intelligence, monitoring upcoming *licitaciones*, public tenders, and managing all communications with the *paraestatal*, state-owned corporation.

The program manager should be an experienced marketing specialist who will be responsible for preparing the overall bid package, obtaining notarized certification documentation, developing and refining the pricing model, and managing communications with Mexico. The program manager requires the support of technical, production, pricing, and accounting resources.

A key production person is needed to accept responsibility for establishing production costs, and assembling all technical information. At bid-time, this person will also be involved in determining production scheduling and participating in final pricing decisions.

A financial specialist should be responsible for securing all required corporate and financial information, gathering and collating cost information, coordinating pre-approval with the Canadian correspondent *afianzadora*, bond company, finalizing the offer *fianza* or bond, and securing the performance *fianza* when the firm is finally awarded the contract.



A translator is essential. Some translation may be done in Canada or by the Mexican representative, but many companies hire outside translators. It is essential that the translator be available as necessary during the intense preparations prior to bid submission. The Mexican representative is often responsible to check all Spanish for its business usage and technical correctness. The company may also wish to locate a convenient public notary for formalizing documents.

### **BID PREPARATION CHECKLIST**

After they have been translated, review the sample *bases*, bid terms, and extract all the key items that have to be prepared and create a computerized "bid preparation checklist", organized into appropriate groupings. This checklist can be modified to include any other specific items when the actual *bases de licitación*, public tender bid terms, are received.

### **SAVING EVERYTHING TO COMPUTER**

A computer can be an essential tool for preparing and storing bid documentation, as well as for swapping information between Canada and Mexico. Standardizing the word processing and spreadsheet programs to be used will contribute to maximum efficiency of the bid preparation. WordPerfect, Excel, and Quattro Pro are in common use in Mexico. Fax modems offer a number of advantages, but they must be thoroughly tested in advance, since the Mexican telephone system can be unpredictable.

### **GATHERING REQUIRED CORPORATE DOCUMENTS**

The program manager should assemble all of the basic bid material as early in the process as possible. The company's corporate registration and other documents must be translated, notarized, and then certified at the Mexican Consulate. Other necessary documents include the company charter, the latest provincial operating certificate, audited financial statements for the latest fiscal period, the company bylaws authorizing persons to sign on its behalf, and the powers of attorney for the person signing the bid.

These documents, with translations, can be stored on a computer, ready to use when the actual bid is released. They may have to be modified to include specific *números de licitación y requisición*, public tender and requisition numbers, before they are notarized and certified.

### **CONFIRMING THE APPROPRIATE MEXICAN CONSULATE**

The *bases*, bid terms, specifically require several documents to be *legalizados*, certified, by a Mexican Consulate. They must be certified by the Consulate nearest to the corporate domicile, having jurisdiction for the province. The documents will be returned if they go to the wrong Consulate, therefore, it is wise to identify the correct Consulate early on in the process.

At the same time, the fees for certification by the Consulate can be verified so that the correct payment, including applicable taxes, can be enclosed with the documents. Payment is usually by certified cheque. The Consulate will return the documents by courier if you provide a self-addressed envelope and pay for the shipping.

## **SIGNING UP WITH A BONDING COMPANY**

The export manager should prepare early for the *fianzas*, bonds, and choose a Mexican *afianzadora*, bond company, which has direct contact with a Canadian financial institution. Four such companies are listed in the Key Contacts section of this Guide. The Canadian underwriting correspondent plays an important role in the *fianza* process. It helps the exporter by facilitating the issue of a *fianza* in Mexico. At the same time, it protects the Mexican *afianzadora*, by providing collection services under Canadian laws if the *fianza* is "called". Both the *afianzadora* and their correspondents prefer working with a company's insurance broker, but this can lead to delays and additional costs. The representative should confirm that the company's selected *afianzadora*, is acceptable to the *paraestatal*, state-owned corporation.

All required documents should be prepared and sent to the *afianzadora* as soon as possible, as the underwriting decision can take at least a week or longer. Prior approval means one less thing to worry about at bid time.

The underwriter evaluates the risk involved, and the company's ability to absorb a payout in case of default, before deciding what counter-guarantee will be needed. For a small private firm, this could involve personal guarantees from the owners. In a larger company, the underwriter might ask for a general indemnity agreement, or some other form of collateral. The assessed risk also affects the premium charged, but *fianza* premiums are a relatively small percentage of the total bid.

## **SEEKING CLIENT REFERENCES**

References are important in most *licitaciones paraestatales*, public tenders of state-owned corporations, and their requirement will probably be enforced as more Canadian and U.S. companies begin to participate in Mexican government procurements under the NAFTA.

The *paraestatales*, state-owned corporations, want to ensure that all suppliers are competent and qualified. Their pre-qualification measures (during the 40-day announcement to bid-opening period, or in a separate phase), are designed to qualify all potential bidders before the actual *concurso*, bid ceremony.

The representative should try to find out what qualification documentation will be expected by the *paraestatal*. The export manager will then need to secure copies of the relevant quality certificates and letters of reference, which will support the company's claim to qualified supplier status. For example, a list of prior sales may be prepared, showing client names, type of product involved, and the order value.

## **PRELIMINARY TRANSPORTATION COST AND SHIPPING TIME ESTIMATES**

Transportation costs should be evaluated by the program manager. Preliminary quotes and shipping time estimates can be obtained from two or three Canadian trucking firms that ship through the U.S. to the Mexican border. Recent agreements under a Memorandum of Understanding between the Mexican and Canadian governments allow Canadian trucking companies to cross into the northern border area, and eventually to ship to all Mexican destinations. The Mexican representative should find out from the *paraestatal*, state-owned corporation, what the typical order size is for the type of product under consideration.

In the case of major equipment repair bids, the program manager should check that the trucking lines can ship both ways, and whether they can coordinate through-shipments to destinations within Mexico.

The minimum safe shipping times, both to the border and the Mexican destination (and from the border to the company's plant in case of repairs), are needed. These times must be factored into the production-delivery schedule during the bid-planning stage. Generally by truck, 5 to 7 days are required from Canada to the border, 1 to 3 days delay are involved at the border, and 2 to 3 days are needed within Mexico to reach most destinations.

A comparison will be required of approximate costs by rail or piggy-back, to both the border and the inland destination, along with rough transit times. Rail tends to be cheaper, but slower than truck transportation. Rail shipments are frequently delayed in Mexico. Some clients, like *Petróleos Mexicanos (PEMEX)*, the state-owned oil company, for example, may specify larger shipments travel by sea to a nearby sea port.

If a shipment is delayed, late penalties can be imposed by the *paraestatal*, unless the delay is previously authorized by them in writing, or an exceptional event occurs en route and can be proven not to be the fault of the exporting company.

## **SECURING PRELIMINARY IMPORT DUTY INFORMATION**

Based on the product classification number under the Harmonized Schedule, the applicable percent tariff should be ascertained through the freight broker or Revenue Canada, Customs and Excise. Under the NAFTA, most duties have been eliminated or are being phased out on a sliding scale over the next 5 to 10 years. Through the same broker or freight forwarder, estimates of export and border transfer costs should also be gathered.

## A BASIC COST AND PRICE MODEL

### 1. Unit Cost Calculations

Direct costs: materials, labour, other

+ Indirect: administration

+ Indirect: marketing

+ Indirect: general overhead

= Unit Base Cost

+ Markup

= Unit Base Price

x Unit Quantity

= Total Base Price

### 2. Total Cost Calculations

Total Base Price

+ Export packaging

+ Representative's commission

= Export Price, F.O.B. Plant

### 3. Price: Mexican Border

Export Price, F.O.B. Plant

+ Freight/insurance to border

+ Fianza costs

+ EDC exposure fee

= Export Price, CIF Mexican Border

### 4. Price: Destination

Price, CIF Mexican border

+ Border transfer costs

+ Estimated duty

+ Mexican freight/insurance

+ Incremental fianza costs

= Export Price, Landed Destination

## DRAFTING BID COMPONENTS IN ADVANCE OF BID TIME

The sample *bases*, bid terms, obtained by the Mexican representative from the target *paraestatal*, state-owned corporation, will contain several pages and exhibits that need to be prepared in given formats in Spanish. These can be prepared in advance, ready for adjustment and updating when the actual *bases* is purchased. This also provides time for any clarifications that may be needed.

Other documents that can be prepared in advance include templates for the detailed bid offer, a preliminary pricing spreadsheet, a pro-forma manufacturing-delivery chart and key components of the supporting documentation.

The representative should check the Spanish translations for accuracy, since everyday Spanish from Mexico may be different from that used by a Canadian translator.

## PRICING SPREADSHEETS

The competitiveness of the overall pricing strategy for the Canadian bidder is important. Any initial Mexican advantage, due to the devaluation of the new peso, will be quickly eroded through higher local inflation and interest costs, and the need for Mexican companies to modernize and improve productivity. Canadian companies will still be competing primarily against other foreign suppliers.

The bid team should prepare a cost and price model in advance. There is a sample of one shown in the side bar. In many *licitaciones*, public tenders, a bidder has to prepare some form of price spreadsheet for the items being bid. The *paraestatal's* format should be used. It will normally have five columns, with "Unit Number", "Description", "Quantity", "Unit Price" and "Extended Price" as headers. Amounts should be in US dollars, unless there are specific reasons to do otherwise; exchange exposure protection may need to be considered if the total sales values are significant.

The information should include groups of items, listed with sub-totals for each group, and the total for all groups. If the company is presenting a through-freight quote to destination (the norm under the NAFTA for "equal" evaluation purposes), there will need to be rows for import duties, associated taxes and fees, border transfer charges, freight charges from border to destination and the grand total. Sometimes a *paraestatal* will specify a landed, ex-duty basis, where they will pay duties and related taxes.

To prepare tentative unit cost numbers, consider the company's normal costs for similar items, applying standard markups, and adding a percentage to cover the Export Development Corporation (EDC) exposure fee, if applicable. Other export-related costs such as document preparation and translation are generally absorbed as part of the indirect marketing costs. Export packaging and representative's commission are added after the company's markup. These preliminary prices will be considered in greater detail when an actual offer is being prepared.

## PRELIMINARY TIMETABLES

A preliminary bid preparation timetable, with all the key work elements, responsibilities, constraints, and milestones included, needs to be prepared by the program manager. A scheduling bar chart is required to be submitted with the bid, and a draft should be prepared in advance with projected times for the production-delivery program.

The Mexican terminology for “days” in the *bases*, bid terms varies; *días hábiles* means working days; *días naturales* and *días calendarios* are calendar days.

## COMPETITIVE INTELLIGENCE

During the period before a bid solicitation is announced, the Mexican representative can gather intelligence on the competition from both the *paraestatal*, state-owned corporation, and the private sector, and provide it in the monthly report. Through contacts in the *paraestatales*, the representative should try to acquire answers to such questions as: Who are the usual bidders? Who has won the bids in the past? What is the pricing spread? Who are usually the highest and lowest bidders? How are the bidder’s technical capabilities perceived? What delivery or quality problems has the *paraestatal* had and with whom?

## EXPORT DEVELOPMENT CORPORATION (EDC)

### EXPORT FINANCING

The Export Development Corporation (EDC) offers export assistance programs. The export manager can inquire about the export financing support applicable to the company’s particular products or services, and the associated exposure fee costs.

The *bases*, bid terms, in the past have required bidders to include exposure fee costs in their pricing. The NAFTA alters this requirement a little, since evaluations must be done first, without financing considerations.

The EDC program can be an important strategic advantage in a *licitación*, public tender, procedure. Financing is available for contract amounts as small as US \$50,000 or as large as US \$5 million. Payment periods are from 5 to 8 years depending on the project or operating life. EDC has extended more than US \$700 million in credit lines to Mexican *paraestatales*, state-owned corporations, and to financial institutions which re-lend to the private sector. Clients can receive financing up to 85 percent of the order amount at favourable rates, if the Canadian content is more than 50 percent. Contact information for the EDC is provided in the Key Contacts section of this Guide.

## PROVINCIAL GOVERNMENT ASSISTANCE

Several provincial governments provide export assistance to companies. This may include contributions towards brochures and trip expenses, including those for client visits to the company's facilities in Canada. They may also cover a portion of bid-preparation costs, including travel or translation.

## ACQUIRING DOCUMENTS

When the *licitación*, public tender, is announced, the first priority is to obtain the bid documents and have them translated as quickly as possible. As the announcement date approaches, the representative must check frequently with *paraestatal*, state-owned corporation, contacts and scan the *Diario Oficial*, Official Gazette, and the prime newspapers daily for the official notice, so that a set of bid documents may be purchased the first day they are released.

## "NATIONAL" VS. "INTERNATIONAL" TENDERS

Before buying the *bases*, bid terms, the representative needs to confirm whether it is an "international" bid or a "national", and what it includes. The representative should visit the *oficina paraestatal de adquisiciones*, state-owned corporate acquisition office, early on the first day that the *licitación*, public tender, is announced to examine the *bases*.

## OBTAINING BID DOCUMENTS

To purchase the *bases*, bid terms, the representative must provide a certified Mexican bank cheque, or cash, to the *paraestatal's*, state-owned corporation's, cashier, and obtain an official receipt. The receipt is presented to the purchasing office for a set of the *bases*. The representative must register the company on the *bases* buyers list. It is important to provide accurate fax contact information since this is often used to communicate subsequent changes in the *bases* to the interested companies.

The *bases* need to be checked carefully, before leaving the office, to make sure that all the pages and *anexos*, appendices, are included and legible. Any that are missing or illegible should be replaced on the spot.

## **COPYING AND FORWARDING BID DOCUMENT**

Two complete sets of copies of the *bases*, bid terms, need to be made, with the original being couriered to the export manager the same day. The other copies are for the representative and the translator. Because time is a critical element in preparing the bid, have the representative fax the key pages to Canada, including the project description, the quantities of product required and technical specification pages.

## **TRANSLATING TERMS AND SPECIFICATIONS**

If the translation is to be done in Mexico, the representative should carefully check the actual *bases*, bid terms, standard terms and conditions, as well as the technical specifications, and have translated only the clauses that are different from the sample *bases*.

The important description and technical pages should be translated first, followed by an extract of key terms and conditions that are specific to this *concurso*, bid ceremony, then the less important technical details, and finally the rest of the terms and conditions.

The representative must fax or courier batches of translated material as soon as it is available, and include any comments or clarification on anything different from the *bases* which were previously translated.

In time, generic pre-translated versions of each major *paraestatal*'s, state-owned corporation's, standard *bases*, with annotations about their specific purchasing policies, may become available for purchase. The export manager should check availability, for the *paraestatal* involved, with the Canadian Embassy in Mexico City, or the InfoCentre in Ottawa.

## 6. THE BID PROPOSAL

When the bid-preparation team receives copies of the translated *bases*, bid terms, the critical process of preparing the bid proposal begins. All the prime input data from the *bases* needs to be extracted and provided to the team members.

### PROCUREMENT PROCEDURES

The export manager must identify the two basic procedures that will influence the company's approach to the bid. These are the financing arrangements and the *concurso*, bid ceremony, process involved.

#### INTERNATIONAL-FINANCED OR DIRECT PROCUREMENTS

The first priority is to determine the type of financing being used. If the *paraestatal*, state-owned corporation, acquisition is being funded with World Bank money generally related to infrastructure development, then a preference margin ranging from 15 to 20 percent may be included in the financial evaluation for local suppliers. This is intended to foster local industrial development and make sure international prices do not get out of line.

Participation in such bids is limited to World Bank member-country suppliers, which includes those from Canada. However, a Canadian company still has to address the preference margin if any Mexican companies are participating. Depending on what the *licitación*, public tender, is for, some locals may align with foreign suppliers to put together a quote that takes advantage of the preference as well as Mexico's lower labor costs.

If funds from the Export Development Corporation (EDC), or U.S. EXIMBANK are being used to finance the purchases, this puts a handicap on national suppliers, since they cannot offer similar, low-cost lines of credit in their bids.

Under the NAFTA, associated financing costs cannot enter the decision equation until offers have first been evaluated on the bid terms, specified criteria. In the final evaluation, the cost of laying out cash to a Mexican supplier versus low-cost, long-term financing from Canadian and U.S. suppliers, may tip the balance in the latter's favour.



## **"ONE-PASS" OR "TWO-PASS" BID**

The next priority is to find out if the *licitación*, public tender, is a "one-pass" or "two-pass" *concurso*, bid ceremony. A two-pass bid accepts documentation of all legally-qualified bidders, but opens only the technical data in the first meeting. Through technical evaluation, the *paraestatal*, state-owned corporation, eliminates less-than-qualified suppliers before opening the financial and commercial proposals in a second meeting. The NAFTA provides for pre-qualification procedures, which may be used in place of a "two-pass" bid in the future.

To ensure acceptance, the company must prove that its technical offerings and capabilities meet or exceed the competition's, and complies with the objectives and minimum standards of the *bases*, bid terms.

The technical aspects are essentially the same as in a "one-pass" *concurso*. The difference is that technical disqualification usually comes only after the technical and financial reviews are made over the following weeks. Nonetheless, a bidder may occasionally be rejected in the bid-opening ceremony.

## **CLARIFYING DETAIL**

The export manager and the Mexican representative should examine the clauses and specifications, to identify any unclear items.

The prepared bid-requirement checklist should be checked and updated, if necessary, to include additional items relevant to the present *licitación*, public tender.

## **QUESTIONING TERMS, CONDITIONS AND EXCEPTIONS IN WRITING**

Questions about the terms and conditions of the bid should be set out in a letter. The letter should also include options the company would like the *paraestatal*, state-owned corporation, to consider, and any conditions to which it takes exception. The *paraestatal* may agree to make changes, but if not, the company will have to accept the terms. The letter should be translated by the Mexican representative, who will need to be sensitive to subtleties in the wording.

If there is a *Junta de Aclaraciones*, clarification meeting, the representative should present the letter at the meeting. This may offer the chance to meet key *paraestatal* personnel. Only the written responses generated through the *Junta de Aclaraciones* or subsequent formal communications, are officially valid.

If there is no clarification meeting, bidders are allowed to submit their questions and concerns in writing. The representative should deliver the letter to the *paraestatal* purchasing offices as soon as possible. The representative should have a copy of the letter stamped and dated.

The *oficiales paraestatales*, state-owned corporate officials, must then respond in writing within three working days. It is important that the representative maintain contact with the *paraestatal*, stressing that the answers are needed urgently. Sometimes, the explanations received are not as clear as the company would like, however, if the response is delayed or is unacceptable, this can be challenged.

## LOCAL INSPECTIONS

Occasionally, some *licitaciones*, public tenders, require that participants inspect the conditions of the plant, site or equipment in Mexico. This is usually in the case of major equipment repairs or construction. The export manager and/or a technical advisor should participate in this inspection, though in other cases, the Mexican representative can handle this task. It is risky for the company not to be represented in the plant visit.

## THE BID CLARIFICATION MEETING

The Mexican representative, and the export manager if possible, should attend the *Junta de Aclaraciones*, clarification meeting. If the company chooses not to be represented, it does so at its own risk. The company will still receive a copy of the *acta*, official minutes.

Unless the export manager speaks Spanish, the representative or a translator should accompany the manager to the clarification meeting. It is necessary to arrive at the correct time at the *sala de juntas*, meeting room. After registering on the Participant's Form, the manager will be asked to submit written questions to the *oficiales paraestatales*, state-owned corporate officials.

When the officials read the company's letter, the export manager should explain each point through the representative or interpreter, who should also summarize the responses.

If an agreement on proposed technical specifications has been reached with competitors before the meeting, this should be raised at the meeting by the *oficiales paraestatales*. If not, the export manager should raise the matter unilaterally. In the worst case, a protest can be recorded in the *acta*, official minutes. This can be used to support a subsequent protest to the *Secretaría de Contraloría y Desarrollo Administrativo (SECODAM)*, Secretariat of the Comptroller General.

At the end of the meeting, the *paraestatal* representatives will prepare the *acta*, have everyone sign it, then distribute copies to all attendees. They will also fax copies to bidders who are not represented at the meeting.

## SIZING UP THE COMPETITION

Either in the *Junta de Aclaraciones*, clarification meeting, or after the sale of the *bases*, bid terms, has closed, bidders can find out who else is likely to enter the *licitación*, public tender. This information is most useful if it is obtained early in the bid preparation stage. Through the representative's contacts in the *paraestatal*, state-owned corporation, information may be obtained about the competition. At a minimum, the number of companies purchasing the *bases* can often be discovered.

Typically, about ten people buy the *bases*. Several are genuine suppliers, others are intermediaries or are hopeful that they can quickly locate a supplier in the U.S. who can quote on the bid. Some will be disqualified for not having the powers of attorney to represent the supplier. Normally about a third drop out by the time of the *apertura*, opening, and one or two bidders are disqualified for various reasons in the *concurso*, bid ceremony.

If there are problems with the technical specifications, the company may be able to enlist the support of competitors to have them changed. If the representative can learn the names of other potential bidders, this can be discussed with them in advance. Otherwise, they may be contacted before they enter the *Junta de Aclaraciones*, clarification meeting. If the other bidders have similar technology, they may be agreeable to act in a consensus to bring about appropriate changes. This is especially likely under the NAFTA.

The objective is to convince the *paraestatal* that alternate or newer technology is better, and have them revise the specifications accordingly. Since this move can exclude lower-quality suppliers, the export manager should be cautious in talking to competitors until their situation is known.

## MANAGING BID ACTIVITIES

After receiving the key bid terms and participating in the *Junta de Aclaraciones*, clarification meeting, the export manager should convene a meeting with the bid team.

### CHARTING THE BID PREPARATION TIMETABLE

To coordinate the total effort, the program manager should update the timetable of all the critical work elements. This may involve a bar chart or critical path approach. The schedule should be reviewed with the team members to identify any bottlenecks and design a way around them. It is essential that all team members should understand their respective roles in the process. The timetable should be revised and re-distributed as often as necessary.

## REVISING THE DETAILED BID PACKAGE CHECKLIST

The bid preparation checklist needs to be updated, adding any new items that have arisen from clarification of the *bases*, bid terms. A computerized chart is a useful device for tracking the status of each item on the checklist.

In order to keep the endeavour on track, the export manager should review the checklist frequently to determine the possible impact of any delays on other work elements.

## DECIDING WHO WILL PRESENT THE OFFER

The export manager, or possibly the Mexican representative, will present the company's offer. The first time, the export manager should be there, both for the experience and in case a protest is necessary. Powers of attorney should be prepared to allow for either alternative and to provide for the unforeseen unavailability of either party.

## SETTING THE REPRESENTATIVE'S COMMISSION

The representation agreement specifies the basis for compensation, with provision for flexibility on specific bids, down to set minimums, depending on bid value and competitive considerations. The export manager should confirm the compensation arrangements with the representative for the bid in question.

Commissions are discussed in the context of overall bid pricing. This takes into account the need to be very competitive in the first *concurso*, bid ceremony, in order to establish a presence in Mexico, and also the desire to build a long-term relationship with the representative. If the bid is successful, both parties will gain.

The program manager and the representative need to coordinate the required work elements and establish the means and timing of regular communications.

## DOCUMENTATION

Chapter 5 describes the preparations that can be done in advance to prepare the documentation needed for registration as a supplier in a Mexican Government *licitación*, public tender.

These documents need to include *números de licitación y requisición*, public tender and requisition numbers, or specific wording in the bid-term appendix. If there is any doubt, make them as specific as possible.

The powers of attorney may need to be updated. A covering letter in English, on the company's letterhead, should state the following:

"The attached Spanish translations are true renditions of the copies of the original English documents enclosed, and I, as a corporate officer, am empowered to sign any legally binding documents, as indicated in the attached extract from certified corporate minutes".

The English and Spanish versions of the powers of attorney, the covering letter and all other documentation needed for the *concurso*, bid ceremony, should be reproduced in triplicate. The originals are for the *paraestatal*, state-owned corporation, with one copy for the representative and one for filing.

### **SIGNING AND SEALING**

The documents must be signed and all pages initialed, by the person holding the power of attorney. The powers of attorney, covering letter and corporate documents should all be imprinted with the corporate seal.

### **NOTARIZED AND CERTIFIED POWERS OF ATTORNEY**

The two individual powers of attorney, one for the export manager and one for the representative, and other corporate documents must be officially notarized and sent to the correct Mexican Consulate to be *legalizadas*, certified. The Consulate should be contacted by telephone to confirm the current charges, including taxes. A certified check for the full amount must be included with the documents and a covering letter requesting prompt processing. A return self-addressed, pre-paid courier envelope will facilitate prompt return of the documents. Faxing the covering letter and the courier form to the Consulate will inform them of your request. It is wise to follow up by telephone until the documents are returned. These documents are required for participation in the *concurso*, bid ceremony.

### **QUALITY CERTIFICATES**

The required quality certificates for parts or equipment, specified in the *bases*, bid terms, are essential documents. If they are still in the approval process, the export manager should write to the *paraestatal*, state-owned corporation, and request a temporary approval letter for the specific *licitación*, public tender, specified by number. The representative will need to follow up and obtain the letter. The company will be disqualified in the *concurso*, bid ceremony, without this letter.

If there are other items in the bid that also need certification, some entities will allow a company to submit samples for approval before bid time, paying a quality inspection registration fee for each unit or group of units. With the receipts for the registration fees in hand, the firm can initiate the test process by forwarding samples to the designated laboratory. The *paraestatal* will issue the company a temporary approval letter to allow them to quote on these items in the *concurso*.

## THE OFFER BOND

Chapter 5 advises making advance arrangements with an *afianzadora*, bond company, and the correspondent Canadian underwriter. The background information provided earlier must be updated with specific bid data, and this should be sent as soon as possible. The representative will provide the *afianzadora* in Mexico with a copy of the *bases*, bid terms, so that they can make copies of the pages they require. They will start preparing the *fianza*, bond, completing it when the final offer amount is received.

If a certified cheque is the choice for the offer guarantee, the bank should be notified. Depending on the firm's banking relations, an agreement may be reached to have the affected funds remain available, since the chance of the check being cashed is minimal.

## THE OFFER SUMMARY

The offer summary must spell out all of the terms and conditions. They should comply fully to those specified or subsequently modified in writing by the *paraestatal*, state-owned corporation.

Two copies of the summary are prepared, one with pricing and one without. The priced version is used for the financial package and the other for the technical package. This also applies to other items with prices, discussed below.

In *licitaciones*, public tenders, with a large variety of parts or supplies, a diskette may be required as part of the offer package. If so, it must be complete with prices and details, according to the instructions. The hard copy should be carefully checked, and hard copies (one with and one without prices) should accompany the diskette in the offer package. Failure to provide a copy of the technical evaluation without prices will result in disqualification.

## SPARE PARTS

The company may have to quote spare parts on a unit pricing basis, and describe the basis on which the recommended quantities were determined. As it is the objective to win the main equipment order, it is advisable not to add too many spare parts that may raise the total bid price significantly. The *paraestatal*, state-owned corporation, has the right to decide how many pieces of each to order.

These spare part details and prices must be entered on both the summary and the detailed offer sheets, usually in specified formats. The firm may also be required to quote a price for training and startup. These prices are entered separately in the summary and detailed offer pages.

## **GUARANTEE PERIOD**

The offer must also state the guarantee period for the firm's products, being at least equal to the minimum time specified in the *bases*, bid terms.

A longer period, if the company wants to extend it, would be a plus in the evaluation process.

## **ORIGIN AND SHIPPING DATA**

The offer should indicate the approximate total volume and weight of packed shipments. The *paraestatal*, state-owned corporation, may want to investigate their own freight costs. It must state where the goods will be manufactured or processed, for the NAFTA country of origin and financing purposes, and where they will be shipped from, if different. The port of entry should be indicated, and freight costs, both to the border and to the final destination, must be itemized separately.

## **QUALITY CERTIFICATION**

The offer should mention the product-quality certification the company has received, or is in the process of receiving, referencing the copies or receipts enclosed with the bid package. It should also include details of the international standards and tolerances that the company uses in its quality control procedures. Attaching extracts from production manuals can add credibility.

## **SUPPORTING TECHNICAL INFORMATION**

Other technical and reference information can be assembled and submitted with the offer, to enhance the company's image in the technical evaluation process. This might include a detailed client listing mentioning specific orders, a selection of published technical articles and/or marketing material. Only the key points or most significant materials need be translated.

