

On April 10, 2025, the Senate approved the bill submitted by the Executive Branch (the “Bill”), and previously approved by the Lower Chamber (*Cámara de Diputados*), containing a draft decree to amend, supplement, and repeal various provisions of the Public Works and Related Services Law (the “Public Works Law”). Pursuant to the above, the Bill was sent to the Federal Executive for its sanction and publication in the Federal Official Gazette (*Diario Oficial de la Federación*).

The main changes to the Public Works Law set out in the Bill (with respect to the current law) are as follows:

- **Public Procurement Digital Platform (the “Platform”).** The Bill provides for the implementation of the Platform, which will replace CompraNet. Through this Platform, procurement procedures, contract execution and administration will be carried out, as well as access to related information.

The elimination of CompraNet has been questioned by several sectors of society, arguing that it represents a setback in transparency and accountability.

However, the Bill proposes that, unlike CompraNet, the Platform will not be limited to serving as a document and information repository, nor focus on isolated features, but instead it aims to achieve a comprehensive digital transformation of the entire public procurement cycle, seeking to ensure full traceability of public spending.

To achieve the objectives of the Platform as set out in the Bill, it will be essential to address key factors, such as the technological infrastructure available to the Ministry of Anti-Corruption and Good Governance (the “Ministry”) for its implementation and management, as well as mechanisms to ensure the accessibility, integrity, and immutability of information, including data migrated from CompraNet.

- **Procurement Procedures**

- *Strategic Dialogues.* Prior to the formal start of the procurement procedure, government agencies and entities (collectively, the “Authorities”) may engage in dialogues with interested parties from the relevant sector to present the scope of the works or service to be provided, allowing them to suggest technical and economic considerations.
- *Market Investigations.* Before the start of procurement procedures, Authorities must conduct market investigations to determine the prevailing conditions. While such investigations are already conducted based on general guidelines, the Bill proposes making this a legal obligation.
- *Efficiency in Public Procurement Procedures.* A core objective of the Bill is to make procurement procedures more efficient. Among the proposed measures are:
 - Reducing various deadlines, including: (i) the period for publishing and receiving comments on draft tender calls¹ is reduced from 10 to 5 business days; (ii) the term for submission and opening of proposals in national tenders is reduced from 15 to 10 calendar days; and (iii) the term to issue the award decision is reduced from 30 to 20 calendar days.
 - A minimum of one and a maximum of two clarification meetings must be held.
 - Participation in procurement procedures will be limited to one social witness per procedure.
- *Subsequent Discount Offers.* If deemed appropriate by the Authority, bidders may submit “subsequent discount offers” (reverse auctions) to improve their initially proposed price, provided that the technical specifications in the original proposal remain unchanged.
- *Incentives in the Evaluation System.* The points-and-percentages system will preferably be used to evaluate proposals. Bidders that demonstrate

¹ For contracts with a value exceeding MXN \$78,066,600 (i.e., 690,000 times the daily UMA value in 2025).

implementation of a corporate integrity policy may receive an advantage in the evaluation process, in accordance with the guidelines to be issued by the Ministry.

- *Direct Award.* New grounds for direct awards are included, such as awarding contracts directly due to recognition of extraordinary works not originally included in lump-sum contracts. In addition, the cap of the authorized budget that can be awarded directly is reduced from 30% to 20%.
- *Prohibition on Participation in Public Procurement.* Disqualifying criteria are expanded to exclude companies that: (i) currently include, or have included within the past two years, public officials appointed by the Federal Executive; (ii) have shareholders barred from contracting with the Federal Government; (iii) have been sanctioned by the antitrust authority for absolute monopolistic practices; or (iv) are not in compliance with their tax obligations.

- **Public Works and Related Services Contracts**

- *Execution.* Contracts must be executed through the Platform using electronic signatures.
- *Award Due to Failure to Sign.* If the successful bidder fails to sign the contract within the applicable deadline, it will forfeit the award, and the Authority must award the contract to the second-place bidder (provided the economic proposals do not differ by more than 10%). This differs from the current Public Works Law, in which such action is discretionary.
- *Subcontracting.* Contractors may not subcontract (i) more than 49% of the total contract amount, nor (ii) subcontract to other bidders who participated in the same procedure.
- *Electronic Logbook.* The use of an electronic logbook for each contract will be mandatory and managed through a system to be implemented by the Ministry.
- *Estimates (Progress Payments).* The Bill clarifies that estimates under lump-sum contracts may be submitted upon total completion of the works or the completion of each main activity. Thus, such estimates will not be required on a monthly basis. While the Bill does not specify who will determine the payment terms for such contracts, it may be assumed that the Authority will do so prior to issuing the relevant call for bids

- *Unit Price Work*
 - A new concept of an “update factor” for direct costs is introduced for contracts where the works begin 60 days after the last day of the month in which the proposal opening took place. This is not currently addressed in the existing Public Works Law.
 - Adjustments to indirect costs and financing will apply only if the original contract value or execution period varies by more than 50% (currently 25%).
- **Elimination of the Financed Public Works Scheme.** References to long-term infrastructure projects with scheduled amortization are removed. Under this scheme, payments for executed works could be deferred over several years, rather than being made within 20 days of each progress estimate, as required under traditional public works contracts.

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