

Chapter 1

Strengthening the structure and governance of IMSS' procurement function

This chapter describes the structure and organisation of the procurement function of the Mexican Institute of Social Security (IMSS). It also assesses the mechanisms used by IMSS to coordinate the high number of procurement units and to ensure communication with and between these units. In particular, it identifies the benefits and remaining challenges of centralisation efforts within the organisation.

Introduction

The overall organisational design and governance of the procurement function is important in delivering outcomes for effective and accountable procurement. Weak governance structures and systems in public procurement hinder efficiency and raise the prices governments pay for goods and services. This directly impacts public expenditures and hence taxpayers' resources. Similarly, ensuring effectiveness, transparency and accountability through the structure and governance of the procurement function is essential for optimising public value throughout the procurement cycle.

The review found that the procurement function of the Mexican Institute of Social Security (*Instituto Mexicano del Seguro Social – IMSS*) is clearly located in the organisational structure and is governed by well-defined committees. Despite its high level of physical decentralisation, IMSS is co-ordinated by a strong central area which manages information and strategic decisions, and implements various centralised initiatives. However, the review found that some initiatives have adverse impacts on the decentralised units. It also identified room for improvement in knowledge transfer and the co-ordination of its various units through better communication.

Structure and governance

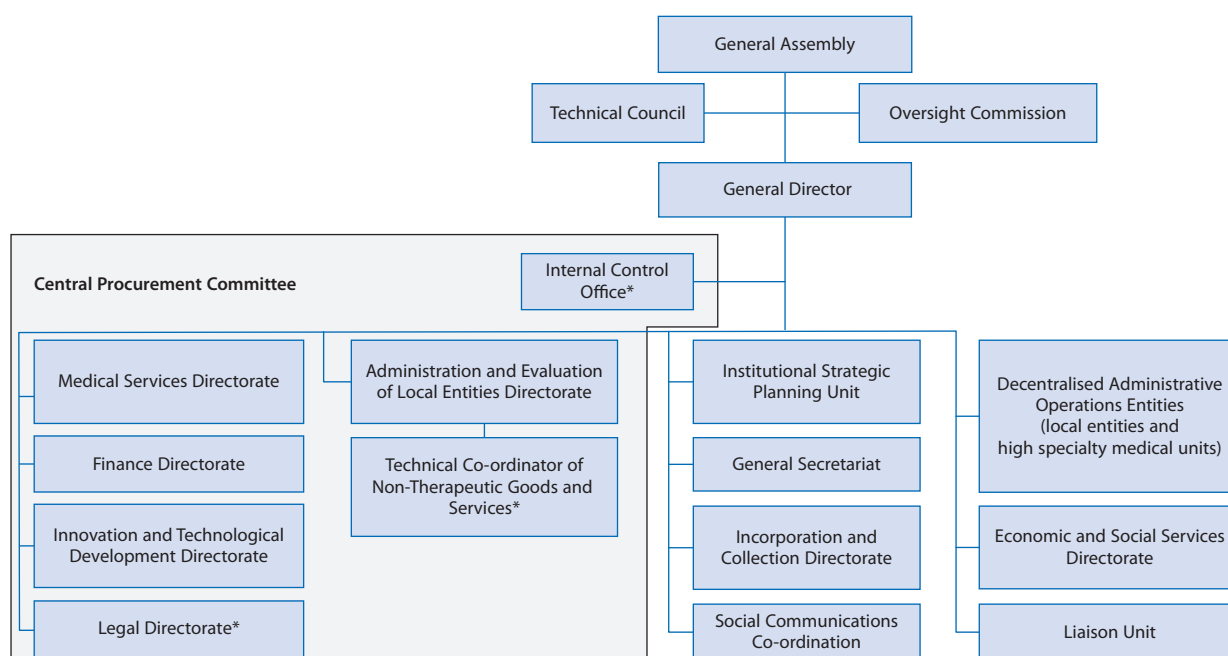
Various well-defined committees govern IMSS and its procurement function

IMSS governance structure is clearly defined. At the most senior level, it includes a General Assembly (*Asamblea General*), a Technical Council (*Consejo Técnico*), and a Director General (Figure 1.1). The Technical Council is the board of directors, while the General Assembly serves more as a political forum for IMSS management, IMSS employees and the federal government. An Oversight Commission (*Comisión de Vigilancia*) is also in place in relation to organisational-wide financial matters. Finally, the procurement function is co-ordinated by the Administration and Evaluation of Local Entities Directorate (*Dirección de Administración y Evaluación de Delegaciones – DAED*); Table 1.1 describes their functions and membership. As further discussed in Chapter 4, internal control is co-ordinated by the Internal Control Office (*Órgano Interno de Control – OIC*), an operational extension of the Ministry of Public Administration (*Secretaría de la Función Pública – SFP*).