## **PRODUCT SHIPMENT PROTECTION**

The company is responsible for adequately packing goods for export conditions, as set out in the bid documents. It is also responsible for any in-transit damage caused as a result of crating or shipping protection deficiencies. A brief description of the company's export packaging should be mentioned in the offer, paraphrasing the protection specified.

## **VALIDITY PERIOD OF OFFER**

The validity period of offers, usually 90 calendar days, is simple to state and basically a non-cost item, assuming that inflation is not a factor during the interim period. It is a basis for disqualification if the stated period does not at least match that specified in the *bases*, bid terms. Normally, price escalation is not allowed after the bid award, so a company must take this into consideration in its final pricing.

## INTEGRATING THE BID

The next priority is to assemble the bid package. The export manager must ensure that any new information reaches the responsible team-members, on a timely basis. These inputs could have a significant impact on the technical data to be prepared, the manufacturing processes to be used, and the final pricing and terms to be offered.

When faxes are used, the *paraestatal*, state-owned corporation, will "try" several times to reach the company or its representative, but there is no guarantee that the information will actually be sent. Although this type of situation is less likely to occur under the NAFTA, the representative should visit the *paraestatal's* office at least once a week during the pre-bid period to pick up, and sign for, originals of any communications "sent".

### POSSIBLE BID OPENING DATE CHANGES

As a result of the bid clarification meeting, or written responses, the export manager can expect notice of a new bid-opening date. The change of date allows participants adequate time to address the new considerations. If there are a lot of modifications, a date change is likely. The new Mexican Purchasing Act provides for extensions of up to 20 days. At least seven days must be allowed from receipt of notice of the last changes to the bid-opening time.

### OBJECTING TO REVISIONS OR INADEQUATE PREPARATION TIME

The company may object to some change notices from the *paraestatal*, state-owned corporation, especially if they require additional effort without extra time being allowed, or if notices are not received on a timely basis.

In these cases, a protest should be lodged right away, along with a request for a delay in the *concurso*, bid ceremony. If the response is not satisfactory, the company should meet the deadline and consider a protest through the *Secretaría de Contraloría y Desarrollo Administrativo (SECODAM)*, Secretariat of the Comptroller General.

### TELEPHONES, FAXES AND COURIER SERVICES

Today's communications by telephone, fax and computer modems, allow the export manager and the Mexican representative to communicate frequently to exchange information and documentation on the bid preparation process.

Couriers are essential for key documentation or required originals such as powers of attorney and *fianzas*, bonds. Courier envelopes normally arrive in Mexico City by noon the next day, but bulkier packages have to pass through customs, and can take two or more days to clear.



One recent bidder in a *Petróleos Mexicanos (PEMEX)*, the state-owned oil company, *licitación*, public tender, was disqualified because the bid package had not cleared customs. The *bases* are quite clear: a bidder is responsible for having all documentation at the *concurso*, bid ceremony. For faster receipt of overnight packages in Mexico, the package can be sent in care of the representative to the *oficina matriz*, head office, of the courier company, marked "Hold for Pickup". This way, the representative can pick up the package and deliver the documents directly to the *paraestatal*.

## TRANSLATING NECESSARY DOCUMENTS TO SPANISH

Several important pages of the bid documentation are required in Spanish. Through the translation of the sample *bases*, bid terms, completed in the preparation phase, most of these pages will be in draft form, in both languages. Changes should be translated and incorporated into the computer files, as they come in.

The main documents requiring translation are:

- the letter disclaiming any reasons for the company to be barred from the *concurso*, bid ceremony;
- the summary of the firm's offer;
- the detailed offer pages;
- key technical information; and
- client letters and extracts from promotional literature.

## DOCUMENTING THE COMPANY'S QUALIFICATIONS

Information and references that give credence to the company's technical and quality capabilities are generally requested and must be included. These items may include a company history, showing its plants, facilities and other resources, supporting letters and quality certificates for similar products or services and a client list. The latter will generally cover at least five years, and list clients that have purchased similar products or services from the firm.

Other documentation may include published technical articles, extracts and forms from the company's quality control manual, marketing write-ups, brochures and promotional material. Key extracts from documents, but not all of the material, should be translated.

## PLANNING TRANSPORTATION

The production member of the bid team should estimate packed shipping volumes and weights for the bid items. The packaging considered should be stronger, and probably heavier, than that used for domestic sales.

The program manager should confirm from the *bases*, bid terms, the correct delivery point (C.I.F. border or landed Mexican port) and final destination, and

acceptable modes of transportation. The representative can clarify the details with the *paraestatal*, state-owned corporation, if there is any doubt.

Data on volume, value, weights and merchandise categories can be used to get firm freight and insurance quotes as well as import duties, taxes and fees, and border transfer costs where applicable. These may include both delivery to the border point and through-shipment to the specific destination.

### **IMPORT DUTIES**

The representative can confirm the duty classification and rate with the *paraestatal*, state-owned corporation, and a customs broker. Freight costs within Mexico for the shipment size involved should also be obtained. These should be used in final pricing comparisons.

### **DELIVERY TIMES**

If the company cannot meet the delivery times specified in the *bases*, bid terms, it has three options:

- develop a quotation based on overtime, or delay other orders;
- submit a lower price based on longer delivery times; and/or
- quote the normal costing basis for required delivery times.

In the first case, the company's offer price is raised and it may become less competitive. In the second case, the company will have a penalty imposed on it in the financial evaluation. The third choice makes the price the most competitive, but will result in penalties if delivery times cannot be met.

The third approach is often preferred on the grounds that the company may make up the projected time difference without incurring much extra cost. Alternatively, it may be willing to absorb this additional cost, or to accept the penalties if it is late.

### **PARTIAL SHIPMENTS**

In some *bases*, bid terms, partial shipments are acceptable. Production scheduling and costs can then be planned around that assumption, as can separate shipping, billing and partial payments. This approach may lower production costs. Freight costs may offset gains because of several less-than truckload (LTL) shipments, at higher rates.

### **SCHEDULE BAR CHART**

Although not always clear as being essential in the *bases*, bid terms, the bid team should prepare a bar chart (such as a Gantt chart) showing the company's key production and delivery phases, with separate paths for each partial shipment.

## THE PERFORMANCE BOND

The *fianza*, bond, covers only the company's offer. The program manager must separately estimate the premium charges for the delivery/performance *fianza* guarantee, adding any surcharges made by the Canadian underwriter. Normally the performance *fianza* cost is included in the pricing model whereas the offer *fianza* premium is not.

The representative should confirm the calculation basis and fees for *fianzas* with the provider in Mexico. The accountant should reconfirm the *fianza* costs for the newly-estimated Cost Insurance and Freight (C.I.F.) and destination prices. The performance *fianza* expense can then be inserted into the pricing spreadsheet to help determine final pricing.

## PAYMENT TERMS

The company will have to include payment terms in its bid proposal. They are normally spelled out in the *bases*, bid terms, and are typically covered by a letter of credit. The proposal should not specify any less time. If payment terms are not clearly stated, the company should consider offering 30, 60 or 90 days after delivery to the transfer-of-title point. The proposal may contain a note pointing out that the Export Development Corporation's (EDC) export financing is available at attractive rates and terms.

If EDC financing is not applicable, calculate financing costs for the terms offered, with consideration of the impact of separate partial shipments, if any. This information will be used in final pricing determination.

If EDC financing is specified, the EDC financial exposure fee is factored into pricing calculations. The export manager should contact EDC in Ottawa to reconfirm current rates based on the estimated C.I.F. price. The company may offer the *paraestatal*, state-owned corporation, an optional discount for not using EDC financing, equal to the EDC's exposure rate. This will call attention to both total amounts in the company's offer.

Some *paraestatales* are interpreting the "equal treatment" provisions of the NAFTA to mean that the evaluation must be completed before the impact of financing terms are considered. This means that while EDC financing can help to clinch a deal, the bid still has to be competitive on its own merits.

## SAMPLES

Some *licitaciones*, public tenders, require samples to be provided, along with a customs receipt showing that they were legally imported. Ship these to the representative, usually by courier, at least a week in advance to allow for customs delays. Accompanying invoice and customs declaration forms must be made out properly, declaring the items as "N.C.V. - commercial samples only", but including their actual value for customs bookkeeping purposes. Provide the

representative with a copy of the waybill so the shipment may be tracked, if necessary, and have the representative pay any duties and retain the customs release receipt.

## **INCLUDING OPTIONS**

The company must quote all basic requirements, without any deviation from the *bases*, bid terms, as modified by clarifications and modifications, otherwise the bid will be disqualified.

There is, however, nothing to stop a bidder from including additional options that the *paraestatal*, state-owned corporation, may wish to consider. The options may or may not be entered into the financial evaluations. This depends on their policies and whether or not other bidders have tendered options. If the firm is awarded the *fallo*, decision, it can ask the *paraestatal* to modify the order to include some or all of these options.

Two strategic points are important in proposing options. First, it could influence the *paraestatal's* decision-making process. They might take these factors into account on a qualitative basis, to help justify their selection of the company, even if the price is not the lowest. Second, if the bid is accepted, the company gains leverage for the next *licitación*, public tender, with that *paraestatal*.

Try to propose some creative options. For example, one price can be stated for required delivery time, but a discount is offered for extended delivery. Cost advantages to the *paraestatal* may influence their decision, whereas technical options may not.

Do not, however, substitute any options for the specified items in the basic offer. Options should be listed on a separate page, along with a summary of their benefits.

## **PRICING**

### **BASE PRODUCT COSTS AND PRICES**

When the bid requirements have been fully defined, a pricing model, such as the one suggested in Chapter 5, can be used by the bid team to break down costs for each item being quoted. Packaging costs and the representative's commission should be added in separately to arrive at a preliminary F.O.B. (free on board) plant price. This preliminary price should be the maximum, since the export manager will need flexibility to vary the price and set the representative's commission.

A critical costing decision is whether to include Mexican development expenses in the pricing model. Expenses for couriers, phone, fax, translation, travel, the EDC exposure fees, promotion and marketing, and *fianzas*, bonds, can add up to significant amounts. Some are bid-specific; others are related to business development.

The company's offer price will be most competitive if it includes only the expenses that will be incurred as a result of winning the decision. This would include the EDC exposure fee and delivery/performance *fianza* costs. All other expenses will have to be absorbed whether the company wins or not and should be provided for in the indirect overhead administration, marketing, development and general overhead charges. In effect, they will be spread over unit base costs for all projected export sales for the year.

## CONTRIBUTION MARGINS

To develop an export-based pricing strategy, think in terms of contribution margins. To determine contribution margin, separate variable costs from fixed costs. The fixed costs are subtracted from the sales price. The difference is the contribution margin; the amount left over to cover fixed costs, interest, taxes and profits.

The contribution margin approach can make the difference in winning or losing a *licitación*, public tender. It leads to more competitive export pricing, with few economic sacrifices.

## PREEMPTIVE PRICES

Once all the competitive issues have been considered and some basic assumptions have been taken, the final pricing criteria must be established. The individual products can then be priced, and the bid proposal can be finalized. This information is confidential and must remain so, even if it means not disclosing the final bid price to the representative until the *concurso*, bid ceremony. If this is necessary, it may mean preparing the *fianza*, bond, without the assistance of the representative.

## ASSEMBLING THE BID PACKAGE

A winning *oferta*, proposal, thoroughly meets the bid terms in detail and is presented in a professional manner.

## FINALIZING PRICING

The program manager must finalize the pricing spreadsheet, and have the completed form translated. Usually the format is established in one of the *bases*, bid terms, appendices. All of the Spanish terms should have been clarified ahead of time.

The top of each page should reference the *números de licitación y requisición*, public tender and requisition numbers. The columns should include item-by-item, the same descriptions (in Spanish) and part numbers used, the quantities required of each, the company's unit prices, followed by the extended prices. These should be totaled section by section, until a grand total is obtained.

## FINALIZING SPREADSHEET AND OFFER SUMMARY

Attach notes to the pricing spreadsheets specifying all other offer, delivery and payment terms, plus any options that are included. Then summary data must be extracted and entered onto the *oferta*, proposal, summary form, as shown in the relevant *anexo*, appendix, in the *bases*, bid terms. If options are being proposed, these must be attached as a separate page.

Everything must be presented in Spanish. All the numbers have to be thoroughly checked since the Spanish version takes precedence in the evaluation process. Nonetheless, the English version should also be included, in case disputes arise in the Spanish interpretation. Under the NAFTA this could help resolve some differences.

## FINALIZING THE OFFER BOND

Once the offer price is finalized, the *afianzadora*, bond company, needs to be notified of the bid amount, either C.I.F. Mexican border or landed destination depending on the *bases*, bid terms. Paying slightly more to cover a higher amount is strongly recommended. Under the NAFTA, the destination point appears to be the accepted norm. This may be challenged in the future if acceptable freight rates from the border to the destination becomes a problem for Canadian and U.S. bidders. In any event, it is usually wise to specify an even higher amount for the *fianza*, bond, to cover possible calculation errors or last-minute changes.

The project manager should provide this information to both the *afianzadora*, in Mexico and their correspondent in Canada, with the amount clearly shown in US dollars, both in numbers and words. They will issue a bid offer *fianza* for the required amount, typically five percent. A copy is sent to the representative for follow-up with the *afianzadora* in Mexico and to arrange for the receipt of the *fianza*. For security reasons, the *fianza* may be picked up by the export manager on arrival in Mexico.

If a certified or cashier's check is the choice for the offer guarantee, this should be secured from the firm's bank as soon as possible, in the same US dollar amount, equal to the specified percentage of the total offer.

## COMPANY LETTERHEAD

Make sure all bid documents, including Spanish and English versions, are prepared on company letterhead. The letterhead must be used for at least the first page of each separate bid document or appendix.

The export manager should take extra letterhead stationery and a corporate seal to Mexico, to facilitate last minute changes. If the person signing the offer will not be there, extra letterheads and blank sheets will need to be signed. The export manager should account for all of these pages and return unused ones to be destroyed.

## PROOFING

Review the English bid package drafts carefully, checking each item against the bid-item checklist. When the final bid package is fully integrated, it will be sent out for final translation. Send any further corrections to the translator immediately. Management will want to see the drafts before approving and signing them. Additional revisions may be needed at this point.

The Spanish drafts of the bid package must be thoroughly proofread and corrections made if necessary. Ensure that corrections and revisions to the English version are properly reflected in the Spanish copy. You may want to send all the final Spanish material to the Mexican representative for review and you may choose to exclude the numbers.

To inspire confidence with the *paraestatal*, state-owned corporation, evaluators, the final package must express professionalism, quality and technical competence. If this is the firm's first *concurso*, bid ceremony, with them, it has to overcome the disadvantage of being a newcomer.

## OFFICIAL TRANSLATIONS

Although unusual, sometimes documents have to be translated and certified by a government-certified Mexican translator. If this is required, the representative should locate an official translator in Mexico City in advance. The usual cost is US \$10 to \$15 per doubled-spaced, typewritten, and "officially-sealed" page. Fax the required pages to the representative as soon as they are ready. When the documents are picked up from the translator in Mexico, they should be carefully checked before the translator puts the official seal on them.

## CERTIFIED DOCUMENTS

The powers of attorney and corporate documents must be notarized and sent to the correct Mexican Consulate to be *legalizados*, certified. These documents are mandatory at the bid-opening ceremony.

## COMPILING SETS OF DOCUMENTATION

Carefully follow the instructions for each envelope, and make sure all the documents are present and assembled in the specified order. There are usually three packages: legal, technical and economic. Each package should also include any supplementary materials gathered to support the company's offer. These three packages will be sealed and presented at the *concurso*, bid ceremony. Unsealed envelopes are a cause for disqualification. The export manager is responsible for ensuring the accuracy and completeness of the documents.

The legal package includes documents proving that the company exists and is qualified to participate in the bid, and also that the export manager or representative has powers of attorney to represent the company. The technical package must not include any prices whatsoever, otherwise the company can be disqualified. The commercial or financial package includes the pricing information.

Three copies are made of each original document package. The original is for the *paraestatal*, state-owned corporation, and is presented at the *concurso*. One copy is for the export manager, one for the file, and one for the representative. Two complete copies of the English and Spanish documentation saved on diskettes may be very useful, once in Mexico.

## SEALING PRICES AND SIGNING DOCUMENTS

All of the required documents must be signed by a person who is authorized to do so in the legal package that will accompany the bid. The corporate seal must be affixed, and all other pages initialed by the signing authority.

In the sets for the *paraestatal*, state-owned corporation, seal all the prices and other key numbers in the summary and detailed offer sheets in envelopes with transparent tape; failure to do so can result in disqualification. The sets should then go into large unsealed envelopes which must also be sealed with tape as well before handing them in at the bid ceremony.

## GETTING THE BID TO MEXICO

Normally, the necessary bid documentation will accompany the export manager to Mexico as carry-on baggage. If the export manager cannot make the trip, all bid material should be couriered to the representative several days in advance of the bid-opening ceremony to allow for customs delays.

Customs forms must be filled out correctly and completely. The contents should be declared as "N.C.V.", with up to US \$50 nominal value for customs purposes only. This will facilitate quick customs processing and eliminate duty charges.



## 7. THE BIDDING PROCESS

The export manager will probably participate in the *concurso*, bid ceremony, especially if it is the company's first attempt. This will provide valuable insights and will allow the company to be directly involved in the complete process.

On arrival in Mexico, ensure that any samples and associated customs receipts have been picked up. Carefully check any official translations that were done.

Visit the *afianzadora*, bond company, with the representative and look over the *fianza*, bond, carefully. Check that the *números de licitación y requisición*, public tender and requisition numbers, are correct, the company's name is spelled correctly, and that the amount is correct in both words and numbers. The Spanish wording must be complete and correct, and the *fianza* must be signed by an authorized person. If errors are found, the *fianza* must be completely re-done, which can take a few hours. The premium is usually paid in full at this time by credit card, certified cheque, or in cash. The Mexican company forwards the appropriate fee to the Canadian correspondent or underwriter.

### LAST-MINUTE CORRECTIONS

Go over the bid package with the representative. If this final check reveals important errors, correct them and have the representative make the necessary corrections in Spanish. These new pages must be initialed or copied onto pre-initialed paper.

The revised pages should be substituted for the original pages in each set of bid documentation. No attempt should be made to correct the existing documentation, because this can lead to disqualification. The pricing information should be sealed with transparent tape.

A covering letter must be included on the company's letterhead, in Spanish, itemizing each change. The letter must be signed (or printed on pre-signed paper) and attached to the revised pages.

## ASSEMBLING FINAL BID ENVELOPES

When everything is ready, including the bid *fianza*, bond, and official translations, place the bid sets in large envelopes and seal them with tape.

Address each envelope to the *Departamento de Adquisiciones*, Acquisition Department, or whichever department was shown in the *bases*, bid terms. Add the *paraestatal's*, state-owned corporation's, name and address, the *números de licitación y requisición*, public tender and requisition numbers, the date of the *concurso*, bid ceremony, the company's name, and the envelope number or description of information, as stated in the *bases*.

## PREPARING FOR THE BID CEREMONY

In preparation for the *concurso*, bid ceremony, ensure that your copies of all relevant bid documents are complete, properly organized and readily accessible.

### VERIFYING PERSONAL IDENTIFICATION

Check to make sure that you and the representative have the proper personal identification needed to enter the *concurso*, bid ceremony. This should be photo identification such as a passport, driver's licence or company security pass.

### AGREEING ON ROLES AND STRATEGY

Discuss with the representative the respective roles you will play in the *concurso*, bid ceremony. If you decide to be the official representative and present the papers, then the representative should listen carefully to everything going on, and advise you of anything significant that is being discussed. This is especially important if protest-related items are involved.

If *paraestatal*, state-owned corporation, officials presiding over the meeting ask for clarifications, or question competitive offers in any manner, the representative must explain the officials' comments and provide your response to them in Spanish. It may be necessary to explain in English as well, and it is probable that one of the officials will understand slowly-spoken English.

There may be a chance to review competitive offers during the *concurso* and the representative needs to understand what information, in what priority, is to be obtained from them. The representative needs to understand that any protests you direct are to be made without hesitation, not restrained by cultural considerations or possible embarrassment.

## ARRIVING AT THE BID CEREMONY

Plan to arrive at the *concurso*, bid ceremony, early, leaving time to find the right *sala de juntas*, meeting room. Confirm that all documents and personal identification are in order.

Most *concurso*s in Mexico City are scheduled to commence at 10 a.m. The *paraestatal*, state-owned corporation, suggests bidders arrive an hour before the bid-opening, or *apertura*, deadline, in order to get the legalities out of the way. The actual ceremony generally lasts between one to two hours, depending on the number of offers received and the number of clarifications requested.

Upon arrival at the *paraestatal* offices, bidders have to sign in and get a *gafete*, identification card, in exchange for some form of identification. Use your driver's licence and keep your passport for the *concurso*. Once registered, proceed to the designated *sala de juntas*, meeting room. Make all preparations before the proceedings begin, because no one is permitted to leave the room until the *concurso* is concluded.

Before the proceedings begin, there is usually time to chat with the other participants. It is an opportunity to find out more about the competition, asking questions about their companies and their capabilities and exploring their feelings about the specifications and other competitors in this bid.

## PRE-OPENING FORMALITIES

A *concurso*, bid ceremony, is fairly straightforward, but with undertones of bureaucratic authority. The preliminaries begin an hour beforehand, with officials, checking out the credentials of bidders to be sure they are qualified to participate.

### OFFICIATORS

The common makeup of the *paraestatal*'s, state-owned corporation's, officiating team is one or two representatives from purchasing, a lawyer from the legal department, perhaps a technical and/or a financial representative and sometimes an official from the *Secretaría de Contraloría y Desarrollo Administrativo (SECODAM)*, Secretariat of the Comptroller General. A secretary may be present in the room to type the proceedings or may stand by in nearby offices.

### PARTICIPANT QUALIFICATION

The purpose of the initial formalities is to verify that everyone is qualified to proceed and present their offers.

Generally, only one or two officials show up for the pre-bid-meeting, one being from the *departamento jurídico de la paraestatal*, state-owned corporation legal department. They ask the bidders to sign the bid-participant's register, then request identification. This is the time to seal the three bid envelopes.

Some *paraestatales*, state-owned corporations, issue credentials to suppliers, but this is not a prerequisite to participate. If the representative has secured one on behalf of the company during the registration process, hand it in along with personal identification and your passport. The officials will retain these until the secretary completes the list of attendees for the *acta*, official minutes.

## PROVING THE COMPANY EXISTS

At this point, the officials may request the first envelope containing the "corporate existence" and capabilities documentation from each bidder. Some *paraestatales*, state-owned corporations, however, will wait until the formal meeting gets underway before requesting and opening this packet.

First, the officials will check for the prepared declaration statement, indicating that the company is not in conflict with purchasing laws. Having satisfied themselves the company is "clean", they will proceed to examine the corporate documentation.

The *abogado* or *abogada*, lawyer, will examine the translations and originals of the certified corporate documents and powers of attorney. They must be properly certified, and notarized, and must prove that the company exists. They must also demonstrate that the person authorizing the powers of attorney, is in the position to do so.

The lawyer confirms that the participant has the power to present the company's offer and sign the minutes on behalf of it. This is one of the reasons that powers of attorney are also secured for the representative, in case some fault is found with the export manager's qualifications. Such an event would be unusual.

The lawyer will examine your passport carefully and the powers of attorney will be compared with your passport. Then, the lawyer will pass the papers and passport over to other officials, for further review.

Participants who are not the manufacturer's official representative, and are without proper credentials and powers of attorney, will be disqualified.

## CHECKING OTHER ITEMS

If samples are to be presented, the officials will request them and their official customs import receipt, which proves legal importation. Any other required product-qualification documentation will also be examined at this time. Without proper documents or receipts, the bidder will be rejected.

If the remaining contents of the first envelope are poorly prepared, or not complete, there may be a basis for disqualification.

The process is repeated for each bidder and those in non-compliance will be asked to leave before the *concurso*, bid ceremony, begins. When the ceremony begins the doors are closed to further entries. If anyone else is allowed entry after this time, it should be noted as a possible basis for later protest.

## OPENING AND CHECKING OFFERS

Once the door is closed, the bid-opening ceremony gets underway and the officials will proceed to examine the *ofertas*, proposals.

### QUORUM

If the contents of the first envelope were not examined in the preliminary session, then the screening process is performed before proceeding. Either way, the next order of business is for the lead *oficial*, official, to make sure there are at least three qualified participants left to proceed with the *concurso*, bid ceremony. If not, the officials can elect to proceed with only two bidders. If there is only one offer, the bid is normally declared *desierta*, aborted, paving the way for a new bid to be convened later on.

If a quorum exists, the *oficial* will ask all remaining participants for their other two sealed bid envelopes. What happens next is determined by whether the *licitación*, public tender, is a “one-pass” or “two-pass” *concurso*, bid ceremony.

### TWO PASS BIDS

If it is a “two-pass” *concurso*, bid ceremony, only the envelope containing the technical information is opened in the first meeting. The officials check to see that all the required documents are included. If any are missing, it is a cause for rejection of the bidder.

Questions may be asked at this point. The representative should keep notes of all questions and answers, since they may affect later protests. At some point during the meeting, the remaining qualified bidders are asked to approach the *mesa*, table, and initial each other's documents, including the sealed envelopes containing the financial offers. Take this opportunity to scan any open documents. If the competitors technical documents appear to be out of order, it should be pointed out to the *oficiales*.

When the technical review is finished, the *oficiales* prepare the *acta*, official minutes, of the meeting. Any protests should be recorded at this time, so that they appear in the *acta*. If the protests are not accepted, there is grounds for further protest to the *Secretaría de Contraloría y Desarrollo Administrativo (SECODAM)*, Secretariat of the Comptroller General.

Over the next few weeks, an intense technical screening process will be completed. Another meeting will be called to open the second envelope, the financial offer, of those bidders not disqualified. The date of the second meeting is specified in the *acta* of the first meeting.

The procedure then is the same as a “one-pass” *concurso*, bid ceremony, described below, except the technical evaluation portion is essentially complete.

## OFFER BONDS

In a “one-pass” *concurso*, bid ceremony, the *oficiales paraestatales*, state-owned corporation officials, will open the financial offer first. Their first concern is the *fianza*, bond. These are the guarantees that ensure that bidders take the process seriously, and that they will not withdraw until an award is made and accepted, unless disqualified for non-compliance. In a “two-pass” *concurso*, the *fianza* is not examined until the second meeting; it remains sealed in the financial offer envelope.

The person in charge of checking the *fianzas* will scrutinize them, checking that they have not been issued from a disqualified *afianzadora*, bond company, are worded correctly and are for an amount at least equal to the required percentage of the total offer amount shown on the summary offer sheets.

A bidder may be asked to clarify the *fianza*, bond. The *fianzas* are then distributed to the officials and discussed quietly. If a decision has to be made, it is done by consensus. If a bidder is in non-compliance, they announce the fact to all present, and may request that the company’s representatives leave.

If this happens to you and the grounds for disqualification appear to be trivial, a brief letter of protest should be prepared on the spot. Before leaving, request that it be included in the *acta*, official minutes. Describe the basis for the protest, and mention that this ruling will probably be appealed to the *Secretaría de Contraloría y Desarrollo Administrativo (SECODAM)*, Secretariat of the Comptroller General.

## INSPECTING BID DOCUMENTS

After the review of the *fianzas*, bonds, the officials start inspecting the rest of the financial offer documentation. They will check that all the elements on the summary exhibit have been responded to and are in compliance with the *bases*, bid terms.

They will call a bidder to the front if they wish to clarify anything. Usually, it is because they cannot readily find supporting information. Sometimes it is because, at first glance, a company’s offer confuses them, perhaps because options have been included.

With the representative's help, point out how your offer has complied with the required *bases*. If options have been proposed, explain that the company considers them beneficial to the *paraestatal*, state-owned corporation, and suggest that they should be evaluated. The *oficiales* are then aware that the company's offer may be unusual and of benefit to them.

If the *oficiales* do not respond satisfactorily to the company's intentions, note the discussion as it may be a basis for later protesting any *concurso*, bid ceremony, irregularities.

### **DISQUALIFYING THOSE IN NON-COMPLIANCE**

Having reviewed all the financial summaries, the officials will announce those bidders in non-compliance with the *bases*, bid terms, requirements. These participants may be asked to leave the proceedings, and their *fianzas*, bonds, will be returned.

If you are disqualified, debate the issue openly, pointing out where the company is in full compliance. If this fails, prepare a protest note to be included in the *acta*, official minutes, before you leave.

## **ORAL PRESENTATION**

Next, an official reads aloud each bidder's financial offer summary. The representative should make notes so that the numbers can be compared to the numbers of your company's bid. You may decide to raise questions of your competitors on the basis of this comparison.

### **OBSERVING AND NOTING IRREGULARITIES**

Through the representative's interpretation, make notes of the questions being raised by others, and the answers. Join in the arguments if the point is relevant to your company's offer. Should the officials from the *concurso*, bid ceremony, fail to provide suitable answers, or appear to favour one company over another, there may be grounds for possible protest later. During the proceedings, closely observe the course of events, and note any apparent nonconformities relative to the *bases*, bid terms.

### **DEFENDING YOUR FIRM'S INTERPRETATIONS AND INTERESTS**

Your competitors will ask questions about the company's offer, sometimes in an aggressive manner. With the help of the representative, respond slowly, deliberately and clearly, without anger. Repeat your reasons for considering your firm's offer to be more than in full compliance. Try to achieve at least tacit acceptance by the officials. A conflict may be grounds for a protest.

## QUESTIONING COMPETITORS' OFFERS

Bidders are free to ask the *oficiales paraestatales*, state-owned corporate officials, to repeat various numbers or terms, and question any that sound unbelievable or appear deficient or in non-compliance with the *bases*, bid terms. You may be allowed to move up to the *mesa*, table, to examine the disputed items in the documents.

Make sure that the representative explains any questions the officials ask of the representative of one of the bidders.

Some bidders may suggest that a competitor's product does not meet the *bases* conditions in an attempt to have that company disqualified. Do not hesitate to ask similar questions about your competitor's bids during the reading of offers. It is best, however, to focus on one or two key points and perhaps concentrate on the lowest price competitor.

## LOOKING THROUGH COMPETITORS BID PACKAGES

After reading out the offers and discussing them with the bidders, the *oficiales paraestatales*, state-owned corporation officials, prepare the *acta*, official minutes, for the meeting. While the minutes are being prepared, most officials ask participants to come up to the *mesa*, table, to initial the pages of the competitors' offers. This provides an opportunity to peruse the financial offers, and in a "one pass" *concurso*, bid ceremony, usually the technical offers as well.

This may be the only time you will see pricing, and other bid terms in detail. Most *paraestatales*, state-owned corporations, record the bid amounts in the *actas*, official minutes, and the *fallo*, decision, but include little other information. You and your associate should take full advantage of this opportunity.

While you slowly initial the pages, the representative can concentrate on extracting as much pricing data and other key information as possible from each of the bidder's documents. This will be valuable input for your pricing model the next time around. Focus on unit prices, F.O.B. (free on board) plant prices, freight and insurance costs, and any special options or terms.

If the technical packages are available, check timing charts, specifications, processes, equipment lists and client lists. Make rough notes and try to spot technical deficiencies that may be questioned before the *acta* is signed.

After recording the key items, the representative may have time to quickly check the main terms for signs of non-compliance and the supporting financial pages for grounds for possible protest. During this scan, the representative should pause only to communicate essential protestable items.



## PROTESTING THE OFFICIAL MINUTES

The officials will return with the typewritten *acta*, official minutes. It is supposed to cover all relevant items, including a list of attendees, notes on disqualified bidders, and observations or challenges made by participants.

They will first read it aloud, then ask if anyone has any questions or comments. This is the time, if review of competitor documents was allowed, to raise fresh observations resulting from the review of the documents. Keep notes of the proceedings.

If your company's offer is challenged, do not comment at the meeting, unless there is an attempt to disqualify your bid at this stage. Explanations can be made at the official inquiry during the dispute resolution cycle. Put the onus on the *oficiales paraestatales*, state-owned corporate officials, to check any nonconformities through proper channels.

If you are not satisfied with the overall proceedings, consider whether it is worthwhile to submit a protest. If it is made now, the protest may be recorded in the *acta*. If not, it can still be made later.

It is not usually appropriate to make vigorous protests at this time. You may want to wait until the evaluation outcome is announced. You can always protest at the time of the *fallo*, decision. This advice applies even where there are very solid grounds for a protest, as a vocal protest at this time may adversely affect the evaluation of your offer.

## CULTURAL SENSITIVITY

It is part of Mexican culture to not question authority, particularly in a vocal manner and some representatives may have difficulty representing your company in an aggressive manner. You may evaluate your representative's responses during the *concurso*, bid ceremony and you may need to take an active part in the process, especially if lodging a protest.

## SIGNING THE OFFICIAL MINUTES AND INITIALING COMPETITORS' OFFERS

The *concurso*, bid ceremony, closes with everyone signing the *acta*, official minutes. In some cases, the initialing of competitor's offer pages will be delayed until this point. If so, there will be little time to examine the details of competitors' offers. Nonetheless, any opportunity to quickly scan them should be taken, and if appropriate, protests attempted.

The failure of any participant to sign the *acta* does not invalidate the minutes of the *concurso* or the *licitación*, public tender.

Copies of the signed *acta* are given to everyone present. If you were disqualified earlier in the *concurso*, the representative should return and acquire a copy. If you have decided to protest, prepare an official protest letter to the *Secretaría de Contraloría y Desarrollo Administrativo (SECODAM)*, Secretariat of the Comptroller General, while everything is still fresh and while you are still in Mexico.

## EARLY PROTESTS

If the company was unjustly disqualified or there are other irregularities, there may be grounds for an immediate protest. After the *concurso*, bid ceremony, and with the assistance of the representative, prepare a letter of protest in Spanish. Include copies of supporting documents, and make four complete sets.

That same day, shortly after 5 p.m., following the lunch break, present yourself at the *Secretaría de Contraloría y Desarrollo Administrativo (SECODAM)*, Secretariat of the Comptroller General, and register the company's protest with the *Departamento de Inconformidades*, Nonconformities Department. They will take one copy and stamp the other three copies *selladas de recibido*, stamped "received".

Then proceed to the *paraestatal's*, state-owned corporation's, offices and locate the office of the *auditoría interna*, internal auditor. They usually work until 8 or 9 p.m. Have all three copies stamped and leave with them one copy, complete with all supporting documents. The remaining copies are for the representative and yourself.

If necessary, a company can delay submission of its protest for up to ten working days after the bid ceremony.

## DEBRIEFING

In most cases, bid challenges are not needed. Most Canadian bidders who have properly prepared for a *concurso*, bid ceremony, feel that it is conducted fairly and is worthwhile pursuing again.

Following the *concurso*, review all the pricing and information acquired with your representative. Evaluate your company's chances of winning the bid. The probabilities should be relatively clear, assuming the *paraestatal*, state-owned corporation, evaluators make their calculations the same way.

Before leaving, ensure that both you and the representative have a permanent record of all the intelligence gathered in the *concurso*. Leave the representative with instructions on follow-up items while awaiting the *fallo*, decision.

## RESPONDING TO CLARIFICATIONS

Company representatives are prohibited from talking to the *paraestatal*, state-owned corporation, evaluators during their review phase, or trying to exert any form of influence on the *oficiales paraestatales*. However, you may respond to their requests for any financial and technical clarifications in a way that will improve the company's position.

During the review period, the officials will be assessing the company's financial proposal, its technical capabilities and checking the acceptability of the firm's offerings relative to their specifications.

Occasionally, the *paraestatal* officials will fax questions to the company, either through the representative or directly to Canada. These questions may signal a genuine desire for clarification or, sometimes, impending disqualification.

Answer all questions carefully and state them in a factual, clear and professional manner. Provide them with extra evidence to support the firm's contention that it fully complies with, or exceeds, their specifications. Provide them with copies of industry standards in Canada or the United States, and other quality testimonials. Incorporate the most positive elements in support of the company's bid and have them translated into Spanish by a translator who understands the comments and the tone.

## THE DECISION

The decision of the winning bid is called the *fallo*. It is usually announced in a special *fallo* meeting, but it may also be communicated in writing. In the latter case, it is usually faxed to all participants, including those who were disqualified. Some *paraestatales*, state-owned corporations, such as *Petróleos Mexicanos (PEMEX)*, the state-owned oil company, and the *Comisión Federal de Electricidad (CFE)*, Federal Electricity Commission, also post the award decision on a bulletin board in their purchasing offices. The method that will be used to communicate the announcement is mentioned in the *bases*, bid terms.

The representative should confirm with the *paraestatal* when the decision will be made. If the number of days stated in the *bases* is exceeded and no written notice has been received, this is an irregularity giving reason for protest.

It may be decided to withdraw the *licitación*, public tender, because all bids were too high, a protest has been sustained by the *Secretaría de Contraloría y Desarrollo Administrativo (SECODAM)*, Secretariat of the Comptroller General or the technical proposals received were not acceptable. In this event, you will have gained experience, pricing and competitive intelligence for use in future bids.

## THE DECISION MEETING

If there is a *fallo*, decision, meeting, the Mexican representative can attend to receive the news on the company's behalf. Most *paraestatales*, state-owned corporations, base their decision on the lowest-price, all other things being equal. Occasionally, other factors may weight the decision differently. At some *fallo* meetings, the *paraestatal* allows bidders to review the comparative tables, before signing the *acta de fallo*, official minutes decision. The representative may not be well prepared to handle a protest if it becomes necessary.

If you attend, bring all the files and a set of bid documents. On the day of the *fallo*, register with the representative at the *paraestatal's* offices. You may have an opportunity to revive the company's chance of being awarded the bid. Check the comparisons against your own estimates. Query anything that does not agree with your calculations until you understand how they arrived at their financial conclusion.

Have available a simplified version of your pricing sheets, with a sample calculation. Compare each of the official's steps with your own, noting any inconsistencies with the terms of the *bases*, bid terms. Question their assumptions if numbers seem to be out of line. A Canadian bidder once had four bids favourably reversed by questioning the *paraestatal's* evaluation methodology.

Other bidders may raise questions against the winning firm. With the help of the representative, listen to their arguments and participate in the discussion on behalf of your firm's qualifications, keeping notes for future reference.

## RECORDING AN OFFICIAL OBJECTION

If your company loses the *fallo*, decision, decide if there are solid grounds to protest. If so, have the representative draft a specific, but brief protest note in Spanish, to be included in the *acta*. If the *oficiales paraestatales*, state-owned corporate officials, refuse to include it (they can under the NAFTA), raise a verbal protest. When the *acta*, official minutes, is passed around to be signed, above your signature, add the words *bajo protesta*, under protest.

Under the new NAFTA-based laws, the company has 10 working days after the *fallo* to formally submit a protest to the *Secretaría de Contraloría y Desarrollo Administrativo (SECODAM)*, Secretariat of the Comptroller General, often known as the *Contraloría*. The most effective procedure is to first present the protest to the *auditoría interna*, internal auditing, of the *paraestatal* and try to work out a direct resolution. At the same time, a copy of the protest, *sellada de recibido*, stamped "received", by the *paraestatal* should be filed with the *Contraloría*. Under the Mexican Purchasing Act, they have 45 days to render a resolution.

## COLLECTING THE OFFER BOND

If your company lost, the *paraestatal*, state-owned corporation, officials have to return the firm's *fianza*, bond, within 15 calendar days of the *fallo*, decision. An offer *fianza* is valid for one year, and it should be kept until the *Secretaría de Contraloría y Desarrollo Administrativo (SECODAM)*, Secretariat of the Comptroller General, issues a decision on any protests.

## THE ORDER

If your company wins, the officials will start the *pedido*, order, preparation process almost immediately. If your offer included options, you should see if they wish to integrate any of them.

Having established whether any or all options are required, ask for a set of terms that go with an order, if they were not included as an *anexo*, appendix, in the *bases*, bid terms. Translate and study them before agreeing to contract terms. They cannot be different than those specified in the *bases*.

Make sure you understand all the steps involved including receiving drafts of the contract and the letter of credit. Should the order be financed through Export Development Corporation (EDC), visit the *paraestatal*, state-owned corporation, international finance department to get a copy of their letter of credit terms. Ask the person in charge to clarify the associated terms, phases and document requirements. This will help to ensure smooth payment transactions.

## 8. PERFORMANCE

After a company wins a *fallo*, decision, several key steps must be finalized before it can start working on the order. Contract requirements must be a paramount concern during the production phase of this project. Failure to meet contract conditions can be costly.

## THE ORDER

Following the *fallo*, decision, the *paraestatal*, state-owned corporation, will forward a "letter of compromise", informing the winning firm that an order is in process. The letter will probably be faxed to the local representative, who should translate it and fax it to the export manager immediately. The representative should visit the *paraestatal* offices, to receive and sign for the original.

Within 20 calendar days of the award, a company official must appear “before the buyer” to receive and sign the order. Sometimes, order placement is delayed because a protest is in process, or because of government spending constraints.

Approximately a week before the signing date, the representative in Mexico should request a *borrador*, draft, of the company’s order, translate it and fax it to the export manager for review. Copies should also be sent to the *afianzadora*, bond company, and their Canadian correspondent who will begin to prepare the performance *fianza*, bond. The experienced Mexican *afianzadora* can point out omissions or unacceptable clauses that require modification.

### **CHECKING THE ORDER’S OBLIGATIONS**

Be certain that the order terms correspond with the terms of the company’s offer and the *bases*, bid terms. If the company wants changes, or has concerns about the order or contract terms, promptly send these both to the representative and to the *paraestatal*, state-owned corporation. This is the time to confirm whether or not they want to include any options proposed in the company’s *oferta*, request for proposal. Once the order is signed, all the clauses in the contract are in effect, as well as the related obligations.

The company cannot readily vary its responsibilities. It must ensure delivery and quality performance, otherwise the contract may be rescinded. In either case, the performance *fianza*, bond, may be forfeited.

### **FINAL ORDER OR CONTRACT TERMS**

Several *oficiales paraestatales*, state-owned corporation officials, will have to sign the order, and this usually takes several days. Some entities will forward the originals to Canada for signature by courier, but if not, you will have to appear in person to present your powers of attorney and sign the order.

The performance *fianza*, bond, must be finalized and picked up by the representative. Some *paraestatales* require this *fianza* to be delivered before the order forms are made available for signing.

If this is being handled by courier, the representative can exchange the *fianzas*, collect the order forms to be signed, and courier them immediately to the export manager. The authorized person can then sign the order forms, and return the designated copies to the representative by courier. The representative will deliver them to the *paraestatal*, and obtain a copy of the signed documents, *selladas de recibido*, stamped “received”, for the company’s files.

Carefully check all final terms for deviations from the draft, before signing the order forms. If you have any major objections you will have to negotiate changes before signing the order forms.

Should any last-minute changes be agreed to in the order terms, or corrections arise, an amendment to the original order, with all the needed signatures, will be issued over the next few days, stating the changes made. The representative can pick these up, translate them, and courier them to the export manager for signature. The amendment must be returned to the *paraestatal* to be stamped received.

## THE LETTER OF CREDIT

If payment is to be made by letter of credit, the *paraestatal*, state-owned corporation, starts the letter of credit application after the order is signed. They will request full details of the company's banking arrangements. Although not mentioned in the sample *bases*, bid terms, generally a draft is ready within two weeks. It is usually in English, because of inter-bank requirements. The representatives should monitor this process until a draft copy is received.

Though preferable to have this letter of credit in hand before committing to production, it is usually best to proceed on schedule. You can protest to the *Secretaría de Contraloría y Desarrollo Administrativo (SECODAM)*, Secretariat of the Comptroller General, should a delay create problems.

Carefully scrutinize the terms for payment of the letter of credit, and understand what documents the company will have to submit. If you have objections, or corrections need to be made, communicate these immediately, before the letter of credit is finalized. If applicable, check to see if provision is made for partial shipments, and that transfers are allowed between carriers.

In approximately a week, the company should receive notice from its bank that the letter of credit has been received. Check it carefully, as this is the basis for payment. All stated terms have to be fully complied with for invoices to be paid. If any further corrections need to be made, this should be arranged through the bank. Continue to have the representative follow up with the *paraestatal* until the amended letter of credit is received.

## MEETING CONTRACT OBLIGATIONS

### LOCKING UP DRAWING APPROVALS

If the order requires drawings or specifications to be submitted for approval, these should be ready to start by the time the order is finalized. When complete, they should be sent to the *paraestatal*, state-owned corporation, to avoid possible penalties. The latest date of delivery is specified. If the buyer is late returning them, delivery time is extended accordingly.

## **SCHEDULING PRODUCTION ACTIVITIES**

By the time the order is received, the company should have developed a detailed production plan. The target shipping date from the plant should allow time for the goods to arrive at the Mexican border with at least two to three days to spare. Allow for weekends and en-route delays. If the units are going to be shipped through to a destination inside Mexico, an extra four days should be allowed for border crossing, Mexican customs, and transport.

## **DOCUMENTING PROBLEMS, DELAYS AND DISPUTES**

Throughout the entire production cycle, any problems or delays should be communicated to the *paraestatal*, state-owned corporation. These notifications provide a "trail", in case a protest needs to be filed later.

## **CONTROLLING PRODUCTION PROGRESS AND QUALITY**

Any product defects should be corrected in the plant. Replacing defective units can be costly and can prejudice future bid evaluations. Two weeks in advance of the units being ready for inspection, arrange for the visit by the *paraestatal*, state-owned corporation, inspectors, unless this requirement has been waived.

## **SEEKING EXTENSIONS FOR DELAYS**

If the final shipping date is in jeopardy for any reason, immediately advise the *paraestatal*, state-owned corporation, in writing. Explain the problem, the expected delay, and the potential impact on final delivery. Request to have both the delivery time and the letter of credit extended.

The representative in Mexico should manage all correspondence, getting copies *selladas de recibido*, stamped "received", for the record. Generally, the *paraestatal* will accede to reasonable requests in advance, but not at the last minute. They will usually respect the company's attention to quality.

## **ARRANGING TRANSPORTATION**

To ensure fast delivery, shipping arrangements should be made in advance, based on the date that the units will be packed and ready. This assumes that the inspection will be completed without any problems. Re-check the transit time previously estimated by the transport company.

## **CLEARING INSPECTION HURDLES**

Normally, the company cannot ship goods until they have been inspected in the plant, and approved for release by the *paraestatal*, state-owned corporation, inspectors. Depending on the nature of the product, this requirement may be waived. In such a case, do not ship until you have received an official copy of the *paraestatal* waiver. This may be picked up by the representative in Mexico.



Occasionally goods may be inspected at the border, or even at the ultimate destination. The representative should be present to observe this inspection.

The *bases anexos*, appendices terms, may also establish the right of the *Secretaría de Contraloría y Desarrollo Administrativo (SECODAM)*, Secretariat of the Comptroller General, officials to visit the plant at any time to confirm any aspect of the transaction. If they elect to follow this procedure, the units cannot be shipped until a "conformity" document is issued. Presumably, any shipping delays caused by this special visit would not be subject to penalties, and the letter of credit expiry date would be extended accordingly.

### **REWORKING DEFECTIVE PRODUCTS**

Should defects in the product be found by the inspectors, correct the problem to meet the specifications. If this delays shipment, advise the *paraestatal*, state-owned corporation, of the new shipping date and request an extension of the letter of credit.

### **PACKING GOODS PROPERLY**

The supplier is responsible for ensuring that goods are well packed for shipment. This may require more substantial packing than used for domestic shipments, because of the distances involved, climatic conditions in transit, and possible multiple handling. The cost of replacing damaged goods can be very expensive, to the company's reputation as well. Proper packing may require the advice of a packing or crating expert and is well worth the expense. If feasible, the goods should be weighed and measured before shipping to check freight billing later.

### **SHIPPING DOCUMENTS**

Shipping documents include a copy of the commercial invoice, a packing list and a detailed summary of items being shipped. Other documentation and certificates may be requested by the *paraestatal*, state-owned corporation, or required by the letter of credit. These documents have to be properly prepared in both English and Spanish. They must contain the same descriptions and prices set out in the order, plus the exact wording specified in the letter of credit.

To benefit from the NAFTA preferences, a certificate of origin is required to demonstrate that the goods meet the NAFTA rules of origin. This means keeping track of the percent of inputs to the shipped goods by country, if any of the components are imported from outside of the free trade area.

The customs broker or freight forwarder can advise if there are any other documents required and whether any special approvals are required for shipping. All of these documents must be ready before the goods are picked up for shipment.

## SHIPPING PRODUCTS ON TIME

When the units have been finished, inspected, packed and documented for export, they can be loaded for shipping. Their departure condition should be inspected jointly with the transport company's representative and then released for shipment.

## EXTRA SETS OF EXPORT DOCUMENTATION

A copy of the freight company's bill of lading and other shipping documents are required and should be forwarded promptly to the bank to initiate the payment process. Sometimes payment is initiated on shipment, but often not until after delivery. Before submitting payment documents to your bank, prepare several extra sets of copies of all relevant shipping documents.

The originals are carried with the shipment, usually three sets are required by the bank processing the letter of credit, another set should be sent to the representative in Mexico, and two sets should be kept on file in case those with the shipment get lost.

## PROVING PRODUCT DELIVERY AND CONDITION

Track the shipment to its destination communicating with the transportation company every few days to ensure timely delivery of the shipment in good condition.

Request a copy of the receiving documents, signed by the *paraestatal*, state-owned corporation, customs agent at the Mexican port of entry, or by a *paraestatal* official at the end point. These should be forwarded to the company as soon as possible.

The receiving documents should include a receiving inspection report that states the condition the goods were received in, and provides details of any damage. Usually, the originals have to be forwarded to the bank to finalize payment arrangements. If the goods are being shipped through to the *paraestatal*'s inland facility, then the transportation company or broker must secure originals and/or copies of all *trámites aduanales*, customs documents.

## DAMAGE IN SHIPMENT

A supplier may occasionally experience some problems with its shipment to the *paraestatal*, state-owned corporation, on the Mexican side of the border. Should any serious damage have occurred during shipment, the transportation company, the customs broker or the receiving official should notify the company immediately. Promptly fax instructions to the *paraestatal* customs agent or their Mexico City offices. Whether the shipment is in their agent's warehouse or at their plant, ask them not to unpack the units until the company's representative, or a qualified technician from the company, can arrive to inspect them.

Once the damage has been assessed, you must decide whether to fix the units on site, replace them or return them to the plant for repair. The amount of payment due to be made in the interim may be affected by these events, depending on contract terms.

### **COMPENSATION IF CONTRACT IS CANCELED**

The *paraestatal*, state-owned corporation, has the right to terminate the order, partially or wholly, for any of several justifiable reasons before final shipment is received. This might be due to internal issues such as budget freezes, but it could also occur if the *paraestatal* perceives that there are performance problems with the supplier. These latter circumstances, however, should never occur if the firm is conscientious in its quality and delivery program.

However, if they do occur, compensation to the company must be in accord with terms of the contract.

### **INABILITY TO CEDE FROM TRANSACTION**

Although the *paraestatal's*, state-owned corporation's, right to terminate the order is very broad, the company's right to vary its responsibilities is quite limited. Once the company has signed the contract, it cannot assign it to a third party or withdraw from the contract in any way.

### **HASTENING PAYMENTS**

To assist prompt payment, all of the export documentation should have been checked for compliance against the letter of credit requirements. These documents are then sent to the company's bank, or wherever the instructions indicate, to initiate the payment process.

When you obtain the receiving shipping documents, send them to the bank promptly, as they usually trigger the payment date. Typically, payment is scheduled 30 days after the goods are received at their destination. When the representative receives both the export and receiving documentation, a copy should be taken to the *paraestatal*, state-owned corporation, to be *sellada de recibido*, stamped "received". This will initiate the payment process at their end.

### **LATE DELIVERY PENALTIES**

If shipments are delayed without *paraestatal*, state-owned corporation, approval, a late penalty may be imposed. Presumably, if the penalty is enforced, it will be deducted from an upcoming payment. A few days of grace is normally allowed, particularly if a weekend arrival is involved.

Penalties can often be avoided if the representative immediately delivers copies of shipping and receiving documents to the *paraestatal*, along with a fax from the export manager explaining the delay. "Trucking problems" or "weekend arrivals" are typical causes for delay. The representative should secure a confirmation letter from the *paraestatal*, indicating that this is acceptable and that no penalty will be made.

### **PRESSING FOR ON-TIME PAYMENT**

The representative should follow the progress of the payment. If there are any problems holding up payment, such as a missing or deficient supporting document, correct the situation immediately.

Generally, the bank transfer is made within a day or so of the due date. If not, have your representative politely and persistently press for release of the payment as soon as possible.

### **PURSuing OTHER LAST-RECOURSE ACTIONS**

Should an unreasonable delay in payment continue, and no positive response is forthcoming from the *paraestatal*, state-owned corporation, you will have to take further action. The Canadian Embassy could be approached to see if they can assist. The Commercial Division there has high-level contacts with most *paraestatales*. Under the NAFTA, some formal mechanism may be implemented to handle such problems.

If the Canadian supplier is not at the root of the problem, the Embassy's NAFTA representative, or a commercial officer, will likely be prepared to help by sending a polite note to the *paraestatal* management, advising them that they are aware of the situation and are inquiring as to when they expect the payment to be made.

Should the payment delay become serious, then, with the cooperation of the Canadian NAFTA representative, a protest of non-compliance should be lodged with the *Secretaría de Contraloría y Desarrollo Administrativo (SECODAM)*, Secretariat of the Comptroller General.

In an extreme situation, if the case is not settled to the satisfaction of the company, and the amount justifies such action, the company may choose to seek relief in the Mexican courts, through a local lawyer.

## PHASING OUT OBLIGATIONS

Payment does not end the obligations of the company to the *paraestatal*, state-owned corporation or vice versa. They continue until the performance *fianza*, bond, is retired.

### RENEWING THE PERFORMANCE BOND

The performance *fianza*, bond, must be extended annually through the period of equipment guarantee. Neglecting this, sometimes leads to serious problems, as it constitutes non-compliance of contract terms by the supplier.

To avoid any problem, prepay the full premium when the *fianza* is issued. The *afianzadora*, bond company, might ease the payment outlay by splitting it, half up front and the balance one year later.

### REPAIRING OR REPLACING PRODUCTS DURING GUARANTEE PERIOD

The company usually has the obligation to repair or replace any products or components that fail in service during the guarantee period. Every effort should be made to respond promptly and professionally to the client's warranty requests, maximizing customer goodwill.

Should a dispute occur and not be resolved with the *paraestatal*, state-owned corporation, due to differing opinions on the reasons for failure or the amount of expense involved, a protest should be filed with the *Secretaría de Contraloría y Desarrollo Administrativo (SECODAM)*, Secretariat of the Comptroller General, with the assistance of the Canadian NAFTA representative. If a satisfactory determination does not result, and the amount is sizable, then legal action should be contemplated by the company.

### PRODUCT GUARANTEE FOR REPLACEMENTS

Unless a sliding form of warranty has been negotiated into the contract, products that have to be repaired or replaced due to an in-warranty failure, are supposed to be accorded full guarantee.

The guarantee period may extend beyond the life of the *fianza*, bond, which does not necessarily have to be renewed to cover this extra period.

### UPDATING CORPORATE DOCUMENTS AND POWERS

On an annual basis obtain copies of the corporation's latest audited financial statements and provincial registration certificate and have them notarized, and certified at the correct Mexican Consulate, along with updated powers of attorney for you and the representative. The representative can register them with the *paraestatal*, state-owned corporation, to ensure that the company does not accidentally disqualify itself from future bids.

Normally you cannot re-use the certified documentation in future bids, because some of the documents must be notarized after the specific *números de licitación y requisición* public tender and requisition numbers, have been added.

### **CLOSING OUT THE PERFORMANCE BOND**

The final step in the overall *concurso*, bid ceremony, order, delivery and guarantee cycle is to ensure that the *fianza*, bond, is properly closed out. This is done by securing a letter from the *paraestatal*, state-owned corporation, on the expiry date of the *fianza*, usually between 18 and 30 months after delivery.