As can be seen in Figure 1.2, the Co-ordination of Procurement of Goods and Contracting for Services area (*Coordinación De Adquisición de Bienes y Contratación de Servicios*), which co-ordinates the procurement function, is located three levels below IMSS General Direction. It is part of the Administration Unit (*Unidad de Administración*) which itself responds to the Administration and Evaluation of Local Entities Directorate.

Various procurement committees (*Comités de Adquisiciones, Arrendamientos y Servicios*) support the Performance Evaluation and Administration Divisions in the headquarters (the Central Procurement Committee), in the local entities (*delegaciones*) and in the high-specialty medical units (*Unidades Médicas de Alta Especialidad – UMAEs*). Their responsibilities include: *i*) supervising the annual programmes and budgets of IMSS procurement; and *ii*) approving procurement areas to have recourse to exceptions to public tendering as provided by the Law. The central procurement committee has the additional functions of: *i*) proposing procurement guidelines to IMSS Technical Council; *ii*) formulating and approving internal manuals for regional and UMAE procurement committees operations in accordance with the SFP guidelines; *iii*) providing technical assistance for regional and UMAE procurement committees; and *iv*) creating special sub-committees to supervise high-profile procurement.

Figure 1.1. Overview of IMSS main governance committees



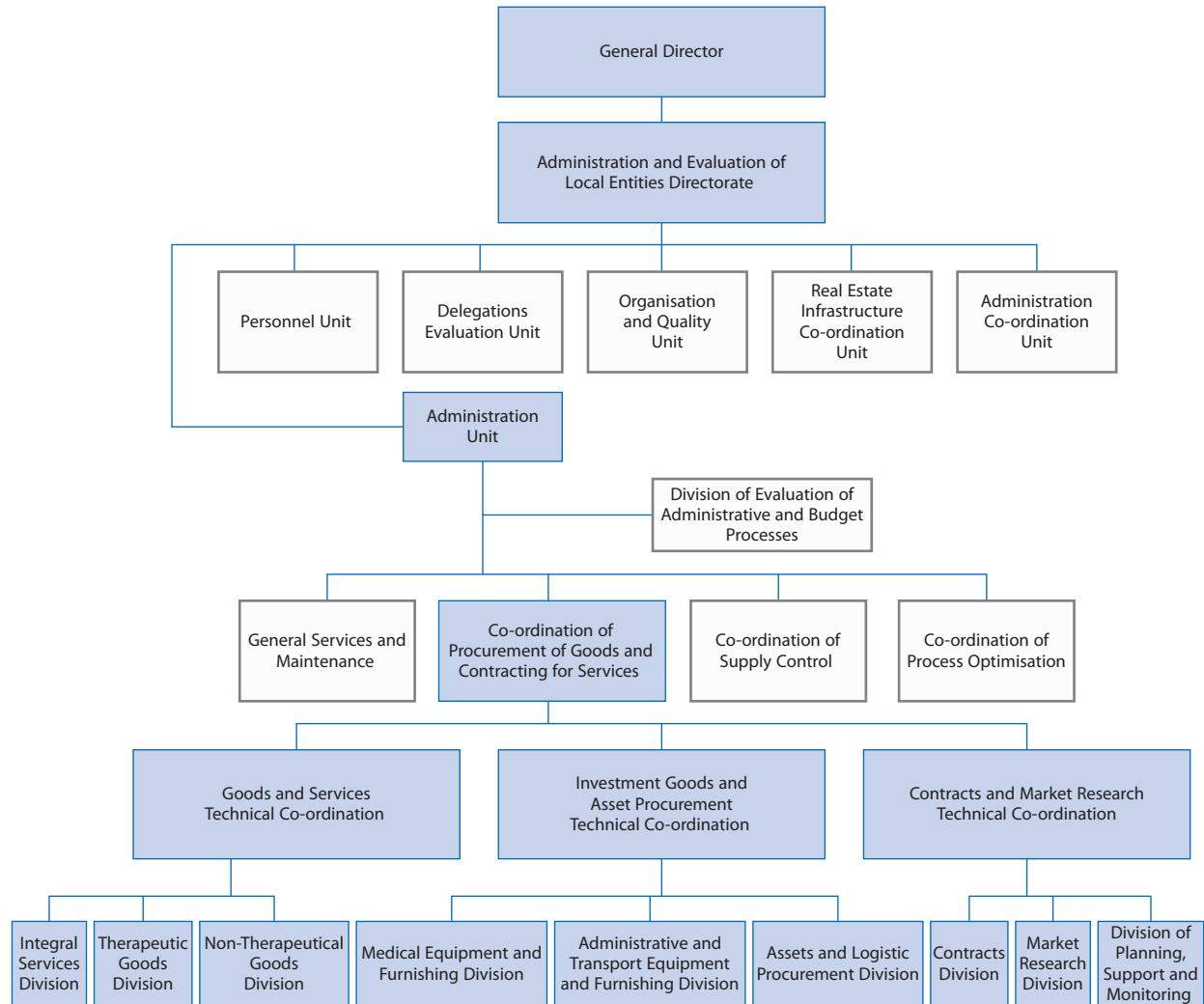
* With rights to speak, but not to vote.