By this time you will have been promoted to Marketing Manager for Latin America, because of your successes in Mexico. The new export manager should send a letter to the *paraestatal* asking them for a letter of release for the specific *fianza*, referencing the *números de licitación y requisición*, public tender and requisition numbers. The company's Mexican representative should pick up the requested letter and expired *fianza*, make copies, and deliver the original to the *afianzadora*, bond company.

The *afianzadora* will issue a cancellation notice to the representative, who should send it and the original of the release letter to the export manager in Canada. A copy should be sent to the *fianza's* Canadian correspondent to close out the transaction.

## **9. PERPETUATING SUCCESS**

### **EXPANDING HORIZONS**

Preparing a bid package and participating in an actual *concurso*, bid ceremony, in Mexico, may be a Canadian company's first step in seeking new business horizons throughout Latin America. This is a market of enormous potential, double the size of Canada's, with substantially higher projected growth rates.

Prepare an action plan for pursuing additional clients in Mexico, both private and *paraestatal*, state-owned corporation. The export manager should return to Mexico to cover as many priority targets as possible, and discuss with the representative a schedule to follow over the next few months. Possibly, your company may decide to expand its Mexican activities through arrangements with additional regional representatives or distributors in Mexico.

## **"PIGGY-BACK" OPPORTUNITIES**

To capitalize on your company's success and your Mexican representative's capabilities, you should consider the possibility of representing other Canadian companies in Mexico. By "piggy-backing" other firms' complementary products, you can augment the company's export earnings and expand the income potential of your representative.

## **BRANCHING OUT TO CENTRAL AND SOUTH AMERICA**

It is expected that several Central and South American countries will become associated with the NAFTA over the next few years. You can gather data on these markets through Canadian government publications. When you have adequate information, you may decide to establish country and market priorities and launch a development program to cover the next year or two, based on your experience in Mexico. The Mexican representative may be able to assist these initial efforts, perhaps even overseeing marketing activities in those countries, from Mexico.

## **EXPLORING OPPORTUNITIES FOR EXPANDED LOCAL PRESENCE**

Progression in international markets usually follows certain phases: responding to foreign export inquiries, setting-up local representation, and gradually opening a company-run branch office. The ultimate step is to establish either a joint venture or direct operation in the target market, to complement Canadian capabilities and gain leverage for expanded international sales.

Canadian companies will have to move quickly to stay ahead of the competition, particularly from suppliers in the United States.

## **SUCCESS FACTORS**

This Guide is addressed to "export managers", whether they are full-time export specialists, or completely new to foreign markets. There are several requirements for success in Mexico. Some of the more important include:

- commitment to a long term effort;
- taking advantage of the positive Canadian image in Mexico, and of Canadian government support;

- appointing a local representative and supporting his or her efforts;
- building client relationships through frequent visits, and the pursuit of opportunities;
- learning the terms and conditions of Mexican government procurements, dispute resolution mechanisms, and related NAFTA provisions;
- preparing bid documentation and a pricing model prior to an actual bid solicitation;
- pursuing *licitaciones*, public tenders, making competitive offers, and challenging any irregularities or questionable decisions;
- striving for high quality and solid delivery performance;
- tracking all business activities in Mexico in detail, taking nothing for granted; and
- becoming genuinely interested in Mexico, its culture and its language.

## CEMENTING RELATIONSHIPS

The more time you spend in Mexico, the more you will become accustomed to its business nuances. Beyond all this business formality, however, greater possibilities exist. Continuing to nurture relationships with key contacts in both the *paraestatal*, state-owned corporation, and private sectors will elevate these relationships beyond business to personal friendships. You will have truly arrived in Mexico, because Mexicans like to do business with friends.



## 10. KEY CONTACTS IN CANADA

### CANADIAN GOVERNMENT DEPARTMENTS AND SERVICES IN CANADA

#### DEPARTMENT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE (OTTAWA)

Department of Foreign Affairs and International Trade (DFAIT) is the Canadian federal government department most directly responsible for trade development. The InfoCentre is the first contact point for advice on how to start exporting; it provides information on export-related programs and services; helps find fast answers to export problems; acts as the entry point to DFAIT's trade information network; and can provide interested companies with copies of specialized export publications.

##### InfoCentre

Tel.: 1-800-267-8376 or (613) 944-4000

Fax: (613) 996-9709

FaxLink: (613) 944-4500

Bulletin Board (IBB):

Tel.: 1-800-628-1581 or (613) 944-1581

The Latin America and Caribbean Trade Division promotes trade with Mexico. There are several trade commissioners at the Embassy of Canada in Mexico City, and there is a satellite office in Monterrey. Trade Commissioners can provide a range of services including introducing Canadian companies to potential customers in Mexico, advising on marketing channels, assisting those wishing to participate in trade fairs, helping identify suitable Mexican firms to act as agents, and compiling credit and business information on potential foreign customers.

Latin America and Caribbean Trade Division (LGT)  
Department of Foreign Affairs and International Trade  
Lester B. Pearson Building  
125 Sussex Drive  
Ottawa, ON K1A 0G2  
Tel.: (613) 996-5547  
Fax: (613) 943-8806

#### INTERNATIONAL TRADE CENTRES

International Trade Centres have been established across the country as a convenient point of contact to support the exporting efforts of Canadian firms. Co-located with the regional offices of the Department of Industry (DI), the centres operate under the guidance of DFAIT and all have resident Trade Commissioners. They help companies determine whether or not they are ready to export; assist firms with marketing research and market planning; provide

access to government programs designed to promote exports; and arrange for assistance from the Trade Development Division in Ottawa and trade officers abroad. Contact the International Trade Centre nearest you:

**British Columbia:** Scotia Tower  
900-650 West Georgia Street  
P.O. Box 11610  
Vancouver, BC V6B 5H8  
Tel.: (604) 666-0434  
Fax: (604) 666-8330

**Yukon:** 300 Main Street  
Room 210  
Whitehorse, YT Y1A 2B5  
Tel.: (403) 667-3925  
Fax: (403) 668-5003

**Alberta and Northwest Territories:** Canada Place  
9700 Jasper Avenue  
Suite 540  
Edmonton, AB T5J 4C3  
Tel.: (403) 495-2944  
Fax: (403) 495-4507.

510-5th Street S.W.  
Eleventh Floor  
Calgary, AB T5P 3S2  
Tel.: (403) 292-6660  
Fax: (403) 292-4578

**Saskatchewan:** 119-4th Avenue South  
Suite 401  
Saskatoon, SK S7K 5X2  
Tel.: (306) 975-5315  
Fax: (306) 975-5334

1919 Saskatchewan Drive  
Sixth Floor  
Regina, SK S4P 3V7  
Tel.: (306) 780-6325  
Fax: (306) 780-6679

**Manitoba:** 330 Portage Avenue  
Seventh Floor  
P.O. Box 981  
Winnipeg, MB R3C 2V2  
Tel.: (204) 983-8036  
Fax: (204) 983-2187

**Ontario:** Dominion Public Building  
1 Front Street West  
Fourth Floor  
Toronto, ON M5J 1A4  
Tel.: (416) 973-5053  
Fax: (416) 973-8161

**Quebec:** Stock Exchange Tower  
800 Victoria Square  
Suite 3800  
P.O. Box 247  
Montreal, PQ H4Z 1E8  
Tel.: (514) 283-8185  
Fax: (514) 283-8794

**New Brunswick:** Assumption Place  
770 Main Street  
P.O. Box 1210  
Moncton, NB E1C 8P9  
Tel.: (506) 851-6452  
Fax: (506) 851-6429

**Prince Edward Island:** Confederation Court Mall  
134 Kent Street  
Suite 400  
P.O. Box 1115  
Charlottetown, PE C1A 7M8  
Tel.: (902) 566-7400  
Fax: (902) 566-7450

**Nova Scotia:** Central Guaranty Trust Tower  
1801 Hollis Street  
Fifth Floor  
P.O. Box 940, Stn M  
Halifax, NS B3J 2V9  
Tel.: (902) 426-7540  
Fax: (902) 426-2624

**Newfoundland:** Atlantic Place  
215 Water Street  
Suite 504  
P.O. Box 8950  
St. John's, NF A1B 3R9  
Tel.: (709) 772-5511  
Fax: (709) 772-5093/2373

## WORLD INFORMATION NETWORK

### FOR EXPORTS

The World Information Network for Exports (WIN Exports) is a computer-based information system designed by DFAIT to help Canada's trade development officers abroad match foreign needs to Canadian capabilities. It provides Canadian government officials with information on the capabilities, experience and interests of more than 30,000 Canadian exporters. To register on WIN Exports, call: (613) 996-5701.

## PROGRAM FOR EXPORT MARKET DEVELOPMENT (PEMD)

This program seeks to increase export sales by sharing the costs of industry-initiated activities aimed at developing export markets. PEMD is administered by IC regional offices and funded by DFAIT. Activities eligible for PEMD financial support (up to 50 percent of the costs) include:

- participation in recognized foreign trade fairs outside of Canada;
- trips to identify export markets and visits by foreign buyers to Canada;
- project bidding or proposal preparation at the pre-contractual stage for projects outside Canada;
- the establishment of permanent sales offices abroad in order to undertake sustained marketing efforts;
- special activities for non-profit, non-sales food, agriculture and fish organizations, marketing boards and agencies, trade fairs, technical trials, and product demonstrations (for example); and
- new eligible costs include: product testing for market certification, legal fees for marketing agreements abroad, transportation costs for offshore company trainees, product demonstration costs and other costs necessary to execute the marketing plan.

Support is also provided for certain types of government-planned activities, such as outgoing trade missions of Canadian business representatives and incoming missions to Canada of foreign business and government officials who can influence export sales.

For general information, call the InfoCentre at 1-800-267-8376. For applications for assistance, call the International Trade Office nearest you.

## INTERNATIONAL FINANCING

DFAIT helps Canadian exporters interested in pursuing multilateral business opportunities financed by international financing institutions (IFI). Canadian exporters and trade associations can access market data, obtain a better understanding of the competition, and determine if an IFI-funded market opportunity is practical and worth pursuing. DFAIT can provide information and advice on the availability of Canadian government-funded assistance programs and can assist companies in developing effective export marketing. For further information contact:

International Finance Division  
Department of Foreign Affairs and International Trade  
Tel.: (613) 995-7251  
Fax: (613) 943-1100

## TECHNOLOGY INFLOW PROGRAM

Managed by DFAIT and delivered domestically by the National Research Council, this program is designed to help Canadian companies locate, acquire and adopt foreign technologies by promoting international collaboration. IC also helps in program promotion. The program officers respond to requests to identify technology sources and opportunities for cooperation between Canadian and foreign firms. The program will also help Canadian firms make exploratory visits abroad to identify and gain first-hand knowledge of relevant foreign technologies as well as to negotiate to acquire them. For information, call: (613) 993-3996.

## INVESTMENT DEVELOPMENT PROGRAM

This program helps Canadian companies find the investment they need. It actively promotes investments that take the form of new plant and equipment, joint ventures or strategic partnerships. It is especially interested in attracting investment that introduces new technology into Canada, a key to creating new jobs and economic opportunities. Investment officers make contact with foreign investors and bring them together with Canadian companies. For information, call: (613) 995-8400.

## DEPARTMENT OF INDUSTRY

Department of Industry (DI) was created with a broad mandate to improve the competitiveness of Canadian industry. In the area of small business, it has been given specific responsibility to:

- develop, implement and promote national policies to foster the international competitiveness of industry; the enhancement of industrial, scientific and technological development, and the improvement in the productivity and efficiency of industry;

- promote the mobility of goods, services, and factors of production within Canada;
- develop and implement national policies to foster entrepreneurship and the start-up, growth and expansion of small businesses;
- develop and implement national policies and programs respecting industrial benefits from procurement of goods and services by the government of Canada; and
- promote and provide support services for the marketing of Canadian goods, services and technology.

Business Service Centre  
Department of Industry  
235 Queen Street, 1st Floor, East Tower  
Ottawa, ON K1A 0H5  
Tel.: (613) 952-4782  
Fax: (613) 957-7942

NAFTA Information Desk  
Department of Industry  
235 Queen Street, 5th Floor, East Tower  
Ottawa ON K1A 0H5  
Fax: (613) 952-0540

## DI REGIONAL OFFICES

The regional offices work directly with Canadian companies to promote industrial, scientific and technological development. They help clients recognize opportunities in a competitive international marketplace by providing services in the areas of business intelligence and information, technology and industrial development, and trade and market development. They also promote and manage a portfolio of programs and services.

The following are areas in which DI regional offices have special competence:

- access to trade and technology intelligence and expertise;
- entry points to national and international networks;
- industry sector knowledge base;
- co-location with International Trade Centres connected to DFAIT and Canadian posts abroad;
- client focus on emerging and threshold firms; and
- DI Business Intelligence.

## THE BUSINESS OPPORTUNITIES SOURCING SYSTEM (BOSS)

BOSS is a computerized databank that profiles over 26,000 Canadian companies. It lists basic information on products, services and operations that is useful to potential customers. The system was established in 1980 by DI in cooperation with participating provincial governments. BOSS was originally established so that Trade Commissioners, posted around the world by DFAIT, could find Canadian companies that might be able to take advantage of foreign market opportunities. Today, more than 11,000 domestic and international subscribers use the system to locate Canadian suppliers. The majority of subscribers are Canadian companies. For information call: (613) 954-5031.

## MARKET INTELLIGENCE SERVICE

This service provides Canadian business with detailed market information on a product specific basis. The service assists Canadian companies in the exploitation of domestic, export, technology transfer, and new manufacturing investment opportunities. The intelligence is used by Canadian business in decisions regarding manufacturing, product development, marketing, and market expansion. The information includes values, volume and unit price of imports, characteristics of specific imports (e.g. material, grade, price range, etc.), names of importers, major countries of export, identification of foreign exporters to Canada, Canadian production, Canadian exports, and U.S. imports. Two-thirds of the clientele for this service are small businesses. For information call: (613) 954-4970.

## REVENUE CANADA

NAFTA Information Desk  
Revenue Canada - Customs, Excise and Taxation  
191 Laurier Avenue West, 6th Floor  
Ottawa, ON K1A 0L5  
Tel.: 1-800-661-6121  
Fax: (613) 954-4494

### NAFTA Spanish Help Desk

Revenue Canada Customs provides a NAFTA Help Desk telephone line with service available in Spanish.  
Tel.: (613) 941-0965

## CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

An important possible source of financing for Canadian ventures in Mexico is the special fund available through the Canadian International Development Agency (CIDA) under the Industrial Cooperation Program or CIDA/INC. CIDA's Industrial Cooperation Program provides financial contributions to stimulate Canadian private-sector involvement in developing countries by supporting long-term business relationships such as joint ventures and licensing arrangements. INC supports the development of linkages with the private sector in Mexico encouraging Canadian enterprises to share their skills and experiences with partners in Mexico, and other countries. A series of INC mechanisms help enterprises to establish mutually beneficial collaborative arrangements for the transfer of technology and the creation of employment in Mexico.

There are five INC mechanisms which help eligible Canadian firms to conduct studies and provide professional guidance and advice to potential clients. Where a project involves environmental improvement, technology transfer, developmental assistance to women, job training, or job creation, early contact with CIDA's Industrial Cooperation Division is suggested. An important CIDA criterion is that the project creates jobs in Mexico without threatening jobs in Canada. In fact, most CIDA-assisted projects have produced net increases in Canadian jobs.

Industrial Cooperation Division  
Canadian International Development Agency  
200, Promenade du Portage  
Hull, PQ K1A 0G4  
Tel.: (819) 997-7905/7906  
Fax: (819) 953-5024

## ATLANTIC CANADA OPPORTUNITIES AGENCY

Atlantic Canadian companies seeking to develop exports to Mexico may be eligible for assistance from the Atlantic Canada Opportunities Agency (ACOA). The Agency works in partnership with entrepreneurs from the Atlantic region to promote self-sustaining economic activity in Atlantic Canada.

The ACOA Action Program provides support to businesses as they look to expand existing markets through the development of Marketing Plans. Efforts include monitoring trade opportunities arising from global economic change; communications efforts to promote the region; trade missions and associated activities, as well as better coordination with federal and provincial bodies that influence trade and investment opportunities.

**ACOA Head Office:** Blue Cross Centre  
644 Main Street  
P.O. Box 6051  
Moncton, NB E1C 9J8  
Toll free: 1-800-561-7862  
Fax: (506) 851-7403

## **WESTERN ECONOMIC DIVERSIFICATION**

### **CANADA**

Western Canadian companies interested in Mexico may be able to secure assistance from Western Economic Diversification Canada (WD). This agency provides financial assistance for projects which contribute to the diversification of the western economy. It acts as a pathfinder to ensure that western businesses are aware of and receive assistance from the most appropriate source of funding, federal or other, for their projects. It acts as an advocate for the west in national economic decision-making and it coordinates federal activities that have an impact on economic growth in the west. It plays a role in promoting trade between western Canada and markets around the world. Inquiries about the Western Diversification Program and other activities of the department can be directed to any of the following regional office:

**Manitoba:** The Cargill Building  
240 Graham Avenue  
Suite 712  
P.O. Box 777  
Winnipeg, MB R3C 2L4  
Tel.: (204) 983-4472  
Fax: (204) 983-4694

## **EXPORT DEVELOPMENT CORPORATION**

EDC is a unique financial institution that helps Canadian business compete internationally. EDC facilitates export trade and foreign investment by providing risk management services, including insurance and financing, to Canadian companies and their global customers.

EDC's programs fall into four major categories:

- export credit insurance, covering short and medium-sized credits;
- performance-related guarantees and insurance, providing coverage for exporters and financial institutions against calls on various performance bonds and obligations normally issued either by banks or surety companies;
- foreign investment insurance, providing political risk protection for new Canadian investments abroad; and
- export financing, providing medium and long-term export financing to foreign buyers of Canadian goods and services.

For information on the full range of EDC services, contact any of the following EDC offices:

**Ottawa (Head Office):** 151 O'Connor Street  
Ottawa, ON K1A 1K3  
Tel.: (613) 598-2500  
Fax: (613) 237-2690

**Vancouver:** One Bentall Centre  
505 Burrard Street  
Suite 1030  
Vancouver, BC V7X 1M5  
Tel.: (604) 666-6234  
Fax: (604) 666-7550

**Calgary:** 510-5th Street S.W.  
Suite 1030  
Calgary, AB T2P 3S2  
Tel.: (403) 292-6898  
Fax: (403) 292-6902

**Winnipeg:** 330 Portage Avenue  
Eighth Floor  
Winnipeg, MB R3C 0C4  
Tel.: (204) 983-5114  
Fax: (204) 983-2187  
(serving Manitoba and Saskatchewan)

**Toronto:** National Bank Building  
150 York Street  
Suite 810  
P.O. Box 810  
Toronto, ON M5H 3S5  
Tel.: (416) 973-6211  
Fax: (416) 862-1267

**London:** Talbot Centre  
148 Fullarton Street  
Suite 1512  
London, ON N6A 5P3  
Tel.: (519) 645-5828  
Fax: (519) 645-5580

**Montreal:** Tour de la Bourse  
800 Victoria Square  
Suite 4520  
P.O. Box 124  
Montreal, PQ H4Z 1C3  
Tel.: (514) 283-3013  
Fax: (514) 878-9891

**Halifax:** Purdy's Wharf, Tower 2  
1969 Upper Water Street  
Suite 1410  
Halifax, NS B3J 3R7  
Tel.: (902) 429-0426  
Fax: (902) 423-0881

## **CANADIAN COMMERCIAL CORPORATION (CCC)**

Companies seeking to do business in Mexico may be daunted by certain concerns. The Canadian Commercial Corporation helps to reduce the risks associated with international trade. It reassures foreign purchasers of Canadian goods and services by guaranteeing the performance of Canadian suppliers.

CCC's guarantees will in some cases reduce, or even eliminate, the need for financial securities and expand the financing options available to both sides. In addition, CCC helps foreign buyers identify Canadian suppliers best able to respond to their requirements. It serves as a focal point of contact where more than one supplier is needed to fulfill an order. And CCC assists the Canadian supplier through all phases leading to the conclusion of a transaction. In addition to analyzing the risks involved, CCC participates in negotiations and signs the contract with the customer. It then follows through on all aspects leading to the implementation of the contract, including payment to suppliers and collection from customers. For more information, contact:

Canadian Commercial Corporation  
50 O'Connor Street, 11th Floor  
Ottawa, ON K1A 0S6  
Tel: (613) 996-0034  
Fax: (613) 995-2121

## **NATIONAL RESEARCH COUNCIL**

Canadian companies, hoping to succeed in the Mexican marketplace, may require additional technology to improve their competitiveness. The National Research Council (NRC) works with Canadian firms of all sizes to develop and apply technology for economic benefit. The Council supervises the Industrial Research Assistance Program (IRAP), a national network for the diffusion and transfer of technology.

The IRAP network supports the process of developing, accessing, acquiring, implanting, and using technology throughout Canadian industry. IRAP has been in existence for 40 years and has acquired a reputation as one of the more flexible and effective federal programs. IRAP takes advantage of an extensive network that includes more than 120 regional and local offices, 20 provincial technology centres, the Council's own laboratories and research institutes, federal government departments, and technology transfer offices in Canadian universities. The IRAP network also extends abroad through the technology counsellors attached to Canadian posts in some 18 foreign countries. For more information or the name of the IRAP officer nearest you, contact the following:

IRAP Office  
National Research Council  
Montreal Road  
Building M-55  
Ottawa, ON K1A 0R6  
Tel.: (613) 993-5326  
Fax: (613) 954-2524

## **MEXICAN GOVERNMENT OFFICES IN CANADA**

The Embassy of Mexico, Mexican Trade Commissioners in Canada, and Mexican consulates can provide assistance and guidance to Canadian companies in need of information about doing business in Mexico.

**Embassy of Mexico**  
45 O'Connor Street, Suite 1500  
Ottawa, ON K1P 1A4  
Tel.: (613) 233-8988  
Fax: (613) 235-9123

**Mexican Consulate in Ottawa**  
Tel.: (613) 233-6665

## **OTHER MEXICAN CONSULATES GENERAL IN CANADA**

**Consulate General of Mexico**  
2000 Mansfield Street, Suite 1015  
Montreal, PQ H3A 2Z7  
Tel.: (514) 288-2502/4916  
Fax: (514) 288-8287

**Consulate General of Mexico**  
199 Bay Street, Suite 4440  
P.O. Box 266, Stn. Commerce Court West  
Toronto, ON M5L 1E9  
Tel.: (416) 368-2875/8141/1847  
Fax: (416) 368-8342

**Consulate General of Mexico**  
810-1139 West Pender Street  
Vancouver, BC V6E 4A4  
Tel.: (604) 684-3547/1859  
Fax: (604) 684-2485

**Mexican Honorary Consulate**  
380, Chemin St. Louis Suite 1407  
Québec, PQ G1S 4M1  
Tel.: (418) 681-3192  
Fax: (418) 683-7843

#### Mexican Honorary Consulate

830-540 5th Avenue, S.W.  
Calgary, AB T2P 0M2  
Tel.: (403) 263-7077/7078  
Fax: (403) 263-7075

#### Mexican Honorary Consulate

1900 Commodity Exchange Tower  
360 Main Street  
Winnipeg, MB R3C 3Z3  
Tel.: (202) 944-2540  
Fax: (202) 957-1790

### MEXICAN FOREIGN TRADE COMMISSIONS

*Banco Nacional de Comercio Exterior (Bancomext)* is the Mexican Trade Commission and has offices in Canada. It offers credits, export guarantees and counselling services for those seeking to do business in Canada. *Bancomext* also sponsors trade fairs, international exhibitions and trade missions.

### MEXICAN BANKS WITH OFFICES IN CANADA

*Banco Nacional de México (Banamex)*, *Banco de Comercio (Bancomer)* and *Banca Serfin* are private sector banks which offer specialized services through their international trade information centres. The centres participate in a computerized communications network with access to

numerous economic, governmental and financial data bases throughout the world. These banks are located throughout Mexico, and maintain offices in Toronto.

#### *Banco Nacional de México (Banamex)*

1 First Canadian Place  
Suite 3430  
P.O. Box 299  
Toronto, ON M5X 1C9  
Tel.: (416) 368-1399  
Fax: (416) 367-2543

#### *Banco de Comercio (Bancomer)*

The Royal Bank Plaza  
South Tower, Suite 2915  
P.O. Box 96  
Toronto, ON M5J 2J2  
Tel.: (416) 956-4911  
Fax: (416) 956-4914

#### *Banca Serfin*

BCE Place  
Canada Trust Tower  
161 Bay Street, Suite 4360  
P.O. Box 606  
Toronto, ON M5J 2S1  
Tel.: (416) 360-8900  
Fax: (416) 360-1760

## KEY CONTACTS IN CANADA

### SPONSORING ORGANIZATIONS

#### **BAKER & MCKENZIE**

Baker & McKenzie is one of the largest international law firms with offices in 35 countries. They presently have four offices in Mexico, in the cities of Juárez, Mexico City, Monterrey and Tijuana. In addition to providing legal advice, the firm's offices in Canada and Mexico work to assist Canadian companies to find the right partner to enable them to establish or expand their activities in Mexico.

**Baker & McKenzie**  
Barristers & Solicitors  
BCE Place  
181 Bay Street, Suite 2100  
Toronto, ON M5J 2T3  
Tel.: (416) 865-6910/6903  
Fax: (416) 863-6275

#### **BUSINESS AND PROFESSIONAL ASSOCIATIONS**

The Canadian Council for the Americas (CCA) is a non-profit organization formed in 1987 to promote business interests in Latin American and Caribbean countries. The CCA promotes events and programs targeted at expanding business and building networking contacts between Canada

and the countries of the region. It also publishes a bimonthly newsletter.

#### **The Canadian Council for the Americas (CCA)**

Executive Offices  
145 Richmond Street West, Third Floor  
Toronto, ON M5H 2L2  
Tel.: (416) 367-4313  
Fax: (416) 367-5460

#### **Canadian Exporters' Association**

99 Bank Street, Suite 250  
Ottawa, ON K1P 6B9  
Tel.: (613) 238-8888  
Fax: (613) 563-9218

#### **Canadian Manufacturers' Association (C.M.A.)**

75 International Boulevard, Fourth Floor  
Etobicoke, ON M9W 6L9  
Tel.: (416) 798-8000  
Fax: (416) 798-8050

The Canadian Chamber of Commerce (CCC)  
55 Metcalfe Street, Suite 1160  
Ottawa, ON K1P 6N4  
Tel.: (613) 238-4000  
Fax: (613) 238-7643

Forum for International Trade and Training (FITT)  
155 Queen Street, Suite 608  
Ottawa, ON K1P 6L1  
Tel.: (613) 230-3553  
Fax: (613) 230-6808

Language Information Centre  
240 Sparks Street, RPO  
Box 55011  
Ottawa, ON K1P 1A1  
Tel.: (613) 523-3510

Canadian Freight Forwarders Association  
Box 929  
Streetsville, ON L5M 2C5  
Tel.: (905) 567-4633  
Fax: (905) 542-2716

Canadian Society of Customs Brokers  
111 York Street  
Ottawa ON K1N 5T4  
Tel.: (613) 562-3543  
Fax: (613) 562-3548

Open Bidding Service (OBS)  
P.O. Box 22011  
Ottawa, ON K1V 0W2  
Tel.: 1-800-361-4637 or (613) 737-3374

Canadian Standards Association (CSA)  
178 Rexdale Blvd.  
Rexdale, ON M9W 1R3  
Tel.: (416) 747-4000  
Fax: (416) 747-4149

Standards Council of Canada (SCC)  
45 O'Connor Street, Suite 1200  
Ottawa, ON K1P 6N7  
Tel.: (613) 238-3222  
Fax: (613) 995-4564

## CANADIAN GOVERNMENT DEPARTMENTS AND SERVICES IN MEXICO

### COMMERCIAL DIVISION

#### THE EMBASSY OF CANADA IN MEXICO

The Commercial Division of the Canadian Embassy in Mexico can provide vital assistance to Canadians venturing into the Mexican market. The trade commissioners are well informed about the market and will respond in whatever measure possible to support a Canadian firm's presence in Mexico.