Source: Mexican Portal of Transparency, <http://portaltransparencia.gob.mx>, accessed 2 December 2012; IMSS (2011), “Manual de Integración y Funcionamiento de los Comités de Adquisiciones, Arrendamientos y Servicios del IMSS” [Manual of Integration and Operation of the Committees of Acquisitions, Leases and Services of IMSS], www.imss.gob.mx/instituto/normatividad/normas/Documents/DAED/1000-024-004.pdf, accessed 2 December 2012.

Table 1.1. Functions and composition of IMSS management structures

Name	Function	Composition
General Assembly	<ul style="list-style-type: none"> Approving the annual plan and budget; Approving the annual financial statement; Approving the annual activities report; and Approving IMSS Oversight Commission's annual report. 	30 members including: 10 representatives from the federal government; 10 representatives from employers' organisations; and 10 representatives from workers' organisations.
IMSS Oversight Commission	<ul style="list-style-type: none"> Overseeing investment decisions; Auditing IMSS financial statements and assets valuation; Making suggestions to improve IMSS insurance mechanisms; and Presenting to the General Assembly an opinion concerning the quality of IMSS financial statements and activities report. 	6 members including: 2 elected by employer's representatives; 2 elected by union's representatives; and 2 elected by the federal government.
IMSS Technical Council	<ul style="list-style-type: none"> Approving the General Director annual activities plan; Investment decision making; Preparing IMSS budget; Supervising IMSS financial balance sheets; Resolving inquiries about IMSS operations; and Approving IMSS organisational structure and remuneration system. 	12 members including: 4 elected by general assembly employer's representatives; 4 elected by general assembly union's representatives; and 4 representatives of the federal government (namely the Ministers of Finance, Health and Labour as well as IMSS General Director).
Administration and Evaluation of Local Entities Directorate	<ul style="list-style-type: none"> Procurement of goods and services; General services and maintenance; Distribution and storage; Processes optimisation; and Financial and economic evaluation. 	Approximately 20 000 employees, representing about 4.5% of the total IMSS workforce. Of these, approximately 6 000 employees are directly linked to the Administration Unit and thus, the IMSS procurement function. Most of the IMSS procurement workforce is located in IMSS regional offices (5 700 or 95%). Regional offices in the Mexico Federal District, Jalisco and Nuevo Leon have the largest staff. <i>Note:</i> Information was not available on the distribution of staff in regional offices.

Figure 1.2. Organisational diagram of the IMSS procurement function



Source: Mexican Portal of Transparency, <http://portaltransparencia.gob.mx>, accessed 2 December 2012.

All procurement committees have a similar structure; they include not only representatives of the procurement function, but also members of diverse organisational divisions (IMSS, 2011a). This noteworthy feature promotes awareness and understanding between the procurement function and the other functions within IMSS:

- The central procurement committee is chaired by the Head of DAED, with the Head of Co-ordination of Supply Control (*Coordinación de Control de Abasto*) acting as secretary. As illustrated in Figure 1.1, it also includes the heads of the Directorates of Finance, Medical Services, Innovation and Technological Development (*Directores de Finanzas, de Prestaciones Médicas y de Innovación y Desarrollo Tecnológico*), and the Head of Co-ordination of Procurement of Goods and Contracting for Services (*Coordinador de Adquisición de Bienes y Contratación de Servicios*). The Technical Co-ordinator of Non-Therapeutic Goods and Services (*Coordinador Técnico de Bienes y Servicios No Terapéuticos*) is also present and has rights to speak but not to vote.