*Note: to telephone Mexico City, dial: 011-52-5 before the number shown; for contacts in other cities in Mexico, consult the international code listing at the front of your local telephone directory for the appropriate regional codes.*

Commercial Division  
The Embassy of Canada in Mexico  
Schiller No. 529  
Apartado Postal 105-05  
Col. Polanco  
11560 México, D.F.  
México  
Tel.: 724-7900  
Fax: 724-7982

Canadian Business Centre  
*Centro Canadiense de Negocios*  
Av. Ejército Nacional No 926  
Col. Polanco  
11540 México, D.F.  
México  
Tel.: 580-1176  
Fax: 580-4494

Canadian Consulate  
Edificio Kalos, Piso C-1  
Local 108A  
Zaragoza y Constitución  
64000 Monterrey, Nuevo León  
México  
Tel.: 344-3200  
Fax: 344-3048



## KEY CONTACTS IN MEXICO

### MEXICAN GOVERNMENT

#### Secretariat of Commerce and Industrial Development

*Secretaría de Comercio y Fomento Industrial (SECOFI)*

*Dirección General de Servicios al Comercio Exterior*

Alfonso Reyes No. 30, Piso 10

Col. Hipódromo Condesa

06170 México, D.F.

México

Tel.: 729-9137/9256/9257

Fax: 729-9343

#### Secretariat of Finance and Public Credit

*Secretaría de Hacienda y Crédito Público (SHCP)*

*Dirección General Técnica de Ingresos*

Palacio Nacional, 1er. Patio Mariano

Col. Centro

06066 México, D.F.

México

Tel.: 228-5056

Fax: 228-5177

#### Secretariat of the Comptroller General

*Secretaría de Contraloría y Desarrollo Administrativo*

*(SECODAM)*

Insurgentes Sur No. 1735

Ala Norte, Oficina 22

Col. Guadalupe Inn

01020 México, D.F.

México

Tel.: 663-3636

Fax: 662-2135

#### Secretariat of Communications and Transportation

*Secretaría de Comunicaciones y Transportes (SCT)*

*Subsecretaría de Comunicación y Desarrollo Tecnológico*

Av. Universidad y Xola, Cuerpo C, Piso 1

Col. Narvarte

03020 México, D.F.

México

Tel.: 530-3271

Fax: 559-8708

#### Secretariat of the Environment, Natural Resources and Fisheries

*Secretaría del Medio Ambiente, Recursos Naturales y Pesca*

Periférico Sur No. 4209

Col. Jardines en la Montaña

14210 México, D.F.

México

Tel.: 628-0602/0605

Fax: 628-0644

#### Department of the Federal District

*Departamento del Distrito Federal (DDF)*

Plaza de la Constitución

esq. Pino Suárez, Piso 1

Col. Centro

06068 México, D.F.

México

Tel.: 518-1100/4511

Fax: 510-2275

#### National Oil Company

*Petróleos Mexicanos (PEMEX)*

Av. Marina Nacional No. 329

Col. Huasteca

11311 México, D.F.

México

Tel.: 250-2611

Fax: 625-4385

#### National Water Commission - Office of Construction Management

*Comisión Nacional del Agua - Gerencia de Construcciones (CNA)*

Cda. J. Sánchez Azcona No. 1723

Col. del Valle

03100 México, D.F.

México

Tel.: 524-6985, 534-4650

Fax: 524-1129

#### Mexican National Railway

*Ferrocarriles Nacionales de México (FNM)*

Jesús García No. 140, Piso 13 Ala A

Col. Buenavista

06358 México, D.F.

México

Tel.: 541-4004, 547-9317

Fax: 547-0959

#### Mexican Airport Authority

*Aeropuertos y Servicios Auxiliares (ASA)*

Avenida 602 No. 161

Col. San Juan de Aragón

15620 México, D.F.

México

Tel.: 571-4545/4911

Fax: 762-5951

**Federal Electricity Commission**  
*Comisión Federal de Electricidad (CFE)*  
Río Ródano No. 14  
Col. Cuauhtémoc  
06598 México, D.F.  
México  
Tel.: 553-7133  
Fax: 553-6424

**Central Light and Power Company**  
*Luz y Fuerza del Centro*  
Av. Melchor Ocampo No. 171  
Col. Tlaxpana  
11379 México, D.F.  
México  
Tel.: 592-0655  
Fax: 546-8409

**Federal Roads and Bridges Commission**  
*Caminos y Puentes Federales de Ingresos y Servicios Conexos (CAPFISC)*  
Av. Plan de Ayala No. 629  
Col. Lomas del Mirador  
62350 Cuemavaca, Morelos  
México  
Tel.: 11-5400  
Fax: 11-5347

**Paper Producers and Importers**  
*Productora e Importadora de Papel (PIPSA)*  
Poniente 140 No. 840  
Col. Industrial Vallejo  
02300 México, D.F.  
México  
Tel.: 729-7001 through 99  
Fax: 567-4482

**National Professional Technical Education College**  
*Colegio Nacional de Educación Profesional Técnica (CONALEP)*  
Av. Conalep No. 5  
Col. Lázaro Cárdenas  
52142 Metepec, Estado de México  
México  
Tel.: 71-0800

## **BUSINESS AND PROFESSIONAL ASSOCIATIONS**

**National Chamber of Commerce of Mexico**  
*Cámara Nacional de Comercio de la Ciudad de México (CANACO)*  
Paseo de la Reforma No. 42  
Col. Centro  
06048 México, D.F.  
México  
Tel.: 592-2677/2665  
Fax: 592-3571

**Canadian Chamber of Commerce in Mexico**  
*Cámara de Comercio de Canadá en México*  
Pasco de la Reforma No. 369 Mezzanine  
Col. Juárez  
06500 México, D.F.  
México  
Tel.: 525-0961/0541  
Fax: 525-0438

**Mexican Association of Manufacturers**  
*Cámara Nacional de la Industria de Transformación (CANACINTRA)*  
Av. San Antonio No. 256  
Col. Nápoles  
03849 México, D.F.  
México  
Tel.: 563-3400  
Fax: 598-5888

**National Association of Importers and Exporters of the Mexican Republic**  
*Asociación Nacional de Importadores y Exportadores de la República Mexicana (ANIERM)*  
Monterrey No. 130  
Col. Roma  
06700 México, D.F.  
México  
Tel.: 584-9522  
Fax: 584-5317

**Confederation of Industrial Chambers**  
*Confederación de Cámaras Industriales*  
Manuel María Conteras No. 133  
Col. Cuauhtémoc  
06500 México, D.F.  
México  
Tel.: 703-2591/566-7822  
Fax: 535-6871/546-1424

## MEXICAN COMPANIES

**National Telephone Company**  
*Teléfonos de México S.A. de C.V. (TELMEX)*  
Parque Vía No.190  
Col. Cuauhtémoc  
06599 México, D.F.  
México  
Tel.: 222-9650, 535-2041  
Fax: 203-5104

**Mexican Chemical Fertilizer**  
*Fertilizantes Químicos Mexicanos (FERQUIMEX)*  
Insurgentes Sur No. 1106, Piso 4  
Col. Nochebuena  
03720 México, D.F.  
México  
Tel.: 559-1755/10813/1470  
Fax: 575-3176

## CANADIAN BANKS IN MEXICO

**Bank of Montreal**  
Horacio No. 1855-301  
Col. Polanco  
11510 México, D.F.  
México  
Tel.: 203-8211  
Fax: 203-8542

**Royal Bank of Canada**  
Hamburgo No. 172, Piso 5  
Col. Juárez  
06600 México, D.F.  
México  
Tel.: 207-2400  
Fax: 208-1592

**Bank of Nova Scotia (BNS)**  
Hamburgo No. 213, Piso 10  
Apartado Postal 6-931  
Col. Juárez  
06600 México, D.F.  
México  
Tel.: 256-0622  
Fax: 208-7182

**Canadian Imperial Bank of Commerce (CIBC)**  
(representative office, no retail services)  
Campos Eliseos No. 400, Despacho 402  
Col. Polanco  
11570 México, D.F.  
México  
Tel.: 281-1238/1074  
Fax: 280-3069

**National Bank**  
(representative office)  
Lope de Vega No. 117, Piso 10  
Col. Polanco  
11540 México, D.F.  
México  
Tel.: 254-7030/7090  
Fax: 531-6930

**The Toronto Dominion Bank**  
Paseo de la Reforma No. 389, Piso 15  
Col. Cuauhtémoc  
06500 México, D.F.  
México  
Tel.: 905-431-4355 (cellular temporarily)  
Fax: 520-0127

## PRINCIPAL MEXICAN AFIANZADORAS AND CANADIAN CORRESPONDENTS

*Afianzadora Insurgentes S.A.*  
Berlín No. 18, Piso 3  
Col. Juárez  
06600 México, D.F.  
México  
Tel.: 227-7700  
Fax: 592-8807

**Boreal P & C Insurance Company**  
(formerly Laurentian Pacific)  
999 West Hastings Street, 3rd Floor  
P.O. Box 22  
Vancouver, BC V6C 2W2  
Tel.: (604) 669-4247  
Fax: (614) 682-6693

**La Garantie, Compagnie d'assurance de l'Amérique du nord/**  
**The Guarantee Company of North America**  
Place de Canada  
Suite 1560  
Montreal, PQ H3B 2R4  
Tel.: (514) 866-6351  
Fax: (514) 866-0157

**The Guarantee Company of North America**  
2 Sheppard Avenue, Suite 800  
Willowdale, ON M2N 5Y7  
Tel.: (416) 223-9580  
Fax: (416) 223-6577

*Fianzas Monterrey S.A.*  
Ruben Darío No. 38  
Col. Rincón del Bosque  
11580 México, D.F.  
México  
Tel.: 726-3702  
Fax: 726-3705

*La Guardiania S.A.*  
Av. Insurgentes Sur No. 3500, Piso 2  
Col. Peña Pobre  
14060 México, D.F.  
México  
Tel.: 325-0477  
Fax: 665-8649

**Seaboard Surety Company of Canada**  
2 Bloor Street West, Suite 1500  
Toronto, ON M4W 3E2  
Tel.: (416) 925-9360  
Fax: (416) 925-5336

*Afianzadora Mexicana S.A.*  
Monte de Piedad No. 11  
Col. Centro  
06000 México, D.F.  
México  
Tel.: 726-9007  
Fax: 518-2667, 521-4678

**Simcoe Erie Group**  
649 North Service Road West  
Burlington, ON L7R 4L5  
Toll-free: 1-800-565-7090  
Tel.: (416) 333-4400/338-4958  
Fax: (416) 681-4944

## USEFUL PUBLICATIONS

*Canada-Mexico: Partnering for Success* (Third Edition)  
Ottawa: Prospectus Inc. 1994.  
Available from: Prospectus Inc.,  
346 Waverley Street, Ottawa, Ontario  
K2P 0W5. Tel.: (613) 231-2727; Fax: (613) 237-7666.

*Directory and Practical Guide.* Mexico City:  
Canadian Chamber of Commerce, 1993.  
Available from the *Cámara de Comercio de Canadá en México*,  
Paseo de la Reforma No. 369 Mezzanine,  
Col. Juárez, 06500 México, D.F., México.  
Tel.: 525-0961/0541; Fax: 525-0438.

Kathryn Leger. *Face to Face: Doing Business the Mexican Way.*  
Toronto: Canadian Airlines, November, 1993.  
Available from the Royal Bank of Canada,  
International Trade Centres.

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Mexico City: Compañía Editorial Continental.

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Foreign Affairs and International Trade (DFAIT), 1993.  
Available from the InfoCentre, 125 Sussex Drive,  
Ottawa, Ontario K1A 0G2. Toll-free: 1-800-267-8376;  
Tel.: (613) 944-4000; Fax: (613) 996-9709.

*Backing a Winner: PEMD Handbook.* Ottawa: Department of  
Foreign Affairs and International Trade (DFAIT), 1993.  
Available from the InfoCentre, 125 Sussex Drive, Ottawa,  
Ontario K1A 0G2. Toll-free: 1-800-267-8376;  
Tel.: (613) 944-4000; Fax: (613) 996-9709.

*Selecting and Using Foreign Agents and Distributors.* Ottawa:  
Department of Foreign Affairs and International Trade  
(DFAIT), 1991.  
Available from the InfoCentre, 125 Sussex Drive,  
Ottawa, Ontario K1A 0G2.  
Toll-free: 1-800-267-8376; Tel.: (613) 944-4000;  
Fax: (613) 996-9709.

*Trade Development Programs and Services.* Ottawa: Department  
of Foreign Affairs and International Trade (DFAIT).  
Available from the InfoCentre, 125 Sussex Drive,  
Ottawa, Ontario K1A 0G2. Toll-free: 1-800-267-8376;  
Tel.: (613) 944-4000; Fax: (613) 996-9709.

*Access North America.* Ottawa: Department of Foreign Affairs  
and International Trade (DFAIT), 1994.  
Available from the InfoCentre, 125 Sussex Drive,  
Ottawa, Ontario K1A 0G2.  
Toll-free: 1-800-267-8376; Tel.: (613) 944-4000;  
Fax: (613) 996-9709.

## 11. GLOSSARY OF TERMS

*Abogada* - a female lawyer.

*Abogado* - a male lawyer.

*Aclaración* - clarification.

*Acta* - the official minutes.

*Acta de fallo* - the decision of the bid review as recorded by the organization's officials.

*Adquisición* - an acquisition or purchase.

*Aeropuertos y Servicios Auxiliares (ASA)* - the Mexican Airport Authority.

*Afianzadora* - a bond company.

*Anexo* - an appendix.

*Apertura* - the bid ceremony.

*Avisos* - an official notice.

*Avisos de licitación* - the bid tender notices.

*Auditoría interna* - an internal audit.

*Bajo protesta* - under protest.

*Bases* - bid terms.

*Bases anexos* - the terms included in the appendices.

*Bases de licitación* - public tender bid terms.

*Caminos y Puentes Federales de Ingresos y Servicios Conexos (CAPFISC)* - Federal Roads and Bridges Commission.

*Comisión Federal de Electricidad (CFE)* - Federal Electricity Commission.

*Comisión Nacional del Agua, Gerencia de Construcciones (CNA)* - National Water Commission, Office of Construction Management.

*Concesionarias* - a business operating under a concession from a state-owned corporation.

*Concurso* - the bid ceremony or official meeting in which the bid proposals are reviewed and discussed among the competitors.

*Contraloría* - a short form name that Mexicans use to refer to the *Secretaría de Contraloría y Desarrollo Administrativo (SECODAM)*.

*Departamento de Adquisiciones* - the acquisitions department.

*Departamento del Distrito Federal (DDF)* - Department of the Federal District.

*Departamento de Inconformidades* - the department of the organization that handles cases of nonconformity to contract terms.

*Departamento jurídico paraestatal* - the legal department of a state-owned corporation.

*Desierta* - aborted; refers to a situation where there is only one bid response and a quorum for the competitive process is not available; the officials generally opt to begin the tendering process again.

*Diario Oficial* - Official Gazette, in which the bid tenders are advertised.

*Días hábiles* - working days, used for estimating time frames in bid terms.

*Días calendarios* - calendar days, used for estimating time frames in bid terms.

*El Pacto* - The Pact, a dramatic economic stabilization program embracing price, wage, federal spending and exchange rate controls. *El Pacto* was a three-way agreement between government, labor and business, which is still in force through its successor, *Pacto para el Bienestar, Estabilidad y Crecimiento (PABEC)*, Pact for Well-Being, Stability and Growth.

*Fallo* - decision determining who will win the bid.

*Ferrocarriles Nacionales de México (FNM)* - Mexican National Railway.

*Fertilizantes Químicos Mexicanos (FERQUIMEX)* - Mexican Chemical Fertilizer.

*Fianza* - a bond issued for collateral in the bid process or to ensure performance.

*Gafete* - an identification card issued to visitors upon arrival to a bid ceremony.

*Inconformidades* - nonconformities in adherence to the terms of a contract.

*Junta de aclaraciones* - clarification meeting between the contractors and the prospective contractees.

*Legalizados* - certified, for example a certified cheque or certified bid documents.

*Ley de Adquisiciones Públicas* - Public Purchasing Act.

*Licitación* - a public tender.

*Licitación Paraestatal* - a public tender from a state-owned corporation.

*Luz y Fuerza del Centro (LyF)* - Central Light and Power Company.

*Mesa* - a table, or the head table of officials at a bid ceremony.

*Números de licitación y requisición* - public tender and requisition numbers.

*Oferta* - request for proposal.

*Oficiales paraestatales* - state-owned corporation officials.

*Oficina matriz* - the head office.

*Oficina paraestatal de adquisiciones* - the acquisitions or purchasing office of a state-owned corporation.

*Paraestatal* - a state-owned corporation.

*Pedidos* - contracts.

*Petróleos Mexicanos (PEMEX)* - National Oil Company.

*Pesos mexicanos* - Mexican Pesos, assumed to be the new pesos, issued after January 1, 1993.

*Productora e Importadora de Papel (PIPSA)* - Paper Producers and Importers.

*Proveedor* - a supplier.

*Requisición* - a requisition.

*Sala de juntas* - a meeting room.

*Salidas* - exits.

*Secretaría de Comercio y Fomento Industrial (SECOFI)* - Secretariat of Commerce and Industrial Development.

*Secretaría de Hacienda y Crédito Público (SHCP)* - Secretariat of Finance and Public Credit; also referred to as *Hacienda*.

*Secretaría de Contraloría y Desarrollo Administrativo (SECODAM)* - Secretariat of the Comptroller General.

*Secretaría de Comunicaciones y Transportes (SCT)* - Secretariat of Communications and Transportation.

*Secretaría del Medio Ambiente, Recursos Naturales y Pesca* - Secretariat of the Environment, Natural Resources and Fisheries.

*Sellada de recibido* - stamped "received", the official stamp required on any document or bid submission.

*Teléfonos de México S.A. de C.V. (TELMEX)* - National Telephone Company.

*Trámites aduanales* - customs procedures.

*Tratado de Libre Comercio (TLC)* - The North American Free Trade Agreement (NAFTA).

## APPENDIX: SAMPLE REQUEST FOR PROPOSAL

The following text is a sample request for proposal from the Mexican National Railway, *Ferrocarriles Nacionales de México (FNM)*. The *bases* includes many of the new requirements for Canadian bidders brought about by the North American Free Trade Agreement.

The text has been included in Spanish only, as an important tool in preparing for the bid process in any sector. Please note that each bid document will require careful examination of the original text as well as of the technical translation. Some preparation in advance may provide the Canadian bidder with additional time to ensure accuracy and completeness of the final bid submission.

**BASES PARA CONCURSO INTERNACIONAL No. FNM-GA-I- /95**

FERROCARRILES NACIONALES DE MEXICO EN CUMPLIMIENTO DE LAS DISPOSICIONES QUE ESTABLECE LA LEY DE ADQUISICIONES Y OBRAS PUBLICAS, CELEBRARA A TRAVES DE LA: GERENCIA DE ADQUISICIONES UBICADA EN: AVENIDA JESUS GARCIA CORONA NUMERO 140 4to. PISO, ALA "B" COLONIA BUENAVISTA, DELEGACION CUAUHTEMOC, C.P. 06358 MEXICO, D.F. CON TELEFONOS: 547-64-86 Y 547-65-83 Y FAX: 547-36-68, 547-65-88 Y 3-27-64-43 (CLAVE GA-4) EL CONCURSO INTERNACIONAL NO. FNM-GA-I- /95 CON BASE EN LA REQUISICION NO. \_\_\_\_\_ A FIN DE ADQUIRIR LOS BIENES DESCRITOS A CONTINUACION, BAJO LAS SIGUIENTES:

**B A S E S**

**NOTA IMPORTANTE:**

EN LOS BIENES SOLICITADOS EN ESTA LICITACION, SOLO PODRAN OFRECERSE LOS PRODUCTOS QUE CUMPLAN CON LAS NORMAS, PRUEBAS Y, EN GENERAL, LOS REQUISITOS TECNICOS ESTABLECIDOS POR FERROCARRILES NACIONALES DE MEXICO. ESTE CUMPLIMIENTO DEBERA ACREDITARSE OBLIGATORIAMENTE CON UN CERTIFICADO DE CALIDAD DEL PRODUCTO EXPEDIDO POR LA GERENCIA DE ASEGURAMIENTO DE LA CALIDAD DE FERROCARRILES NACIONALES DE MEXICO, DE CONFORMIDAD CON LAS CONVOCATORIAS Y PLAZOS PUBLICADOS POR ESTE ORGANISMO EL 15 DE DICIEMBRE DE 1992 Y 13 DE ENERO DE 1993. (LOS PRODUCTOS QUE NO SEAN ACREDITADOS CON LA COPIA DEL CERTIFICADO, NO SERAN EVALUADOS PARA LA ADJUDICACION DE ESTOS BIENES).

**1. INFORMACION ESPECIFICA DE LOS BIENES.**

**1.1 DESCRIPCION COMPLETA CANTIDAD UNIDAD**

---

EL CONTRATO O PEDIDO QUE SE DERIVE DE LA ADJUDICACION DE ESTA LICITACION SERA ABIERTO EN LOS TERMINOS DEL ARTICULO 48 DE LA LEY DE LA MATERIA Y SU VIGENCIA SERA DURANTE EL EJERCICIO FISCAL CORRESPONDIENTE A 1995.

EL PROVEEDOR SE OBLIGA A MANTENER LOS PRECIOS DEL PEDIDO O CONTRATO, TANTO PARA LA CANTIDAD MINIMA COMO PARA LA MAXIMA DE LOS BIENES CONCURSADOS ( % ADICIONAL DE LAS REQUISICIONES CONCURSADAS, EN SU CASO), QUE SE DETALLAN EN EL ANEXO NUEVE. POR SU PARTE, FERROCARRILES NACIONALES DE MEXICO QUEDA OBLIGADO A ADQUIRIR LA CANTIDAD MINIMA ESTABLECIDA EN EL CITADO ANEXO.

AQUELLAS CANTIDADES QUE SE ENCUENTREN COMPRENDIDAS ENTRE EL MINIMO Y EL MAXIMO DE LOS BIENES ADJUDICADOS, DEBERAN SER SURTIDAS POR EL PROVEEDOR SOLAMENTE A SOLICITUD EXPRESA DE ESTE ORGANISMO.

POR LO QUE SE REFIERE A LAS FECHAS DE ENTREGA CORRESPONDIENTES A LAS CANTIDADES ADICIONALES SOLICITADAS, LAS MISMAS DEBERAN SER PACTADAS DE COMUN ACUERDO ENTRE FERROCARRILES NACIONALES DE MEXICO Y EL PROVEEDOR.





- 1.4.1 **LOS LICITANTES GANADORES DEBERAN ELABORAR LOS DIBUJOS Y LAS ESPECIFICACIONES DE DETALLE QUE SE REQUIERAN.**
- 1.4.2 **NOTAS IMPORTANTES PARA LOS PROVEEDORES.**
- 1.4.2.1 DE ACUERDO CON EL ARTICULO 41 DE LA LEY DE ADQUISICIONES Y OBRAS PUBLICAS, NO PODRAN PRESENTAR PROPUESTAS, NI CELEBRAR PEDIDOS O CONTRATOS, LAS PERSONAS FISICAS Y MORALES SIGUIENTES:
- I. AQUELLAS EN QUE EL SERVIDOR PUBLICO QUE INTERVENGA EN CUALQUIER FORMA EN LA ADJUDICACION DEL CONTRATO TENGA INTERES PERSONAL, FAMILIAR O DE NEGOCIOS, INCLUYENDO AQUELLAS DE LAS QUE PUEDA RESULTAR ALGUN BENEFICIO PARA EL, SU CONYUGE O SUS PARIENTES CONSANGUINEOS HASTA EL CUARTO GRADO, POR AFINIDAD O CIVILES, O PARA TERCEROS CON LOS QUE TENGA RELACIONES PROFESIONALES, LABORALES O DE NEGOCIOS, O PARA SOCIOS O SOCIEDADES DE LAS QUE EL SERVIDOR PUBLICO O LAS PERSONAS ANTES REFERIDAS FORMEN O HAYAN FORMADO PARTE;
  - II. LAS QUE DESEMPEÑEN UN EMPLEO, CARGO O COMISION EN EL SERVICIO PUBLICO, O BIEN, LAS SOCIEDADES DE LAS QUE DICHAS PERSONAS FORMEN PARTE, SIN LA AUTORIZACION PREVIA Y ESPECIFICA DE LA CONTRALORIA CONFORME A LA LEY FEDERAL DE RESPONSABILIDADES DE LOS SERVIDORES PUBLICOS; ASI COMO LAS INHABILITADAS PARA DESEMPEÑAR UN EMPLEO, CARGO O COMISION EN EL SERVICIO PUBLICO;
  - III. AQUELLOS PROVEEDORES O CONTRATISTAS QUE, POR CAUSA IMPUTABLES A ELLOS MISMOS, LA DEPENDENCIA O ENTIDAD CONVOCANTE LES HUBIERE RESCINDIDO ADMINISTRATIVAMENTE UN CONTRATO, EN MAS DE UNA OCASION, DENTRO DE UN LAPSO DE DOS AÑOS CALENDARIO CONTADO A PARTIR DE LA PRIMERA RESCISION. DICHO IMPEDIMENTO PREVALECERA ANTE LA PROPIA DEPENDENCIA O ENTIDAD CONVOCANTE DURANTE DOS AÑOS CALENDARIO CONTADOS A PARTIR DE LA FECHA DE RESCISION DEL SEGUNDO CONTRATO;
  - IV. LOS PROVEEDORES Y CONTRATISTAS QUE SE ENCUENTREN EN EL SUPUESTO DE LA FRACCION ANTERIOR RESPECTO DE DOS O MAS DEPENDENCIAS O ENTIDADES, DURANTE UN AÑO CALENDARIO CONTADO A PARTIR LA FECHA EN QUE LA SECRETARIA DE HACIENDA Y CREDITO PUBLICO LO HAGA DEL CONOCIMIENTO DE LAS DEPENDENCIAS Y ENTIDADES DE LA ADMINISTRACION PUBLICA FEDERAL;
  - V. LAS QUE NO HUBIEREN CUMPLIDO SUS OBLIGACIONES CONTRACTUALES RESPECTO DE LAS MATERIAS DE ESTA LEY, POR CAUSAS IMPUTABLES A ELLAS Y QUE, COMO CONSECUENCIA DE ELLO, HAYA SIDO PERJUDICADA GRAVEMENTE LA DEPENDENCIA O ENTIDAD RESPECTIVA;
  - VI. AQUELLAS QUE HUBIEREN PROPORCIONADO INFORMACION QUE RESULTE FALSA, O QUE HAYAN ACTUADO CON DOLO O MALA FE, EN ALGUN PROCESO PARA LA ADJUDICACION DE UN CONTRATO, EN SU CELEBRACION, DURANTE SU VIGENCIA O BIEN EN LA PRESENTACION O DESAHOGO DE UNA INCONFORMIDAD;
  - VII. LAS QUE, EN VIRTUD DE LA INFORMACION CON QUE CUENTE LA CONTRALORIA, HAYAN CELEBRADO CONTRATOS EN CONTRAVENCION A LO DISPUESTO POR ESTA LEY;
  - VIII. LOS PROVEEDORES QUE SE ENCUENTREN EN SITUACION DE ATRASO EN LAS ENTREGAS DE LOS BIENES O SERVICIOS POR CAUSAS IMPUTABLES A ELLOS MISMOS, RESPECTO AL CUMPLIMIENTO DE OTRO U OTROS CONTRATOS Y HAYAN AFECTADO CON ELLO A LA DEPENDENCIA O ENTIDAD CONVOCANTE;
  - IX. AQUELLAS A LAS QUE SE LES DECLARE EN ESTADO DE QUIEBRA O, EN SU CASO, SUJETAS A CONCURSO DE ACREEDORES;

- X. RESPECTO DE LAS ADQUISICIONES Y ARRENDAMIENTOS, ASI COMO PARA LA EJECUCION DE LA OBRA PUBLICA CORRESPONDIENTE, LAS QUE REALICEN O VAYAN A REALIZAR POR SI O A TRAVES DE EMPRESAS QUE FORMEN PARTE DEL MISMO GRUPO EMPRESARIAL, TRABAJOS DE COORDINACION, SUPERVISION Y CONTROL DE OBRA E INSTALACIONES, LABORATORIO DE ANALISIS Y CONTROL DE CALIDAD, LABORATORIO DE MECANICA DE SUELOS Y DE RESISTENCIA DE MATERIALES Y RADIOGRAFIAS INDUSTRIALES, PREPARACION DE ESPECIFICACIONES DE CONSTRUCCION, PRESUPUESTO O LA ELABORACION DE CUALQUIER OTRO DOCUMENTO PARA LA LICITACION DE LA ADJUDICACION DEL CONTRATO DE LA MISMA OBRA;
- XI. LAS QUE POR SI O A TRAVES DE EMPRESAS QUE FORMEN PARTE DEL MISMO GRUPO EMPRESARIAL, ELABOREN DICTAMENES, PERITAJES Y AVALUOS, CUANDO SE REQUIERA DIRIMIR CONTROVERSIAS ENTRE TALES PERSONAS Y LA DEPENDENCIA O ENTIDAD, Y
- XII. LAS DEMAS QUE POR CUALQUIER CAUSA SE ENCUENTREN IMPEDIDAS PARA ELLO POR DISPOSICION DE LEY.

EL LICITANTE DEBERA PRESENTAR EN PAPEL MEMBRETADO DE SU REPRESENTADA, DECLARACION DEBIDAMENTE FIRMADA POR QUIEN TENGA PODER LEGAL PARA ELLO, EN LA QUE SE HAGA CONSTAR BAJO PROTESTA DE DECIR VERDAD, QUE SU REPRESENTADA NO SE ENCUENTRA EN CUALQUIERA DE LOS SUPUESTOS DE LOS INCISOS ANTERIORES. ASIMISMO, QUE AL PRESENTAR SU OFERTA NO CONTRAVIENE LO ESTABLECIDO EN EL ARTICULO 47 FRACCION XXIII DE LA LEY DE RESPONSABILIDADES DE LOS SERVIDORES PUBLICOS, PUBLICADO EL 22 DE JULIO DE 1992 Y SE APEGA ESTRICTAMENTE A LA MISMA.

- 1.4.2.2 SOLAMENTE CALIFICARAN AQUELLAS PROPUESTAS QUE CUMPLAN CON LOS REQUERIMIENTOS MINIMOS DE CALIDAD ESTABLECIDOS.
- 1.4.2.3 SE PREFERIRAN LAS PROPUESTAS QUE PRESENTEN NIVELES DE CALIDAD SUPERIORES A LOS MINIMOS ESTABLECIDOS CUANDO DICHAS PROPUESTAS PRESENTEN MEJORES PRECIOS, O CUANDO MENOS IGUALES PRECIOS A LOS DE OTRAS PROPUESTAS QUE PRESENTEN MENORES NIVELES DE CALIDAD.
- 1.4.2.4 LAS DIMENSIONES DEBERAN SEÑALARSE PREFERENTEMENTE EN MEDIDAS DEL SISTEMA: METRICO DECIMAL.
- 1.4.2.5 LOS PROVEEDORES CUBRIRAN LAS CUOTAS COMPENSATORIAS A QUE, CONFORME A LA LEY DE LA MATERIA, PUDIERE ESTAR SUJETA LA IMPORTACION DE BIENES OBJETO DE UN CONTRATO O PEDIDO, Y EN ESTOS CASOS NO PROCEDERAN INCREMENTOS A LOS PRECIOS PACTADOS NI CUALQUIER OTRA MODIFICACION AL PEDIDO O CONTRATO.
- 1.4.2.6 **ORIGEN DE LOS BIENES.**

LOS PROVEEDORES DEBERAN INDICAR EN SU PROPUESTA EL ORIGEN DE LOS BIENES QUE OFRECEN, ASI COMO LOS PORCENTAJES DE INTEGRACION DE LOS MISMOS POR PAIS.

PARA ELLO, SERA OBLIGATORIO QUE LOS PROVEEDORES REQUISITEN EL FORMATO "CERTIFICACION DE ORIGEN DE BIENES PARA FERROCARRILES NACIONALES DE MEXICO " PRESENTADO EL EN ANEXO "10" . LA OMISION DE ESTE FORMATO PODRA SER MOTIVO DE DESCALIFICACION.

ASIMISMO, LOS DATOS QUE SE INCORPOREN EN EL FORMATO DEBERAN ESTAR PLENAMENTE CONFIRMADOS POR EL PROVEEDOR, YA QUE SERAN UTILIZADOS POR FERROCARRILES NACIONALES DE MEXICO, PARA TODOS LOS TRAMITES DE PAGO, EN CASO DE QUE SEA(N) ADJUDICADA(S) ALGUNA(S) PARTIDA(S) AL PROVEEDOR. CUALQUIER INEXACTITUD O ERROR EN ESTA INFORMACION SERA EN PERJUICIO DEL PROVEEDOR.

CABE SEÑALAR QUE SI EXISTE DISTINTA COMPARACION PORCENTUAL EN DISTINTAS PARTIDAS, DEBERAN PRESENTARSE LOS FORMATOS QUE SE REQUIERAN.

1.5

**IDENTIFICACION DE LOS BIENES DE CONSUMO REPETITIVO.**

**EL TIPO DE IDENTIFICACION O MARCADO QUE DEBERAN LLEVAR LOS BIENES SERA EL SIGUIENTE:**

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1.6

**TIEMPO DE ENTREGA:**

**EL PERIODO DE ENTREGA QUE SE REQUIERE ES:**

DE \_\_\_\_\_ DIAS NATURALES CONTADOS A PARTIR DE LA RECEPCION DEL ORIGINAL DEL PEDIDO O CONTRATO Y EL ESTABLECIMIENTO DE LA CARTA DE CREDITO, CON ENTREGAS PARCIALES. EN CASO DE QUE EL LICITANTE NO PUEDA AJUSTARSE A ESTE PERIODO, PODRA PROPONER SU MEJOR TIEMPO DE ENTREGA. DEBERA PRESENTARSE PROGRAMA DE ENTREGA MENSUAL POR PARTIDA COTIZADA, CONTANDO LOS DIAS A PARTIR DE LA FECHA DE RECEPCION DEL ORIGINAL DEL PEDIDO O CONTRATO Y EL ESTABLECIMIENTO DE LA CARTA DE CREDITO.

**EL PROGRAMA DE ENTREGA REQUERIDO ES:**

EL PROGRAMA DE ENTREGAS QUE SE DETALLA EN EL ANEXO NUMERO NUEVE DE ESTAS BASES, CONTADO A PARTIR DE LA FECHA DE RECEPCION DEL ORIGINAL DEL PEDIDO O CONTRATO Y EL ESTABLECIMIENTO DE LA CARTA DE CREDITO, EN CASO DE QUE EL LICITANTE NO PUEDA AJUSTARSE A ESTE PROGRAMA, PODRA PROPONER SU MEJOR PROGRAMA DE ENTREGAS CONTANDO LOS DIAS A PARTIR DE LA FECHA DE RECEPCION DEL ORIGINAL DEL PEDIDO O CONTRATO Y EL ESTABLECIMIENTO DE LA CARTA DE CREDITO.

EL HECHO DE QUE LA PROPUESTA NO CUMPLA CON LOS PLAZOS SOLICITADOS, PODRA SER MOTIVO DE DESCALIFICACION.

EL TIEMPO DE ENTREGA DE LOS BIENES ENUMERADOS EN ESTA LICITACION ES UN FACTOR IMPORTANTE DE EVALUACION. EN SU CASO FERROCARRILES NACIONALES DE MEXICO TOMANDO COMO BASE EL TIEMPO DE ENTREGA SEÑALADO EN EL PUNTO 1.6, EFECTUARA UN "AJUSTE" A LAS PROPUESTAS A RAZON DEL 2% DEL PRECIO POR CADA MES DE DEMORA RESPECTO DEL DE LA BASE. PORCENTAJE QUE SERA SUMADO PARA EFECTOS COMPARATIVOS AL PRECIO DE LA PROPUESTA.

EL PROVEEDOR GANADOR DEBERA ENTREGAR LOS DIBUJOS Y/O ESPECIFICACIONES DE DETALLE EN LA SIGUIENTE FECHA:

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EL PLAZO EN EL QUE FERROCARRILES NACIONALES DE MEXICO APROBARA LOS DIBUJOS Y/O ESPECIFICACIONES ANTES SEÑALADOS SERA DE: \_\_\_\_\_ DESPUES DE RECIBIDOS DICHOS DIBUJOS Y/O ESPECIFICACIONES.

**NOTA:** EN CASO DE QUE FERROCARRILES NACIONALES DE MEXICO, TOME MAS TIEMPO DEL INDICADO ANTERIORMENTE, LA FECHA DE ENTREGA DE LOS BIENES SE RETRASARA IGUALMENTE.

1.6

**TIEMPO DE ENTREGA.**

EL PROVEEDOR DEBERA INDICAR EL PLAZO DE ENTREGA DEL LOTE QUE SE MENCIONA EN EL PUNTO 3.2 DE ESTAS BASES, TOMANDO EN CUENTA QUE EN EL LOTE INICIAL A ADQUIRIR POR FNM YA SE PRECISA UN PRIMER PLAZO DE ENTREGA.

EL PLAZO DE ENTREGA CONTARA A PARTIR DE LA RECEPCION DE LA ORDEN DE COMPRA ESPECIFICA Y DE LAS PIEZAS A REPARAR, EN LOS CASOS QUE PROCEDA.

LA CAPACIDAD SOLICITADA POR TIPO DE PRODUCTO SE DETALLA EN EL ANEXO 1. EN CASO DE QUE EL PROVEEDOR NO PUEDA CUMPLIR CON ESTE REQUERIMIENTO, PODRA PROPONER SU MEJOR PROPUESTA.

EN LOS CASOS QUE LOS PROVEEDORES PROPONGAN UNA CAPACIDAD DE PRODUCCION MENOR A LA SOLICITADA POR FNM, SE LES APLICARA UNA PENALIDAD DE % AL PRECIO LIBRE DESTINO INCLUYENDO DESCARGA DE LA PARTIDA O PRODUCTO EN CUESTION POR CADA % DE REDUCCION A LA CAPACIDAD, YA SEA EN TERMINOS DE REDUCCION DEL VOLUMEN DE PRODUCCION EN EL PLAZO SEÑALADO O DE INCREMENTO EN EL PLAZO PARA SATISFACER EL VOLUMEN DE PRODUCCION SOLICITADO.

EN EL CASO DEL LOTE INICIAL A ADQUIRIR, SE APLICARA UNA PENALIZACION DE % POR CADA DE RETRASO.

EL PROVEEDOR PODRA INDICAR ADICIONALMENTE SU CAPACIDAD EN HORAS-HOMBRE O EN OTRA UNIDAD HOMOGENEA PARA VARIOS PRODUCTOS, A FIN DE QUE EN CUALQUIER MOMENTO SE PUEDA EVALUAR QUE COMBINACIONES DE PRODUCTOS ES FACTIBLE PRODUCIR EN UN PLAZO DETERMINADO. SI ESTO NO FUERA POSIBLE, EL PROVEEDOR DEBERA INDICAR LA CAPACIDAD MAXIMA POR PRODUCTO, ENTENDIENDOSE QUE ESTA CAPACIDAD MAXIMA PARA CADA PRODUCTO NO DEPENDERA DEL NUMERO DE PARTIDAS ASIGNADAS. (ANEXO 4).

ESTA INFORMACION PODRA SER UTILIZADA PARA RECOMPONER LA CAPACIDAD DEL PROVEEDOR EN CASO DE QUE NO RESULTE LA PROPUESTA SOLVENTE MAS BAJA EN TODAS LAS PARTIDAS QUE COTIZA Y EN LAS PARTIDAS QUE RESULTE LA PROPUESTA SOLVENTE MAS BAJA NO HAYA OFRECIDO EL 100% DE LA CAPACIDAD SOLICITADA POR FNM. ESTA INFORMACION NO PODRA SER UTILIZADA PARA DISMINUIR LA PENALIZACION RESULTADO DE NO CUMPLIR CON LA CAPACIDAD REQUERIDA POR FNM (ANEXO 1).

EL INCUMPLIMIENTO EN LA ENTREGA DE UNA ORDEN DE COMPRA FACULTARA A FNM PARA NO ASIGNAR OTRA HASTA QUE EL PROVEEDOR ENTREGUE EL FALTANTE Y DEMUESTRE A SATISFACCION DEL ORGANISMO QUE ESTA EN POSIBILIDADES DE CONTINUAR CON EL SURTIMIENTO.

EL PROVEEDOR DEBERA ANEXAR TODA LA INFORMACION NECESARIA PARA JUSTIFICAR SU PROPUESTA EN CUANTO A LA CAPACIDAD QUE LE OFRECERA A FNM. ADEMAS DE LOS FORMATOS Y/O ANEXOS REQUERIDOS, DEBERA INCORPORAR.

EL HECHO DE QUE LAS COTIZACIONES NO CUMPLAN CON LAS CAPACIDADES DE ENTREGA SOLICITADAS O CON LA INFORMACION COMPLETA Y DETALLADA REQUERIDA EN ESTA LICITACION RESPECTO A LA CAPACIDAD, PODRA SER MOTIVO DE DESCALIFICACION.

FNM PODRA CANCELAR LOS CONTRATOS ABIERTOS DE LOS PROVEEDORES QUE INCUMPLAN EN LAS ENTREGAS Y PROCEDER A LA REALIZACION DE NUEVOS CONTRATOS ABIERTOS CON LOS PROVEEDORES QUE PARTICIPARON EN LA LICITACION, RESPETANDO RIGUROSAMENTE EL ORDEN QUE OCUPARON EN DICHO EVENTO Y SIEMPRE Y CUANDO ESTOS PROVEEDORES RESPETEN TODAS LA CONDICIONES OFRECIDAS EN LA LICITACION.

EN ESTOS CASOS, EL NUEVO CONTRATO SE ESTABLECERA POR EL PLAZO RESTANTE A LA CONCLUSION DEL AÑO CALENDARIO, CONTADO A PARTIR DE LA FECHA DE FALLO DE LA LICITACION.

EN CASO DE QUE DURANTE LA VIGENCIA DEL CONTRATO EL PROVEEDOR SE VEA EN LA NECESIDAD DE REDUCIR LA CAPACIDAD INSTALADA DE PRODUCCION QUE TIENE PARA FNM, DEBERA NOTIFICARLO CON 90 DIAS DE ANTELACION, EN CUYO CASO FNM TENDRA LA LIBERTAD DE ESTABLECER ORDENES DE COMPRA A OTROS PROVEEDORES DESPUES DE QUE SEA UTILIZADA LA NUEVA CAPACIDAD ESTABLECIDA POR EL PROVEEDOR.

EN EL TRANCURSO DE LOS 90 DIAS SEÑALADOS, FNM ESTARA FACULTADO PARA ESTABLECER ORDENES DE COMPRA CON BASE EN LA CAPACIDAD INSTALADA ORIGINAL.

EN EL CASO DE QUE EL PROVEEDOR AMPLIE LA CAPACIDAD INSTALADA DE PRODUCCION PARA FNM, PODRA NOTIFICARLO A ESTA ULTIMA EMPRESA, QUIEN TOMARA LA DECISION DE SI QUIERE HACER USO DE ESA CAPACIDAD EXCEDENTE.

EL PROVEEDOR GANADOR DEBERA ENTREGAR LOS DIBUJOS Y/O ESPECIFICACIONES DE DETALLE EN LA SIGUIENTE FECHA:

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EL PLAZO EN EL QUE FERROCARRILES NACIONALES DE MEXICO APROBARA LOS DIBUJOS Y/O ESPECIFICACIONES ANTES SEÑALADOS SERA DE: \_\_\_\_\_ DESPUES DE RECIBIDOS DICHS DIBUJOS Y/O ESPECIFICACIONES.

**NOTA:** EN CASO DE QUE FERROCARRILES NACIONALES DE MEXICO, TOME MAS TIEMPO DEL INDICADO ANTERIORMENTE, LA FECHA DE ENTREGA DE LOS BIENES SE PRORROGARA IGUALMENTE.

**1.7 PERIODO DE GARANTIA DE LOS BIENES.**

EL PERIODO MINIMO DE GARANTIA QUE SE REQUIERE ES EL SIGUIENTE:

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PARA LOS CASOS DE LOS BIENES REFERIDOS EN ESTA LICITACION QUE PRESENTEN FALLAS DENTRO DEL PERIODO DE GARANTIA, FERROCARRILES NACIONALES DE MEXICO LOS SITUARA EN SUS ALMACENES A LA DISPOSICION DEL PROVEEDOR QUIEN SERA RESPONSABLE DE RETIRARLOS SI ASI LO DESEA Y SE OBLIGA A SUSTITUIRLOS O REPARARLOS A SATISFACCION DE ESTE ORGANISMO, REALIZANDO SU ENTREGA EN EL MISMO LUGAR DE DONDE LOS RETIRO, ABSORBIENDO TODOS LOS GASTOS QUE SE GENEREN POR ESTOS CONCEPTOS (FLETES, IMPUESTOS, ETC.). ESTA MISMA SITUACION APLICARA PARA LOS BIENES QUE SEAN RECHAZADOS.

**1.8 CANTIDAD DE MUESTRAS.**

SE DEBERAN ENTREGAR LAS SIGUIENTES MUESTRAS:

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**1.9 INFORMACION ADICIONAL.**

SE DEBERA ENTREGAR LA SIGUIENTE INFORMACION ADICIONAL:

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**1.10 LUGAR Y CONDICION DE ENTREGA.**

**1.10.1 LOS BIENES DEBERAN ENTREGARSE LIBRE DESTINO INCLUYENDO DESCARGA EN EL SITIO SIGUIENTE (D.D.P. DELIVERY DUTY PAID, DE ACUERDO A INCOTERMS DE 1990): (VER ANEXO CUATRO).**

a)

LOS PROVEEDORES EXTRANJEROS SERAN RESPONSABLES DE LA INTERNACION Y TRANSPORTE DE LOS BIENES HASTA SU LUGAR DE ENTREGA.

**1.11 EMBALAJE.**

EL PROVEEDOR EMBALARA LOS BIENES EN LA FORMA NECESARIA PARA IMPEDIR QUE SE DAÑEN O DETERIOREN DURANTE EL TRANSPORTE AL LUGAR DE DESTINO FINAL INDICADO EN EL PEDIDO O CONTRATO. EL EMBALAJE DEBERA SER SUFICIENTE PARA SOPORTAR SIN LIMITES, LA MANIPULACION BRUSCA Y DESCUIDADA DURANTE EL TRANSITO Y LA EXPOSICION A TEMPERATURAS EXTREMAS, LA SAL Y LAS PRECIPITACIONES DURANTE EL TRANSITO O ALMACENAMIENTO EN ESPACIOS ABIERTOS. EN EL PESO Y LAS MEDIDAS DE LOS EMBALAJES,

SE TENDRA EN CUENTA CUANDO PROCEDA, LA LEJANIA DEL LUGAR DE DESTINO FINAL DE LOS BIENES Y LA CARENCIA DE EQUIPO PESADO DE CARGA Y DESCARGA EN TODOS LOS PUNTOS DE TRANSITO, HASTA EL LUGAR DE DESTINO FINAL.

EL EMBALAJE, LAS MARCAS Y LOS DOCUMENTOS EN EL EXTERIOR Y EN EL INTERIOR DE LOS BULTOS CUMPLIRAN ESTRICTAMENTE LOS REQUISITOS ESPECIALES QUE SE HAYAN CONSIGNADO EXPRESAMENTE EN EL PEDIDO O CONTRATO Y EN CUALQUIER INSTRUCCION POSTERIOR EMITIDA POR EL COMPRADOR.

**1.12 TRANSPORTE.**

EL PROVEEDOR USARA EL MEDIO DE TRANSPORTE QUE MEJOR LE CONVenga DE ACUERDO A LAS CONDICIONES DE ENTREGA SEÑALADAS EN EL PUNTO 1.10.1 DE ESTAS BASES.

**2. INFORMACION ESPECIFICA DE LA LICITACION.**

**2.1 COSTO DE LAS BASES.**

ESTAS BASES TIENEN EL SIGUIENTE COSTO: N\$ \_\_\_\_\_ ( \_\_\_\_\_ ) Y EL PAGO DEBERA HACERSE CON CHEQUE CERTIFICADO O DE CAJA A NOMBRE DE FERROCARRILES NACIONALES DE MEXICO, EL CUAL SERA ENTREGADO EN LA GERENCIA DE INGRESOS DE ESTOS FERROCARRILES, DE 9:30 A 12:30 HORAS, UBICADA EN EL TERCER PISO ALA "A" DEL EDIFICIO ADMINISTRATIVO, LA QUE EXPEDIRA UN RECIBO CON EL CUAL EL PROVEEDOR PODRA RECIBIR ESTAS BASES, SUS ANEXOS Y EN SU CASO, EL DISKETTE QUE CONTIENE LA RELACION DE LOS BIENES MENCIONADOS EN EL ANEXO NUMERO UNO.

**2.2 COSTO DE LA PREPARACION DE LA PROPUESTA.**

EL LICITANTE SUFRAGARA TODOS LOS COSTOS RELACIONADOS CON LA PREPARACION Y PRESENTACION DE SU PROPUESTA.

**2.3 GARANTIAS.**

**2.3.1 PARA GARANTIZAR LA PROPUESTA.**

LAS GARANTIAS RELATIVAS AL SOSTENIMIENTO DE LAS PROPUESTAS DEBERAN SER CONSTITUIDAS POR LOS CONCURSANTES DE ACUERDO A LO SIGUIENTE:

LA GARANTIA DEBERA CONSTITUIRSE ANTE UNA AFIANZADORA MEXICANA O UNA INSTITUCION DE CREDITO NACIONAL O INTERNACIONAL DEBIDAMENTE AUTORIZADA, EN MONEDA NACIONAL O EXTRANJERA DE ACUERDO AL ORIGEN DE LA PROPUESTA POR UN IMPORTE DEL 5% DEL MONTO DE LA PROPUESTA SIN CONSIDERAR EL I.V.A. Y EN SU CASO, DESPUES DE APLICAR EL DESCUENTO DEL P.E.C.E., A NOMBRE DE FERROCARRILES NACIONALES DE MEXICO EN UNA DE LAS SIGUIENTES FORMAS QUE SE SEÑALAN:

FIANZA EXPEDIDA POR UNA INSTITUCION MEXICANA DE FIANZAS LEGALMENTE AUTORIZADA, LA QUE DEBERA CONTENER ANOTADO EL NOMBRE, CARGO Y FIRMA DE LA PERSONA AUTORIZADA PARA EXPEDIRLA, POR PARTE DE LA AFIANZADORA (DE CONFORMIDAD CON EL ANEXO No. SIETE DE ESTAS BASES).

CHEQUE CERTIFICADO O DE CAJA EXPEDIDO CON CARGO A UNA INSTITUCION NACIONAL O INTERNACIONAL DE CREDITO ACEPTABLE PARA FERROCARRILES.

**2.3.1.1 CON REFERENCIA AL PUNTO 8.1, LA PROPUESTA QUE NO VENGA ACOMPAÑADA DE LA GARANTIA DE OFERTA DE CONFORMIDAD CON EL PARRAFO 2.3.1 SERA AUTOMATICAMENTE DESCALIFICADA POR NO AJUSTARSE A LOS DOCUMENTOS DE LICITACION.**

2.3.1.2 LA GARANTIA DE LA PROPUESTA QUE RESULTE ACEPTADA SERA DEVUELTA UNA VEZ QUE EL LICITANTE HAYA FIRMADO EL PEDIDO O CONTRATO CONFORME A LA CLAUSULA 2.12 Y SUMINISTRADO LA GARANTIA DE CUMPLIMIENTO CONFORME A LA CLAUSULA 2.3.2.

2.3.2 **PARA GARANTIZAR EL CUMPLIMIENTO DEL PEDIDO O CONTRATO.**

LA GARANTIA RELATIVA AL CUMPLIMIENTO DEL PEDIDO O CONTRATO DEBERA SER UNA FIANZA CONSTITUIDA POR EL PROVEEDOR GANADOR ANTE UNA INSTITUCION MEXICANA DE FIANZAS LEGALMENTE AUTORIZADA, EN MONEDA NACIONAL O EXTRANJERA DE ACUERDO AL ORIGEN DE SU OFERTA, POR UN IMPORTE DEL 10% DEL MONTO DE CADA PEDIDO O CONTRATO SIN I.V.A., A FAVOR DE FERROCARRILES NACIONALES DE MEXICO (DE CONFORMIDAD CON EL ANEXO No. OCHO DE ESTAS BASES).

2.3.3 **PARA GARANTIZAR LA OPERACION DE LOS BIENES.**

LA FIANZA RELATIVA AL CUMPLIMIENTO DEL PEDIDO O CONTRATO TAMBIEN DEBERA CUBRIR EL PERIODO CORRESPONDIENTE A LA GARANTIA DE LA OPERACION DE LOS BIENES.

EN ESTE SENTIDO, SE PODRA ENMENDAR LA FIANZA ESTABLECIDA EN EL PUNTO 2.3.2, MODIFICANDO EL PLAZO O AMPLIANDO EL MONTO ORIGINAL, O ESTABLECIENDO UNA NUEVA FIANZA, BAJO EL CRITERIO DE QUE CUALQUIER ORDEN DE COMPRA ESPECIFICA DEBERA ESTAR RESPALDADA POR UNA FIANZA DEL 10% DEL MONTO DE LOS BIENES A SURTIR A FERROCARRILES NACIONALES DE MEXICO.

2.4 **PODERES QUE DEBERAN TENERSE.**

LOS REPRESENTANTES DE LOS LICITANTES DEBERAN PRESENTAR ORIGINAL O COPIA CERTIFICADA EN ORIGINAL DEL PODER NOTARIAL (SALVO QUE QUIEN CONCURSE SEA PERSONA FISICA Y ELLA MISMA PARTICIPE EN EL CONCURSO Y FIRME LOS DOCUMENTOS RESPECTIVOS), EN EL QUE SE DEBEN ESPECIFICAR QUE SE AUTORIZA A LA PERSONA CORRESPONDIENTE A ACTUAR EN LAS SITUACIONES SIGUIENTES:

- a) FIRMA DE LAS PROPUESTAS.
- b) PARTICIPACION EN LOS ACTOS DE APERTURA DE PROPOSICIONES Y DE FALLO Y FIRMA DE LAS ACTAS CORRESPONDIENTES.
- c) FIRMA DE PEDIDOS O CONTRATOS.

TAMBIEN SE PERMITIRA QUE LOS REPRESENTANTES LEGALES DE LAS EMPRESAS QUE CUENTEN CON LAS FACULTADES DESCRITAS EN LOS INCISOS a), b) Y c) DE ESTE PUNTO, ASI COMO CON LA FACULTAD DE OTORGAR EL PODER, SE PUEDAN REPRESENTAR POR LA PERSONA QUE ESTIMEN CONVENIENTE, MEDIANTE EL FORMATO DEL ANEXO No. DOS, DEBIDAMENTE REQUISITADO POR EL PROVEEDOR EN PAPEL MEMBRETADO Y RATIFICADO ANTE NOTARIO PUBLICO PARA QUE SURTA EFECTO, SIN PERJUICIO DE QUE TANTO LA PROPUESTA COMO LOS PEDIDOS O CONTRATOS QUE EN SU CASO SE CELEBREN Y LOS DEMAS DOCUMENTOS QUE ASI SE REQUIERAN, DEBAN SER FIRMADOS POR LA PERSONA LEGALMENTE FACULTADA PARA ELLO.

CABE ACLARAR QUE SI EL REPRESENTANTE DEL LICITANTE EXTRANJERO, PROVIENE TAMBIEN DEL EXTRANJERO, DEBERA PRESENTAR EL ORIGINAL DEL PODER NOTARIAL VISADO POR EL CONSUL MEXICANO EN EL PAIS DE ORIGEN DEL PROVEEDOR, CON SU CORRESPONDIENTE TRADUCCION AL ESPAÑOL.

SI EL PROVEEDOR EXTRANJERO CUENTA CON REPRESENTANTE EN MEXICO, ESTE ULTIMO DEBERA PRESENTAR EN EL ACTO DE APERTURA DE PROPUESTAS, EL ORIGINAL DE LA CARTA DE REPRESENTACION QUE LE OTORGA LA EMPRESA EXTRANJERA, DONDE AUTORIZA A REPRESENTARLA EN EL CONCURSO, VISADA POR EL CONSUL MEXICANO EN EL PAIS DE ORIGEN, CON SU CORRESPONDIENTE TRADUCCION AL ESPAÑOL.