- Procurement committees in local entities are headed by the Head of the local entity, and include the Heads of Finance Services, Medical Services and General Services Department (*Jefes de Servicios de Finanzas, de Servicios de Prestaciones Médicas y de Departamento de Conservación y Servicios Generales*) as well as the Local Entity Supply and Equipment Coordinator (*Coordinador Delegacional de Abastecimiento y Equipamiento*). The Head of Co-ordination of Procurement of Goods and Contracting for Services Department (*Jefe del Departamento de Adquisición de Bienes y Contratación de Servicios*) is also present and has rights to speak but not to vote.
- Procurement committees in UMAEs are headed by the UMAE Director and include the Medical Director (*Director Médico*) as well as the Heads of the Finance, General Services and Supply Departments (*Jefes de Departamentos de Finanzas, de Conservación y Servicios Generales, y de Abastecimiento*). The Head of Procurement Office (*Jefe de Oficina de Adquisiciones*) is also present and has rights to speak but not to vote.

Moreover, in each committee, a member of the OIC, of the Legal Directorate (*Dirección jurídica*) and a designate of SFP, can observe, but not vote on, the discussions of the procurement committee.

Responsibilities in the procurement function have recently been clarified, improving its efficiency and accountability

A clear and comprehensive structure of the procurement function better enables effective and accountable procurement. The structure of the procurement organisation should include an explicit division of duties and accountabilities which reflect the key tasks of the procurement cycle. These duties and accountabilities should be suitable for discharging the obligations prescribed in the law without gaps or overlaps of duties. Links with other sectors of the government affecting procurement should be embedded, and procurement operations should not be constrained by external institutional factors.

At the lower levels, no major procurement decisions should rest upon one individual in the organisation. There should be cross-checking, preferably from suitably qualified people at different levels and different areas of the organisation, in order to maintain a minimum level of internal validation. Important decisions in the procurement cycle should be well-documented and easily accessible so that inspectors and auditors – and the general public in some instances – can check the integrity of the decisions made.

With the recent amendments to the Mexican federal public procurement framework, the areas of procurement responsibility have become more clearly delineated and delegated than before. Furthermore, the Ministry of Public Administration recently standardised and limited excessive internal procedures through a series of management handbooks, as discussed in Chapter 4). The 2010 Procurement and Public Works Handbooks (SFP, 2010a and 2010b), for example, clearly sets out the roles and responsibilities of each area of IMSS procurement hierarchy throughout the procurement cycle (refer to Annex 1.A1 for detailed tables of procurement responsibilities).

Centralisation

While IMSS procurement function is physically highly decentralised, various key activities and decisions remain at the central level

The procurement cycle needs to be governed by a dedicated, co-ordinated and professional procurement organisation, with a unified and well-recognised strategic mandate. Such an organisation needs to work as a single, unified body, and be managed through sound project management regimes. This is achieved when the procurement system has a common mission, vision and values, as well as a common co-ordinating management unit, which can direct procurement officers as a group.

IMSS provision of medical and social services is highly geographically decentralised. In 2010, it operated through 35 local entities in charge of administering first and second-level medical units and 25 UMAEs. The local entities provide administrative support to 1 510 Family Medicine Units (FMUs) and 262 general hospitals. These cover approximately 32 000 hospital beds, 1 200 operating rooms, 15 000 doctor's offices and 700 pharmacies. Other facilities intended for the delivery of social benefits include approximately 1 500 day-care centres, 135 discount stores and 74 facilities for recreation and culture (IMSS, 2011b).

Similarly, the IMSS procurement function is physically highly decentralised. Procurement units are embedded in local entities and UMAEs in order to be in close proximity to the users and provide them better services. In this context, IMSS has identified the need for centralising some procurement activities to efficiently manage them. As indicated in Table 1.2, key strategic decisions and strategies related to the procurement function are essentially managed at the central level. These include disseminating procurement policies and procedures, and initiatives such as standardising and consolidating requirements.