SE HACE NOTAR, QUE LOS PODERES OTORGADOS FUERA DE LA REPUBLICA MEXICANA, PARA QUE SURTAN SUS EFECTOS CON APEGO A LA LEY, UNA VEZ LEGALIZADOS DEBERAN SER PROTOCOLIZADOS, HECHA SALVEDAD DE LOS QUE FUEREN OTORGADOS ANTE CONSULES MEXICANOS. ESTE REQUISITO DE LEGALIZACION DE LOS DOCUMENTOS PUBLICOS EXTRANJEROS, SE SUPRIMIRA SIEMPRE Y CUANDO SE TRATE DE IMPORTACIONES DE CARACTER OCASIONAL, YA QUE CUANDO SE TRATE DE UNA EMPRESA QUE SE VAYA A CONSTITUIR LEGALMENTE EN LA REPUBLICA MEXICANA, O QUE EN FORMA HABITUAL VAYA A REALIZAR ACTOS DE COMERCIO, RELATIVOS A LA IMPORTACION, EN ESE SUPUESTO, SI SERA REQUISITO EL QUE PROTOCOLICEN LOS DOCUMENTOS EXPEDIDOS EN EL EXTRANJERO.

**2.5 ENTREGA DE LAS MUESTRAS, LOS CATALOGOS Y LA INFORMACION ADICIONAL QUE SE HUBIESE SOLICITADO.**

**ESTAS ENTREGAS DEBERAN EFECTUARSE COMO SIGUE:**

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**EN EL CASO DE MUESTRAS SE ENTREGARAN LOS RECIBOS RESPECTIVOS.**

**2.6 ENTREGA DE LAS GARANTIAS.**

**LAS GARANTIAS SE DEBERAN ENTREGAR COMO SIGUE:**

**2.6.1 PARA GARANTIZAR LA PROPUESTA:**

EN LA FECHA, LUGAR Y HORA EN QUE SE CELEBRE LA PRIMERA ETAPA DEL ACTO DE PRESENTACION Y APERTURA DE PROPOSICIONES.

**2.6.2 PARA GARANTIZAR EL CUMPLIMIENTO DEL PEDIDO O CONTRATO:**

DENTRO DE LOS 5 DIAS HABILES POSTERIORES A LA NOTIFICACION DE QUE LOS PEDIDOS O CONTRATOS ESTAN A SU DISPOSICION.

**2.7 ACLARACIONES A LAS BASES DE LA LICITACION.**

**JUNTA PREVIA DE ACLARACIONES.**

EL DIA DE DE 1995 A LAS HORAS, EN LA SALA DE CONCURSOS DE LA GERENCIA DE ADQUISICIONES, SITUADA EN LA AVENIDA JESUS GARCIA CORONA No. 140, 4TO. PISO ALA "C", COLONIA BUENAVISTA, DELEGACION CUAUHTEMOC, MEXICO, D.F., FERROCARRILES NACIONALES DE MEXICO, LLEVARA A CABO LA JUNTA DE ACLARACIONES SOBRE LOS BIENES O SERVICIOS OBJETO DE LA PRESENTE LICITACION. LOS PARTICIPANTES QUE DESEEN ALGUNA ACLARACION RELATIVA A TALES ASPECTOS DEBERAN HACER LLEGAR POR ESCRITO SUS CUESTIONARIOS A LA GERENCIA DE ADQUISICIONES, A MAS TARDAR DIAS HABILES ANTES DE LA FECHA CITADA.

LA ASISTENCIA A ESTA JUNTA ES VOLUNTARIA, LAS RESPUESTAS Y ACLARACIONES DADAS EN LA MISMA SERAN CONFIRMADAS POR ESCRITO POR FERROCARRILES NACIONALES DE MEXICO A TODOS LOS PROVEEDORES QUE HAYAN ADQUIRIDO LAS BASES DE LICITACION.

AQUELLOS PROVEEDORES QUE NO ASISTAN A ESTA JUNTA, SERA BAJO SU PROPIO RIESGO, YA QUE FERROCARRILES NACIONALES DE MEXICO NO ASUMIRA NINGUNA RESPONSABILIDAD POR AQUELLAS DUDAS QUE NO FUERAN RESUELTAS AL NO ASISTIR A LA JUNTA DE ACLARACIONES.

EL ACTA LEVANTADA Y SUS ANEXOS QUEDARAN A DISPOSICION DE AQUELLOS PROVEEDORES QUE NO ASISTAN A LA JUNTA, EN EL DEPARTAMENTO DE CONCURSOS DE LA GERENCIA DE ADQUISICIONES A PARTIR DE LA FECHA Y HORA EN QUE CONCLUYA LA MISMA.

**2.8 INSTRUCCIONES PARA ELABORAR LAS PROPUESTAS.**

a) **IDIOMA DE LAS PROPUESTAS.**

LA PROPUESTA QUE PRESENTE EL LICITANTE Y TODA LA CORRESPONDENCIA Y DOCUMENTOS RELATIVOS A ELLA QUE INTERCAMBIEN EL LICITANTE Y EL COMPRADOR DEBERAN REDACTARSE EN IDIOMA ESPAÑOL, SIN EMBARGO, CUALQUIER MATERIAL IMPRESO QUE PROPORCIONE EL LICITANTE PODRA ESTAR EN OTRO IDIOMA A CONDICION DE QUE VAYA ACOMPAÑADO DE UNA TRADUCCION AL ESPAÑOL DE LAS PARTES PERTINENTES, LA CUAL PREVALECERA PARA LOS EFECTOS DE INTERPRETACION DE LA PROPUESTA.

b) **LAS PROPUESTAS SE DEBERAN ELABORAR DE ACUERDO A LO SIGUIENTE.**

b.1) EL LICITANTE DEBERA EXAMINAR TODAS LAS INSTRUCCIONES, REQUISITOS, CONDICIONES Y ESPECIFICACIONES QUE FIGUREN EN LOS DOCUMENTOS DE LICITACION, YA QUE SI OMITIÓ ALGUNA PARTE DE LA INFORMACION REQUERIDA EN LOS DOCUMENTOS DE LICITACION O PRESENTA UNA PROPUESTA QUE NO SE AJUSTE SUSTANCIALMENTE Y EN TODOS SUS ASPECTOS A LOS MISMOS, FERROCARRILES NACIONALES DE MEXICO PODRA RECHAZAR DICHA PROPUESTA.

b.2) EN LA PRIMERA ETAPA DEL ACTO DE PRESENTACION Y APERTURA DE PROPOSICIONES, DEBERAN ENTREGAR ORIGINAL DE PROPUESTA ECONOMICA EN PAPEL MEMBRETADO DE LA EMPRESA DEBIDAMENTE SELLADA Y FIRMADA, ADEMÁS DEL (LOS) DISKETTE(S) QUE CADA PARTICIPANTE RECIBIÓ CON LAS BASES DE LA LICITACION Y DOS COPIAS DEL (LOS) MISMO(S), LOS CUALES, CONTENDRAN CAPTURADOS TODOS LOS DATOS DE LA PROPUESTA, DESCRIBIENDO CLARAMENTE LAS ESPECIFICACIONES, MARCA Y CARACTERISTICAS DE OPERACION DE CADA PARTIDA QUE COTICE. PARA CONFIRMAR EL CONTENIDO DE LOS DISKETTOS DEBERAN PRESENTAR IMPRESO UN EJEMPLAR DE SU PROPUESTA DEBIDAMENTE SELLADA Y FIRMADA POR EL REPRESENTANTE LEGAL. (EL INCUMPLIMIENTO DE ESTA DISPOSICION PODRA SER MOTIVO DE DESCALIFICACION).

EN CASO DE DISCREPANCIA ENTRE LOS VALORES COTIZADOS EN EL EJEMPLAR IMPRESO DE LA PROPUESTA DEL DISKETTE Y EL ORIGINAL DE COTIZACION EN PAPEL MEMBRETADO DE LA EMPRESA, PREVALECERA LO SEÑALADO EN LA INDICADA EN PRIMER TERMINO.

b.3) EL ANEXO No. TRES DEBERA SER MECANOGRAFIADO EN ORIGINAL EN PAPEL MEMBRETADO DE CADA LICITANTE EN IDIOMA ESPAÑOL.

b.4) LA PROPUESTA NO DEBERA CONTENER TEXTOS ENTRE LINEAS, RASPADURAS, TACHADURAS NI ENMENDADURAS.

LA PROPUESTA TENDRA UNA VIGENCIA MINIMA OBLIGATORIA DE 90 DIAS NATURALES A PARTIR DE LA FECHA DE LA PRIMERA ETAPA DEL ACTO DE PRESENTACION Y APERTURA DE PROPOSICIONES. (EL INCUMPLIMIENTO DE ESTA DISPOSICION SERA MOTIVO DE DESCALIFICACION). EN CIRCUNSTANCIAS EXCEPCIONALES, EL COMPRADOR PODRA SOLICITAR A LOS LICITANTES QUE EXTIENDAN EL PERIODO DE VALIDEZ DE SUS PROPUESTAS, ESTA SOLICITUD Y LAS RESPUESTAS SERAN HECHAS POR ESCRITO (CABLE, FAX O TELEX). LA GARANTIA DE PROPUESTA PREVISTA EN LA CLAUSULA 2.3.1 TAMBIEN DEBERA SER PRORROGADA COMO CORRESPONDA. EL LICITANTE PODRA NEGARSE A LA SOLICITUD SIN POR ELLO PERDER SU GARANTIA DE LA PROPUESTA. NO SE OBLIGARA A LOS LICITANTES A OTORGAR LA PRORROGA.

LOS PRECIOS REGISTRADOS PARA ESTA LICITACION, DEBERAN RESPETARSE CUANDO SE TRATE DE ADQUISICIONES QUE DESEEN REALIZAR LAS GERENCIAS REGIONALES Y DEPENDENCIAS DE ESTOS FERROCARRILES EN CONDICIONES SIMILARES.

LAS PROPUESTAS DEBERAN SER FIRMADAS POR LA PERSONA QUE TENGA PODER NOTARIAL PARA ELLO, CONFORME A LO INDICADO EN EL PUNTO 2.4 DE ESTAS BASES.

**INSTRUCCIONES ADICIONALES.**

ESTA ADQUISICION QUEDA CONDICIONADA A LO ESTIPULADO EN EL ARTICULO TERCERO DE LAS NORMAS ADMINISTRATIVAS APLICABLES A LAS ADQUISICIONES QUE POR VIA DE IMPORTACION DIRECTA EFECTUEN LAS DEPENDENCIAS Y ENTIDADES DE LA ADMINISTRACION PUBLICA FEDERAL, PUBLICADAS POR LA SECRETARIA DE LA CONTRALORIA GENERAL DE LA FEDERACION EN EL DIARIO OFICIAL DEL JUEVES 2 DE MAYO DE 1985 ANEXO No. CINCO. PARA MAYOR IDENTIFICACION DE SUS PROPUESTAS ES RECOMENDABLE SEAN SELLADAS Y FIRMADAS EN CADA UNA DE SUS HOJAS. LAS PROPUESTAS ECONOMICAS DEBERAN PRESENTARSE SEÑALANDO PRECIO UNITARIO, IMPORTE POR PARTIDA Y MONTO TOTAL DE LA PROPUESTA.

**c) PRESENTACION DE LAS PROPUESTAS.**

**EL LICITANTE DEBERA PRESENTAR LA DOCUMENTACION DE LA PROPUESTA EN DOS SOBRES:**

**c.1) EL PRIMER SOBRE CONTENDRA EN ORIGINAL Y COPIA LA DOCUMENTACION QUE SE SOLICITA EN LOS PUNTOS 1.4.2.1, 1.9, 2.4, 4 INCISOS a), b.1), b.2) b.3), b.4), b.5) Y b.6) EN EL ORDEN QUE SE INDICA A CONTINUACION:**

PODER NOTARIAL. (2.4)

IDENTIFICACION DE LA PERSONA FISICA QUE PARTICIPA EN EL EVENTO. (4 INCISO a)

ACTA CONSTITUTIVA. (4 INCISO b.1)

DECLARACION DE QUE NO SE ENCUENTRA EN LOS SUPUESTOS SEÑALADOS EN EL PUNTO 1.4.2.1.

ESTADOS FINANCIEROS. (4. INCISO b.3)

ORGANIGRAMA DE LA EMPRESA, PERSONAL OCUPADO, AREA OCUPADA. (4 INCISO b.2)

DOCUMENTACION QUE DEMUESTRE SU EXPERIENCIA. (4 INCISO b.4)

INFORMACION SOBRE SU CAPACIDAD TECNICA. (4 INCISO b.5)

INFORMACION ADICIONAL. (1.9)

PROPUESTA TECNICA (4 INCISO b.6)

**c.2) EL SEGUNDO SOBRE CONTENDRA LA DOCUMENTACION QUE SE SOLICITA EN LOS PUNTOS 1.6, 2.3.1, 2.8 INCISOS b.2), b.3), EN EL ORDEN QUE SE INDICA A CONTINUACION:**

ANEXO NUMERO TRES (2.8 INCISO b.3)

ORIGINAL DE LA PROPUESTA ECONOMICA (CON PRECIOS) E IMPRESION DE LA PROPUESTA ORIGINAL Y DOS COPIAS DEL DISKETTE(S) RECIBIDO(S) CON LAS BASES. (2.8 INCISO b.2)

PROGRAMA DE ENTREGAS. (1.6)

GARANTIA DE SOSTENIMIENTO DE PROPUESTA. (2.3.1)

FORMATO DE "CERTIFICACION DE ORIGEN DE BIENES PARA FERROCARRILES NACIONALES DE MEXICO", ANEXO NUMERO DIEZ, (1.4.2.6.)

**d) ELABORACION DEL PROGRAMA DE FABRICACION.**

LOS LICITANTES DEBERAN PRESENTAR, JUNTO CON SUS PROPUESTAS, EL PROGRAMA DE FABRICACION ESPECIAL CORRESPONDIENTE, ASI COMO

TAMBIEN INDICAR LOS EVENTOS QUE PUEDAN AFECTAR DICHA FABRICACION TAL COMO LA REVISION DEL CONTRATO COLECTIVO, DE LA SIGUIENTE FORMA:

GRAFICA DE GANTT \_\_\_\_\_  
OTRA \_\_\_\_\_

**2.9 REVISION DE DOCUMENTACION LEGAL.**

A FIN DE AGILIZAR LA PRIMERA ETAPA DEL ACTO DE PRESENTACION Y APERTURA DE PROPOSICIONES, SE SOLICITA A LOS CONCURSANTES QUE SE PRESENTEN UNA HORA ANTES DE LA CELEBRACION DEL CITADO ACTO, PARA LA REVISION DE LA DOCUMENTACION SOLICITADA EN EL PUNTO 2.8 INCISO c.1) DE ESTAS BASES.

**2.10 ACTO DE PRESENTACION Y APERTURA DE PROPOSICIONES.**

LA PRIMERA ETAPA DEL ACTO DE PRESENTACION Y APERTURA DE PROPOSICIONES, SE LLEVARA A CABO EL DIA DE \_\_\_\_\_ EN LA SALA DE JUNTAS DE LA GERENCIA DE ADQUISICIONES DE FERROCARRILES, SITA EN AVENIDA JESUS GARCIA CORONA NO. 140, 4to. PISO, C. P. 06358 MEXICO, D.F. A LAS \_\_\_\_\_ HORAS.

EN ESTA PRIMERA ETAPA SE RECIBIRAN TANTO LAS PROPUESTAS TECNICAS COMO LAS ECONOMICAS CONFORME A LO INDICADO EN EL PUNTO 2.8 INCISO b.2, PROCEDIENDOSE A ABRIR LOS SOBRES QUE CONTENGAN LAS PROPUESTAS TECNICAS, Y SE DESECHARAN LAS QUE HUBIEREN OMITIDO ALGUNO DE LOS REQUISITOS EXIGIDOS, MISMAS QUE SERAN DEVUELTAS TRANSCURRIDOS 15 DIAS NATURALES CONTADOS A PARTIR DE LA FECHA EN QUE SE DE A CONOCER EL FALLO DE LA LICITACION. LOS PARTICIPANTES RUBRICARAN TODAS LAS PROPUESTAS TECNICAS PRESENTADAS.

DICHAS PROPUESTAS SERAN EVALUADAS TECNICAMENTE Y CONCLUIDA SU EVALUACION, DENTRO DE LOS TREINTA DIAS NATURALES SIGUIENTES, SE LES NOTIFICARA POR ESCRITO A TODOS LOS PARTICIPANTES, LA FECHA, LUGAR Y HORA EN QUE SE LLEVARA A CABO LA SEGUNDA ETAPA.

EN LA SEGUNDA ETAPA, ESTANDO O NO PRESENTES EN EL ACTO CORRESPONDIENTE LOS LICITANTES, SE PROCEDERA A LA APERTURA DE LAS PROPUESTAS ECONOMICAS CUYAS PROPUESTAS TECNICAS NO HUBIEREN SIDO DESECHADAS EN LA PRIMERA ETAPA O EN EL ANALISIS DETALLADO DE LAS MISMAS. LA NO ASISTENCIA DE LOS LICITANTES, NO SERA MOTIVO DE DESCALIFICACION NI DE RETIRO DE LA PROPUESTA.

PARA PODER PARTICIPAR EN ESTE ACTO LOS REPRESENTANTES DE LOS LICITANTES DEBERAN PRESENTAR EL PODER NOTARIAL ELABORADO CONFORME A LO INDICADO EN EL PUNTO 2.4 DE ESTAS BASES, SALVO QUE EL PARTICIPANTE HAYA ACREDITADO SU PERSONALIDAD EN LA PRIMERA ETAPA.

EN NINGUN CASO INDEPENDIEMENTE DE PARTICIPAR O NO SE PODRA RETIRAR LA PROPUESTA.

LOS REPRESENTANTES DE LAS EMPRESAS, CUYAS PROPUESTAS POR ALGUN MOTIVO SEAN DESECHADAS EN LA PRIMERA O SEGUNDA ETAPA DEL ACTO DE PRESENTACION Y APERTURA DE PROPOSICIONES, DEBERAN ABANDONAR LA SALA DE CONCURSOS.

**2.11 FALLO.**

**EL FALLO DE ESTA LICITACION SERA COMUNICADO COMO SIGUE:**

NO HABRA ACTO DE FALLO, EL CORRESPONDIENTE A LA ADJUDICACION DE LO PROPUESTO, SE LLEVARA A CABO DENTRO DE LOS 40 DIAS NATURALES CONTADOS A PARTIR DE LA FECHA DE CELEBRACION DE LA PRIMERA ETAPA DE LA LICITACION, MEDIANTE COMUNICACION ESCRITA A TODOS LOS PARTICIPANTES.

2.12

**FIRMA DEL PEDIDO O CONTRATO.**

EL REPRESENTANTE DEL LICITANTE GANADOR DEBERA PRESENTARSE A FIRMAR EL PEDIDO O CONTRATO EN LA GERENCIA DE ADQUISICIONES DE FERROCARRILES NACIONALES DE MEXICO DENTRO DE LOS 10 DIAS NATURALES POSTERIORES A LA FECHA DE COMUNICACION DEL FALLO.

EL REPRESENTANTE DEL LICITANTE GANADOR QUE FIRME EL PEDIDO O CONTRATO DEBERA PRESENTAR EL PODER NOTARIAL ELABORADO CONFORME A LO INDICADO EN EL PUNTO 2.4 DE ESTAS BASES.

3.

**ASPECTOS ECONOMICOS**

PARA LA ADQUISICION DE LOS BIENES (Y/O SERVICIOS) OBJETO DE ESTA LICITACION, FERROCARRILES NACIONALES DE MEXICO REQUIERE DE FINANCIAMIENTO HASTA POR EL 100% DE SU IMPORTE. POR LO ANTERIOR, SE INVITA A LOS PROVEEDORES NACIONALES Y EXTRANJEROS A PRESENTAR, CONJUNTAMENTE CON SU PROPUESTA COMERCIAL, UN COMPROMISO FORMAL DE FINANCIAMIENTO, YA SEA PROPIO (DEL PROVEEDOR A FNM), DE BANCA COMERCIAL, O DE UN ORGANISMO BILATERAL OFICIAL, INDICANDO CLARAMENTE LAS CONDICIONES Y BASES DE SU CONTRATACION.

SI COMO PRODUCTO DE LA EVALUACION TECNICA Y ECONOMICA, DOS O MAS PROVEEDORES SE ENCONTRARAN EN CONDICIONES SIMILARES, FERROCARRILES NACIONALES DE MEXICO PODRA INCLINAR SU DECISION POR AQUEL QUE OFREZCA EL FINANCIAMIENTO MAS ATRACTIVO PARA ESTE ORGANISMO. ES IMPORTANTE DESTACAR QUE NO SE RECIBIRAN PROPUESTAS DE FINANCIAMIENTO POSTERIORES A LA FECHA DE APERTURA DE PROPUESTAS ECONOMICAS.

FERROCARRILES NACIONALES DE MEXICO SE RESERVA EL DERECHO DE DESCALIFICAR PROPOSICIONES QUE NO PRESENTEN PROPUESTA DE FINANCIAMIENTO.

3.1

**CONDICIONES DE PAGO QUE SE APLICARAN.**

**LOS PAGOS SE EFECTUARAN COMO SIGUE:**

CARTA DE CREDITO IRREVOCABLE, NO SERA CONFIRMADA, PAGADERA A LA VISTA.

LOS PROVEEDORES EXTRANJEROS, JUNTO CON SU COPIA DEL PEDIMENTO DE IMPORTACION ADUANAL, PODRAN PRESENTAR DOS FACTURAS; UNA EN DOLARES POR EL VALOR DE LOS BIENES Y OTRA EN MONEDA NACIONAL, POR LOS COSTOS DE IMPUESTOS, GASTOS ADUANALES, FLETES, SEGUROS, ETC., INCURRIDOS EN TERRITORIO NACIONAL, MOSTRANDO EL I.V.A. DESGLOSADO.

LOS PROVEEDORES EXTRANJEROS PODRAN SI ASI LO DESEAN, PRESENTAR UNA SOLA FACTURA EN DOLARES QUE CUBRA EL VALOR DE LOS BIENES Y LOS GASTOS INCURRIDOS EN TERRITORIO MEXICANO, ASI MISMO PODRAN, SEÑALAR EN SU OFERTA LA CANTIDAD DE I.V.A., QUE EN SU CASO CONSIDEREN QUE VAN A CUBRIR EN LA IMPORTACION DE LOS BIENES, SEÑALANDO EXPRESAMENTE EN SU PROPUESTA, QUE ENTREGARAN DOCUMENTOS FISCALMENTE VALIDOS A FAVOR DE FERROCARRILES NACIONALES DE MEXICO, PARA QUE ESTE ORGANISMO PUEDA TRASLADAR EL MONTO DE I.V.A. INDICADO; DEBIDO A QUE ESTA CANTIDAD PODRA SER RECUPERADA POR FERROCARRILES NACIONALES DE MEXICO, LA MISMA NO SERA CONSIDERADA PARA EFECTOS DE EVALUACION, DESCONTANDOLA DEL PRECIO OFRECIDO, EN EL ENTENDIDO DE QUE SI NO ACREDITA A FAVOR DE FERROCARRILES NACIONALES DE MEXICO LA CANTIDAD DE I.V.A. OFRECIDA, DEBERA ENTREGAR NOTA DE CREDITO A FAVOR DE ESTE ORGANISMO, POR EL MONTO CITADO O POR LA DIFERENCIA QUE NO ACREDITE. EN CASO DE ACREDITAR UN MONTO MAYOR, FERROCARRILES NACIONALES DE MEXICO, NO REEMBOLSARA NINGUNA CANTIDAD POR ESTE CONCEPTO.

EN EL CASO QUE UN PROVEEDOR DECIDA ACREDITAR EL I.V.A. DE LA IMPORTACION A FAVOR DE FERROCARRILES NACIONALES DE MEXICO,

QUEDA EXPLICITAMENTE ESTABLECIDO QUE LOS TRAMITES DE DICHA IMPORTACION ESTARAN A CARGO Y SE REALIZARAN BAJO LA RESPONSABILIDAD DEL PROVEEDOR O SU REPRESENTANTE. EN NINGUN CASO FERROCARRILES NACIONALES DE MEXICO FIRMARA DOCUMENTOS QUE SIGNIFIQUEN RESPONSABILIDAD EN LA IMPORTACION.

CON EL FIN DE FACILITAR LA EVALUACION DE LAS PROPUESTAS, LA CANTIDAD DE I.V.A. A DESCONTAR, DE CONFORMIDAD CON EL PARRAFO ANTERIOR, DEBERA SEÑALARSE PARTIDA POR PARTIDA DE CADA REQUISICION.

FERROCARRILES NACIONALES DE MEXICO EN NINGUN CASO PROPORCIONARA ANTICIPOS.

**3.2 PRECIOS.**

**LOS PRECIOS DEBERAN COTIZARSE COMO SIGUE:**

SE DEBERAN COTIZAR PRECIOS FIRMES NO SUJETOS A ESCALACION, HASTA LA TOTAL ENTREGA DE LOS BIENES.

LOS PROVEEDORES NACIONALES DEBERAN SEÑALAR EN SUS PROPUESTAS ECONOMICAS, DE MANERA EXPLICITA, EL PORCENTAJE DE DESCUENTO QUE, SOBRE SUS COTIZACIONES VOLUNTARIAMENTE ESTEN EN POSIBILIDADES DE OFRECER EN APOYO AL P.E.C.E.

LOS PROVEEDORES EXTRANJEROS DEBERAN SEÑALAR EXPRESAMENTE SI DESEAN ACREDITAR EL I.V.A. A LA IMPORTACION, ASI COMO LA CANTIDAD ESPECIFICA, A FIN DE QUE ESTA SEA CONSIDERADA EN LA EVALUACION, EN CASO DE NO SEÑALARLO SE CONSIDERARA COMO QUE NO DESEAN ACREDITARLO.

EN LOS CASOS QUE NO SE ACLARE LA POSICION DEL PROVEEDOR CON RESPECTO AL I.V.A. DE LA IMPORTACION DE UN BIEN, FERROCARRILES NACIONALES DE MEXICO CONSIDERARA QUE DICHO I.V.A. ESTA INCLUIDO EN EL PRECIO OFERTADO POR EL PROVEEDOR.

**3.3 MONEDAS QUE PODRAN UTILIZARSE.**

**LOS LICITANTES DEBERAN PRESENTAR SUS OFERTAS EN LAS SIGUIENTES MONEDAS:**

LOS PROVEEDORES NACIONALES DEBERAN PRESENTAR SUS PROPUESTAS EN MONEDA NACIONAL, Y SI LO DESEAN, EXCLUSIVAMENTE PARA FINES DE COMPARACION PODRAN PRESENTAR EN DOLARES, LA PARTE DEL CONTENIDO IMPORTADO DE SUS PROPUESTAS, PERO EL PAGO SE EFECTUARA EN MONEDA NACIONAL AL TIPO DE CAMBIO VIGENTE EN LA FECHA EN QUE SE HAGA EL PAGO DE LOS BIENES, EN EL ENTENDIDO DE QUE EL PROVEEDOR DEBERA PRESENTAR DOCUMENTACION QUE ACREDITE DICHO PORCENTAJE DE IMPORTACION, EN EL CASO DE QUE FERROCARRILES NACIONALES DE MEXICO, ASI LO SOLICITE.

LOS PROVEEDORES EXTRANJEROS DEBERAN PRESENTAR SUS PROPUESTAS EN DOLARES AMERICANOS.

**3.4 IMPUESTOS Y DERECHOS.**

LOS IMPUESTOS Y DERECHOS SERAN PAGADOS POR LOS PROVEEDORES, A EXCEPCION DEL IMPUESTO AL VALOR AGREGADO (I.V.A.), QUE EN LOS CASOS QUE PROCEDA, SERA PAGADO POR FERROCARRILES NACIONALES DE MEXICO, EL CUAL DEBERA APARECER EN LAS FACTURAS EN RENGLON POR SEPARADO DEL VALOR TOTAL DE LOS BIENES O SERVICIOS.

**4. REQUISITOS QUE DEBEN LLENAR QUIENES DESEEN CONCURSAR.**

**QUIENES DESEEN PARTICIPAR DEBEN LLENAR LOS SIGUIENTES REQUISITOS:**

- a) PRESENTAR IDENTIFICACION OFICIAL DE LA PERSONA FISICA QUE PARTICIPA EN EL EVENTO (PASAPORTE O LICENCIA DE CONDUCIR).

- b) **ENTREGAR LA DOCUMENTACION QUE DEMUESTRE LO SIGUIENTE:**
- b.1) **CAPACIDAD LEGAL.-** (COPIA DEL ACTA CONSTITUTIVA, LA CUAL DEBERA INDICAR QUE ESTA REGISTRADA EN EL REGISTRO PUBLICO DE COMERCIO).
- b.2) **CAPACIDAD ADMINISTRATIVA.-**  
ORGANIGRAMA DE LA EMPRESA.  
PERSONAL OCUPADO: OBREROS, EMPLEADOS, ETC.  
AREA OCUPADA.
- b.3) **CAPACIDAD FINANCIERA.-**  
ESTADOS FINANCIEROS DEL EJERCICIO FISCAL INMEDIATO ANTERIOR AL LLAMADO A LICITACION.  
  
PARA EL CASO DE LAS EMPRESAS EXTRANJERAS, LOS ESTADOS FINANCIEROS DEBERAN ADEMÁS SER EXPRESADOS EN EL EQUIVALENTE EN DOLARES DE LOS ESTADOS UNIDOS DE NORTEAMERICA.
- b.4) **EXPERIENCIA ESPECIFICA CON RELACION AL TIPO DE BIENES A QUE SE REFIERE EL LICITANTE.**  
  
PRESENTAR CON LOS DATOS REQUERIDOS EL FORMATO DEL CONTROL DE CALIDAD. (ANEXO NUMERO SEIS).
- b.5) **CAPACIDAD TECNICA.-**
- 1) MAQUINARIA Y EQUIPO CON QUE CUENTAN PARA FABRICAR LOS BIENES QUE PROPONE EN ESTA LICITACION.
  - 2) EQUIPOS PARA EL CONTROL DE CALIDAD.
  - 3) CATALOGOS Y FOLLETOS DE LA EMPRESA.
  - 4) CAPACIDAD DE PRODUCCION MENSUAL PARA EL TIPO DE BIENES QUE COTIZAN EN ESTA LICITACION.
  - 5) CERTIFICADO DE PRUEBAS EFECTUADAS A BIENES IGUALES O SIMILARES A LOS PROPUESTOS.
- b.6) **PROPUESTA TECNICA.**  
  
LA PROPUESTA TECNICA DEBERA CONSIDERAR PARTIDAS Y CANTIDADES QUE EL PROVEEDOR DESEA COTIZAR, PORCENTAJES DE INTEGRACION DEL O DE LOS PAISES DE ORIGEN DE LOS BIENES, ADEMÁS DE ASPECTOS TECNICOS DE DICHS BIENES: ESPECIFICACIONES, CARACTERISTICAS, GARANTIAS, CATALOGOS Y CUALQUIER OTRA INFORMACION TECNICA QUE FACILITE EL ANALISIS DE SU PROPUESTA. ASIMISMO DEBERA PRESENTAR SU PROGRAMA DE ENTREGAS PARA CADA UNA DE LAS PARTIDAS COTIZADAS, EL INCUMPLIMIENTO DE CUALQUIERA DE ESTOS REQUISITOS PODRA SER MOTIVO DE DESCALIFICACION.  
  
TRATANDOSE DE DISTRIBUIDORES, LOS REQUISITOS A QUE SE REFIEREN LOS SUB-INCISOS b.2), b.3), b.4) Y b.5) DEBERAN SER CUBIERTOS CON INFORMACION DEL FABRICANTE, Y EN CASO DE QUE SE CONSIDERE CONVENIENTE SE INCLUIRAN LOS DEL DISTRIBUIDOR.
5. **CRITERIOS VARIOS QUE SE APLICARAN PARA LA EVALUACION DE PROPUESTAS Y ADJUDICACION DE PEDIDOS O CONTRATOS.**
- 5.1 **LOS CRITERIOS QUE SE APLICARAN PARA EVALUAR LAS CAPACIDADES LEGAL, ADMINISTRATIVA, TECNICA Y FINANCIERA, DE CADA CONCURSANTE SERAN LOS SIGUIENTES:**

SE TOMARA COMO BASE LA INFORMACION SEÑALADA EN EL PUNTO 4 INCISO b) DE ESTAS BASES.

**5.2 LOS CRITERIOS QUE SE APLICARAN PARA EVALUAR LA EXPERIENCIA DE CADA CONCURSANTE SERAN LOS SIGUIENTES:**

SE EFECTUARA UNA EVALUACION CONFORME A LOS ANTECEDENTES QUE TENGA FERROCARRILES DEL PROVEEDOR Y LA INFORMACION QUE PROPORCIONE EL CONCURSANTE EN EL PUNTO 4 INCISO b) DE ESTAS BASES.

**5.3 LOS CRITERIOS QUE SE APLICARAN PARA EVALUAR LAS PROPUESTAS SERAN LOS SIGUIENTES:**

a) SE HARA COMPARANDO ENTRE SI EN FORMA EQUIVALENTE, TODAS LAS CONDICIONES OFRECIDAS POR LOS DISTINTOS CONCURSANTES, SIEMPRE Y CUANDO DICHAS PROPUESTAS CUMPLAN CON TODO LO INDICADO EN LAS BASES DEL CONCURSO.

b) A FIN DE FACILITAR EL EXAMEN, EVALUACION Y COMPARACION DE PROPUESTAS, EL COMPRADOR PODRA, A SU DISCRECION, SOLICITAR A CUALQUIER LICITANTE QUE ACLARE SU PROPUESTA. LA SOLICITUD DE ACLARACION Y LA RESPUESTA CORRESPONDIENTE, SE HARAN POR ESCRITO Y NO SE PEDIRAN, OFRECERAN NI PERMITIRAN CAMBIOS EN EL PRECIO NI EN LOS ASPECTOS SUSTANCIALES DE LA PROPUESTA.

c) PARA FACILITAR LA EVALUACION Y COMPARACION DE PROPUESTAS, FERROCARRILES NACIONALES DE MEXICO CONVERTIRA TODOS LOS PRECIOS DE LAS MISMAS A UNA MISMA MONEDA, UTILIZANDO EL TIPO DE CAMBIO ESTABLECIDO POR EL BANCO DE MEXICO EN LA FECHA DE APERTURA DE PROPUESTAS ECONOMICAS.

PARA LA EVALUACION DE LAS PROPUESTAS, EN NINGUN CASO SE UTILIZARAN MECANISMOS DE PUNTOS O PORCENTAJES.

**5.4 LOS CRITERIOS QUE SE APLICARAN PARA ADJUDICAR LOS PEDIDOS O CONTRATOS SERAN LOS SIGUIENTES:**

SALVO LO DISPUESTO EN EL PUNTO 8, FERROCARRILES NACIONALES DE MEXICO ADJUDICARA EL PEDIDO O CONTRATO AL LICITANTE CUYA PROPUESTA SE AJUSTE SUSTANCIALMENTE A LOS DOCUMENTOS DE LICITACION Y QUE HAYA SIDO EVALUADA COMO LA PROPOSICION SOLVENTE MAS BAJA Y ADEMAS SE HAYA DETERMINADO QUE ESE LICITANTE ESTE CALIFICADO PARA CUMPLIR SATISFACTORIAMENTE EL PEDIDO O CONTRATO.

FERROCARRILES NACIONALES DE MEXICO, CONSIDERA CONVENIENTE DISTRIBUIR HASTA EN \_\_\_\_\_ PROVEEDORES LA ADJUDICACION DE LOS REQUERIMIENTOS DE UN MISMO BIEN, SIEMPRE Y CUANDO EL PORCENTAJE DIFERENCIAL EN PRECIO NO SEA SUPERIOR AL 5%, RESPECTO DE LA POSTURA MAS BAJA.

AL PROVEEDOR OCUPANTE DEL PRIMER LUGAR SE LE ADJUDICARA EL \_\_\_\_\_%, AL DEL SEGUNDO LUGAR EL \_\_\_\_\_%, AL DEL TERCER LUGAR EL \_\_\_\_\_% Y AL DEL CUARTO LUGAR EL \_\_\_\_\_%, DE LOS REQUERIMIENTOS CONFORME A LOS PRECIOS ESTABLECIDOS EN SUS PROPUESTAS, SALVO QUE LOS PROPIOS PROVEEDORES HAYAN OFRECIDO CANTIDADES MENORES.

FERROCARRILES NACIONALES DE MEXICO SE RESERVA EL DERECHO DE VARIAR NO SIGNIFICATIVAMENTE LAS CANTIDADES QUE RESULTEN DE APLICAR LOS PORCENTAJES ANTERIORES, CUANDO LA LOGISTICA EN LAS ENTREGAS ASI LO REQUIERA.

**6. ASPECTOS VARIOS.**

**6.1 FACILIDADES DE MANTENIMIENTO.**

LOS CONCURSANTES DEBEN PROPORCIONAR LA INFORMACION RELATIVA A LAS FACILIDADES QUE PUEDAN OFRECER PARA DAR MANTENIMIENTO A LOS EQUIPOS.



**6.2 VISITAS A LAS INSTALACIONES DE LOS CONCURSANTES.**

**FERROCARRILES NACIONALES DE MEXICO.** PODRA A PARTIR DE LA FECHA DE REGISTRO DEL LICITANTE, EFECTUAR LAS VISITAS QUE JUZGUE NECESARIAS A SUS INSTALACIONES PARA DETERMINAR SI CUENTA CON INFRAESTRUCTURA, RECURSOS TECNOLOGICOS Y SISTEMAS DE CALIDAD SUFICIENTES PARA GARANTIZAR LOS BIENES O SERVICIOS SOLICITADOS.

**FERROCARRILES NACIONALES DE MEXICO.** PODRA EFECTUAR LAS VISITAS QUE JUZGUE NECESARIAS AL PROVEEDOR GANADOR PARA VERIFICAR EL GRADO DE AVANCE DE LAS FABRICACIONES O LA CALIDAD DE LOS BIENES.

**6.3 PROCEDIMIENTO DE INSPECCION Y PRUEBAS DE CALIDAD.**

LOS PROCEDIMIENTOS DE INSPECCION Y PRUEBAS DE CALIDAD QUE SE EFECTUARAN SERAN LOS SIGUIENTES:

**a) PARA EL CASO DE MUESTRAS:**

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**b) DURANTE EL PROCESO DE FABRICACION:**

FERROCARRILES NACIONALES DE MEXICO SE RESERVA EL DERECHO DE INSPECCIONAR LOS BIENES OBJETO DEL PEDIDO O CONTRATO DURANTE SU FABRICACION.

**c) A LOS BIENES TERMINADOS:**

LA GERENCIA DE ASEGURAMIENTO DE LA CALIDAD, ASI COMO EL DEPARTAMENTO USUARIO DE LOS MISMOS, AMBOS DE FERROCARRILES NACIONALES DE MEXICO, REALIZARAN LAS PRUEBAS NECESARIAS, PARA DETERMINAR SI LOS BIENES SE AJUSTAN A LAS ESPECIFICACIONES Y CARACTERISTICAS REQUERIDAS.

**c.1)** SI LOS BIENES INSPECCIONADOS O PROBADOS NO SE AJUSTARAN A LAS ESPECIFICACIONES, EL COMPRADOR PODRA RECHAZARLOS Y EL PROVEEDOR DEBERA, SIN CARGO PARA EL COMPRADOR, REEMPLAZARLOS O MODIFICARLOS EN LA MEDIDA NECESARIA PARA CUMPLIR CON LAS ESPECIFICACIONES.

**c.2)** NADA DE LO DISPUESTO EN EL PARRAFO ANTERIOR, LIBERARA AL PROVEEDOR DE SUS OBLIGACIONES EN MATERIA DE GARANTIA O DE OTRA INDOLE CON ARREGLO AL PEDIDO O CONTRATO.

**6.4 FALLAS EN EL SERVICIO NECESARIO O EN EL SUMINISTRO DE REFACCIONES.**

EN CASO DE QUE EL PROVEEDOR GANADOR FALLE EN EL SERVICIO NECESARIO, EN EL SUMINISTRO DE REFACCIONES, O SI SE COMPROBEA QUE LOS PRECIOS COTIZADOS PARA ESTOS ASPECTOS SON ELEVADOS, FERROCARRILES NACIONALES DE MEXICO, TENDRA EL DERECHO DE REPARAR LOS BIENES, POR SI MISMO O POR MEDIO DE TERCEROS, ASI COMO TAMBIEN PODRA PROCURARSE LAS PIEZAS QUE A SU JUICIO SEAN NECESARIAS PARA FINES DE CONSERVACION Y REPARACION DEL BIEN ADQUIRIDO, INDEPENDIENTEMENTE DE QUE SE APLICARAN LAS SANCIONES SIGUIENTES:

LO ESTABLECIDO EN EL PUNTO 9 INCISO c.3) Y c.4) DE ESTAS BASES.

**6.5 PATENTES, MARCAS Y DERECHOS DE AUTOR.**

EL CONCURSANTE AL QUE SE LE ADJUDIQUE EL PEDIDO O CONTRATO ASUMIRA LA RESPONSABILIDAD TOTAL PARA EL CASO EN QUE AL SUMINISTRAR LOS BIENES A FERROCARRILES NACIONALES DE MEXICO, INFRINJA PATENTES O MARCAS O VIOLE REGISTROS DE DERECHOS DE AUTOR.

**7. MODIFICACIONES QUE PODRAN EFECTUARSE.**

**7.1** ESTOS FERROCARRILES SE RESERVAN EL DERECHO DE REDUCIR LAS CANTIDADES O PARTIDAS A ADQUIRIR, CUANDO POR MOTIVOS DE AUSTRERIDAD O REDUCCION PRESUPUESTAL ASI LO REQUIERA.

ESTOS FERROCARRILES NACIONALES SE RESERVAN EL DERECHO DE MODIFICAR LOS PLAZOS U OTROS ASPECTOS ESTABLECIDOS EN LA CONVOCATORIA Y EN LAS BASES DE LICITACION, CUANDO MENOS CON SIETE DIAS NATURALES DE ANTICIPACION A LA FECHA SEÑALADA PARA LA PRIMERA ETAPA DEL ACTO DE PRESENTACION Y APERTURA DE PROPOSICIONES.

**7.2 MODIFICACIONES A LAS PROPUESTAS:**

**a)** LAS PROPUESTAS NO PODRAN SER MODIFICADAS UNA VEZ VENCIDO EL PLAZO PARA EL INICIO DE LA PRIMERA ETAPA DEL ACTO DE PRESENTACION Y APERTURA DE PROPOSICIONES.

**b)** LOS ERRORES ARITMETICOS SERAN RECTIFICADOS DE LA SIGUIENTE MANERA:

SI EXISTIERE UNA DISCREPANCIA ENTRE EL PRECIO UNITARIO Y EL PRECIO TOTAL QUE RESULTE DE MULTIPLICAR EL PRECIO UNITARIO POR LAS CANTIDADES CORRESPONDIENTES, PREVALECERA EL PRECIO UNITARIO Y EL PRECIO TOTAL SERA CORREGIDO.

SI EXISTIERE UNA DISCREPANCIA ENTRE PALABRAS Y CIFRAS, PREVALECERA EL MONTO EXPRESADO EN PALABRAS. SI EL LICITANTE NO ACEPTARE LA CORRECCION, SU PROPUESTA SERA RECHAZADA.

**7.3 MODIFICACIONES A LOS PEDIDOS O CONTRATOS.**

ADEMAS, DE LO INDICADO EN EL PUNTO 7.1 DE ESTAS BASES SE PODRAN EFECTUAR MODIFICACIONES A LOS PEDIDOS O CONTRATOS EN LAS SIGUIENTES CIRCUNSTANCIAS.

SOLAMENTE SE PODRAN EFECTUAR CAMBIOS EN DETALLES MENORES DEBIDOS A ASPECTOS DE INGENIERIA QUE SEA NECESARIO EFECTUAR, SIEMPRE Y CUANDO LOS PROVEEDORES CORRESPONDIENTES ACEPTEN DICHS CAMBIOS, POR CONSIDERAR QUE NO AFECTAN LO ESTABLECIDO EN LAS BASES DEL CONCURSO.

**8. DERECHO DE FERROCARRILES NACIONALES DE MEXICO DE ACEPTAR Y RECHAZAR CUALQUIER PROPUESTA, O TODAS ELLAS.**

**8.1 DESCALIFICAR A UN LICITANTE.**

SE DESCALIFICARA A LOS LICITANTES QUE INCURRAN EN LA SIGUIENTE SITUACION:

**8.1.1** SI NO CUMPLEN CON LOS REQUISITOS ESPECIFICADOS EN LAS BASES DE LA LICITACION.

PARA ESTE CASO, SE INCLUIRAN LAS OBSERVACIONES QUE CORRESPONDAN EN LAS ACTAS RESPECTIVAS A LOS ACTOS DE PRESENTACION Y APERTURA DE PROPUESTAS Y/O DE FALLO.

SOLAMENTE PODRAN PARTICIPAR LOS LICITANTES QUE NO SE HUBIESEN DESCALIFICADO .

**8.1.2** SI SE COMPRUEBA QUE TIENE ACUERDO CON OTRO U OTROS PROVEEDORES PARA ELEVARE LOS PRECIOS DE LOS BIENES Y/O SERVICIOS OBJETO DE LA LICITACION.

**8.2 CANCELAR UNA LICITACION.**

**8.2.1** SE PODRA CANCELAR UNA LICITACION EN LOS SIGUIENTES CASOS:

**8.2.1.1** EN CASO FORTUITO O DE FUERZA MAYOR.

- 8.2.1.2 POR DETERMINACION DE LA SECRETARIA DE LA CONTRALORIA GENERAL DE LA FEDERACION.
- CUANDO SE CANCELE UNA LICITACION, SE AVISARA A TODOS LOS INVOLUCRADOS Y EN SU CASO, SE CONVOCARA A UNA NUEVA LICITACION.
- 8.3 **DECLARAR DESIERTA UNA LICITACION.**
- 8.3.1 SE PODRA DECLARAR UNA LICITACION DESIERTA, CUANDO:
- 8.3.1.1 NINGUN PROVEEDOR RECOJA LAS BASES.
- 8.3.1.2 NINGUN PROVEEDOR SE REGISTRE PARA PARTICIPAR EN EL ACTO DE APERTURA DE PROPUESTAS.
- 8.3.1.3 NINGUNA DE LAS PROPUESTAS PRESENTADAS CUMPLA CON LOS REQUISITOS ESTABLECIDOS EN LAS BASES O SUS PRECIOS NO FUERAN ACEPTABLES.
- 8.3.2 CUANDO UNA LICITACION SE DECLARE DESIERTA POR PRIMERA VEZ FERROCARRILES NACIONALES DE MEXICO, PROCEDERA A CONVOCAR EN SU CASO A UNA NUEVA LICITACION.
- 8.4 **RESCINDIR ADMINISTRATIVAMENTE LOS PEDIDOS O CONTRATOS.**
- FERROCARRILES NACIONALES DE MEXICO, PODRA RESCINDIR ADMINISTRATIVAMENTE LOS PEDIDOS O CONTRATOS EN CASO DE INCUMPLIMIENTO DE LAS OBLIGACIONES A CARGO DEL PROVEEDOR.
- ASIMISMO, PODRA DAR POR TERMINADOS ANTICIPADAMENTE LOS PEDIDOS O CONTRATOS CUANDO CONCURRAN RAZONES DE INTERES GENERAL, MEDIANTE NOTIFICACION ESCRITA AL PROVEEDOR, EN LA QUE SE INFORMARA LA FECHA EN QUE DICHA TERMINACION ENTRARA EN VIGOR. ESTE AVISO SE DARA CON 30 DIAS DE ANTICIPACION.
- EN CASO DE QUE FERROCARRILES NACIONALES DE MEXICO RESCINDA UN PEDIDO O CONTRATO PODRA SEGUIR UNO O VARIOS DE LOS PROCEDIMIENTOS QUE SE MENCIONAN A CONTINUACION:
- 8.4.1 ADJUDICAR EL PEDIDO O CONTRATO AL PARTICIPANTE QUE HAYA PRESENTADO LA SEGUNDA PROPUESTA MAS BAJA, Y ASI SUCESIVAMENTE EN CASO DE QUE ESTE ULTIMO NO ACEPTA LA ADJUDICACION, SIEMPRE QUE LA DIFERENCIA EN PRECIO CON RESPECTO A LA POSTURA QUE INICIALMENTE HUBIERE RESULTADO GANADORA, EN TODO CASO, NO SEA SUPERIOR AL DIEZ POR CIENTO.
- 8.4.2 CONVOCAR A UNA NUEVA LICITACION.
9. **INCONFORMIDADES, CONTROVERSIAS Y SANCIONES.**
- a) **INCONFORMIDADES.**
- DENTRO DE LOS PRIMEROS DIEZ DIAS HABILES SIGUIENTES AL FALLO DE LA LICITACION, LOS LICITANTES PODRAN PRESENTAR SUS INCONFORMIDADES A LA SECRETARIA DE LA CONTRALORIA GENERAL DE LA FEDERACION, CON COPIA A FERROCARRILES NACIONALES DE MEXICO, ADJUNTANDO LAS PRUEBAS QUE CONSIDEREN NECESARIAS.
- LA SECRETARIA DE LA CONTRALORIA GENERAL DE LA FEDERACION INFORMARA POR ESCRITO A LOS LICITANTES O PROVEEDORES QUE SE HUBIEREN INCONFORMADO, CON COPIA A FERROCARRILES, DEL DICTAMEN CORRESPONDIENTE, DENTRO DE LOS 45 DIAS NATURALES SIGUIENTES A LA RECEPCION DE LAS INCONFORMIDADES.
- b) **CONTROVERSIAS.**
- LAS CONTROVERSIAS QUE SE SUSCITEN, CON MOTIVO DE LA INTERPRETACION O APLICACION DE LA LEY DE ADQUISICIONES Y OBRAS PUBLICAS O DE LOS PEDIDOS O CONTRATOS CELEBRADOS CON

BASE EN ELLA SE RESOLVERAN POR LOS TRIBUNALES FEDERALES, SIN PERJUICIO DE LO ESTABLECIDO EN LOS TRATADOS DE QUE MEXICO SEA PARTE O QUE LA SECRETARIA DE LA CONTRALORIA GENERAL DE LA FEDERACION CONOZCA.

c) **SANCIONES.**

**LAS SANCIONES QUE SE APLICARAN SERAN LAS SIGUIENTES:**

c.1) SE HARAN EFECTIVAS LAS GARANTIAS RELATIVAS AL SOSTENIMIENTO DE LAS PROPUESTAS EN LOS SIGUIENTES CASOS:

c.1.1) CUANDO LOS LICITANTES NO SOSTENGAN SUS PROPUESTAS, O SE RETIREN DE LA LICITACION, DESPUES DE INICIADA LA PRIMERA ETAPA DEL ACTO DE PRESENTACION Y APERTURA DE PROPOSICIONES.

c.1.2) CUANDO LOS LICITANTES GANADORES NO FIRMEN EL PEDIDO O CONTRATO POR CAUSAS IMPUTABLES A ELLOS, DENTRO DE LOS 10 DIAS NATURALES POSTERIORES A LA NOTIFICACION DEL FALLO, O QUE DENTRO DE LOS 5 DIAS HABILES SIGUIENTES A LA ENTREGA DE LA COPIA DEL MISMO, NO ENTREGUEN LA FIANZA DE CUMPLIMIENTO.

c.2) LAS PENAS CONVENCIONALES QUE SE APLICARAN POR ATRASOS EN LAS FECHAS DE ENTREGA. SERAN LAS SIGUIENTES:

c.2.1) **PARA LA ENTREGA DE DIBUJOS Y ESPECIFICACIONES.**

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c.2.2) **PARA LA ENTREGA DE LOS BIENES:**

LAS BONIFICACIONES MONETARIAS (SANCIONES) SE CALCULARAN SOBRE EL IMPORTE DE LOS BIENES Y SERVICIOS ENTREGADOS CON RETRASO Y BAJO LOS SIGUIENTES LINEAMIENTOS:

	PROGRAMA DE ENTREGAS SEÑALADO EN EL PEDIDO O CONTRATO.	BONIFICACION MONETARIA
RANGO	DE 1 A 90 DIAS	0.4% POR CADA DIA NATURAL DE ATRASO.
RANGO	DE 91 A 180 DIAS	2.8% POR CADA PERIODO DE 7 DIAS CUMPLIDOS HASTA 3 PERIODOS. 1.6% POR EL SIGUIENTE PERIODO CUMPLIDO DE 4 DIAS.
RANGO	DE 181 A EN ADELANTE.	5.6% POR EL PERIODO CUMPLIDO DE 14 DIAS Y 4.4% POR EL PERIODO CUMPLIDO DE 11 DIAS.

A PARTIR DEL DIA 26 LA BONIFICACION SERA DEL 10%.

c.3) SE HARAN EFECTIVAS LAS FIANZAS RELATIVAS AL CUMPLIMIENTO DEL PEDIDO O CONTRATO, CUANDO SE PRESENTE UNO DE LOS CASOS SIGUIENTES:

c.3.1) CUANDO HUBIESE TRANSCURRIDO EL TIEMPO MAXIMO DE ATRASO CONVENIDO PARA LA ENTREGA DE LOS DIBUJOS O ESPECIFICACIONES.

c.3.2) CUANDO HUBIESE TRANSCURRIDO EL TIEMPO MAXIMO DE ATRASO CONVENIDO PARA LA ENTREGA DE LOS BIENES.

c.3.3) CUANDO HUBIESE TRANSCURRIDO EL PLAZO ADICIONAL QUE SE CONCEDA A LOS PROVEEDORES PARA CORREGIR LAS CAUSAS DE LOS RECHAZOS, QUE, EN SU CASO, SE EFECTUEN.

# Reader Survey

## HELP US TO SERVE YOU BETTER

We are interested in your views on this publication. Please take a few minutes to respond to the questions below.

1. What is your overall opinion of this publication?

- very useful
- useful
- moderately useful
- not useful

2. Please provide your assessment of each of the following aspects of this publication.

a) Quality of text discussion (mark one only):

- excellent
- good
- fair
- poor

b) Presentation of information (mark one only):

- excellent
- good
- fair
- poor

c) Use of graphics and other visual aids (mark one only):

- excellent
- good
- fair
- poor

3. If this publication were updated, revised and re-issued in the future, would you be interested in receiving a copy?

- yes, very interested
- probably interested
- no, not interested
- not sure

4. How did you find the structure and format of this publication?

- clear and easy to follow
- confusing and difficult to follow

5. For your purposes, did this publication provide a sufficiently complete treatment of the subject(s) reviewed?

- yes, definitely
- to some extent
- no
- can't say/don't know

6. This publication would have been more useful to me if it had (mark all that apply):

- provided more qualitative information
- provided less quantitative information
- made greater use of graphs, charts and tables
- contained a longer textual discussion
- contained a shorter textual discussion
- used more examples, case studies, company profiles

7. In your opinion, was there important information missing from this publication?

yes — please specify:

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8. Are there any issues relevant to the subject of this publication that you would like to have seen covered in more detail?

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9. Please offer any suggestions for improving the next version of this publication.

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10. Will this publication assist you in your business development?

yes  no

11. a) Does your company currently export?

- Yes, go to 11 b)
- No, go to 11 c)

b) If yes, to which foreign markets?

- U.S.A.  Europe  Japan
- Mexico  Latin America
- Other (please specify) \_\_\_\_\_

c) If not, are you planning to export within the next 12 months?

Yes, where?

- U.S.A.  Europe  Japan
- Mexico  Latin America
- Other (please specify) \_\_\_\_\_

12. What is the approximate size of your company?

- under \$1 million
- \$1 to 5 million
- \$5 and \$10 million
- over \$10 million

To discuss this evaluation may we contact you? If so,

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Company \_\_\_\_\_

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