Due to the demand for a great number of similar and complex requirements at various dispersed units, IMSS identified the need to consolidate some in order to manage their procurement and to benefit from economies of scale and the market power of the organisation.

Table 1.2. **Division of procurement activities by level of centralisation**

Procurement activities and decisions	Central level	Central support to decentralised activities	Decentralised level (local entities and UMAEs)
Contracts	Sole contracts (contratos únicos) Contract for central requirements	Policies are dictated from the central office Standardised processes	Contracts for decentralised requirements not subject to sole contracts (contratos únicos)
Consolidation and standardisation	Assessment and decisions on consolidation and standardisation	Budget allocation IT systems (e.g. SAI and PREI)	Access, operate and analyse standardised systems
Market research	For contracts at central level	Provision of market research information and tools through the Internet Development of reference prices	For contracts at decentralised level (with central office support)
Needs assessment	Co-ordination or pooling of homogeneous needs	Needs forecasting, verification and limited pooling	Needs identification and refinement
Regulation and standardisation of processes	Interpretation and application of laws and regulations Formulation of internal regulations, processes and procedures Operating policies Training and human resources development		Operate and execute the instructions

Source: Information provided by IMSS.

Table 1.3 presents an overview of the main contractual instruments of different centralisation levels (regional and central). According to IMSS, these efforts will be expanded in the years to come, with additional products being subject to consolidation.

As a result of these centralisation efforts, more than half of the value of all contracts is now issued by central units (Figure 1.3).

Table 1.3. Types of contractual instruments used by IMSS

Procurement level	Scope of the requirement	Legal instrument	Manager	Source of financing*	Examples of goods and/or services
Central level (also referred as centralised procurement)	Requirement by central level	Contract(s) central level	Central level	Central level	<ul style="list-style-type: none"> Virtual private network Software Consulting services Vaccines Mobile phones for central-level officials
	Consolidated requirement (central level, local entities and UMAEs)	Contract by local entities/ UMAEs	Local entities/ UMAEs	Local entities/ UMAEs	<ul style="list-style-type: none"> Integral services Medical equipment Hospital clothing Contractual clothing Cleaning material Airline tickets
		Sole contract	Local entities/ UMAEs (CCA** signs contract in representation of contract managers)	Local entities/ UMAEs (CCA allocates a budget to each contract for its payment)	<ul style="list-style-type: none"> Drugs Healing material
Local entities or UMAEs	Requirement by local entities/ UMAEs	Contract or request by local entities/ UMAEs	Local entities/ UMAEs	Local entities/ UMAEs	<ul style="list-style-type: none"> Perishable food Endoprostheses and osteosynthesis material Medicines and healing material with regional purchasing authorisation Maintenance of land transport
	Requirement consolidated by several local entities/ UMAEs	Contract or request by each local entities/ UMAEs	Local entities/ UMAEs	Local entities/UMAEs	<ul style="list-style-type: none"> Perishable food (project of regional consolidation) Medicines and healing material with regional purchasing authorisation

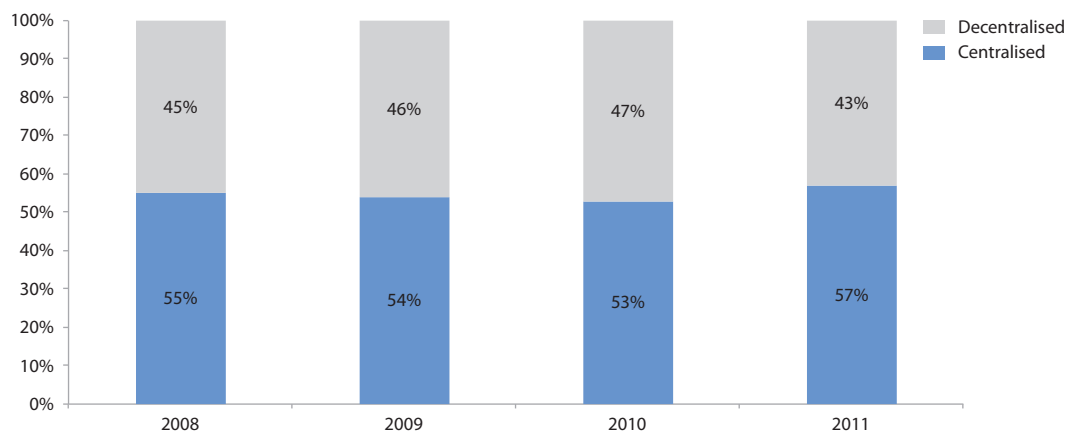
Notes:

* Local entities'/UMAEs' payments are made by the central office with financial resources previously allocated to each local entity or UMAE.

** CCA: Co-ordination of Supply Control at the central office.

Source: Information provided by IMSS.

Figure 1.3. Value of contracts by level of centralisation



Note: Data for 2011 through September.

Source: Information provided by IMSS.

Centralisation efforts have brought significant benefits to IMSS, but certain disadvantages still remain

IMSS has shown a strong commitment in structuring its procurement cycle in a highly decentralised organisation. This has resulted in positive procurement outcomes including:

- Lower prices for goods due to consolidation. This has led to increased competition and expansion of its supply bases, achieving the minimum order level of some potential suppliers.
- Concentrated efforts and expertise in a central procurement body. This has made it easier for “centres of excellence” in procurement to evolve, and for higher quality procurement policy to be achieved.
- Obligatory standardised characteristics of goods and services.
- Strategies to prevent collusion and bid-rigging in procurement and engaging in common actions with the Federal Competition Commission (Comisión Federal de Competencia – CFC).
- A more streamlined, consistent and transparent procurement function, which, in turn, improves accessibility to potential suppliers, control and audit bodies and procurement function users.

However, some issues still require attention, primarily due to the fact that regional offices rely on a distant central office. For example, these offices have experienced difficulties in securing supply of some consolidated goods (see Chapter 2 for further details). An improved strategy would mitigate these negative impacts and lead to better management of risks, as discussed in Chapter 9.

Co-ordination and communication

Problems in communication and knowledge transfer prevent IMSS procurement function from operating as a unified whole and make optimal strategies difficult to implement

Although procurement professionals are often embedded in user areas to better provide services, it is necessary that the procurement system operates as a unified whole. As indicated above, the management and strategic planning of the procurement function is essentially performed at the central level, with the central office providing strategies and rules to the decentralised units. This current co-ordination structure and the existence of a capable central procurement group position IMSS to achieve its objective. It can do so by implementing a unified approach to procurement across the whole organisation, not only as it relates to rules and processes, but also in relation to key elements such as consistent monitoring and management of the procurement function. It also positions it to promote the strategic role of procurement at higher levels.

Despite the positive aspects mentioned above, the review found that IMSS' current procurement system does not fully reach the objective of operating as a unified whole. This can partly be explained by the absence of an explicit and comprehensive procurement strategy which needs to be developed and clearly communicated to all procurement units (see Chapter 2 for further details). There are also problems in communication and transactions both on a vertical basis (between the centre and regions), and on a horizontal basis (between the procurement units).

Although there are clear benefits to centrally co-ordinating the procurement function, the change from an atomised system to a centrally coordinated system requires a stronger communication between the centre and the regions and increases the number of transactions between them. The review found that, in certain instances, there were issues with managing information about needs and financial transactions. Interviewees, for example, reported a distinct lack of positive interaction between the central office and decentralised areas. These are limited to face-to-face meetings only happening every four months, or at biannual national meetings.

Stakeholders view the current vertical relationship as highly “institutional”, with new procurement policy disseminated top-down through e-mails or meetings, and guidance on their application being made available online. However, many local entities and UMAEs indicated that support from the centre is insufficient, particularly in relation to developing procurement strategies and addressing difficulties in applying the policies. As a result, some areas of policy confusion remain. Procurement units need more channels for communication, so that difficulties in applying the policies can easily be identified.

Other than the limited use of procurement data (see Chapter 7 for further details), central decisions and initiatives are determined with little involvement or feedback from the local entities and user areas. This results in a significant loss of knowledge, including best practices in procurement planning and strategy for certain categories of goods and services. A great deal of organisational experience and expertise is therefore not considered in the development of procurement policies. As an example, in the process of centralising the procurement of some categories of requirements, the responsibility transfer from the regions to the central areas was dictated entirely from the centre, with little or no input from the regional areas on their experience with such requirements.

Although there are benefits in having a clear and functional institutional relationship between the central areas and the decentralised units, there is a strong need for the

relationship to become more dynamic and agile, so as to better serve the users. IMSS could consider strengthening the current communication channels between the units and the central organisation and implementing new ones where appropriate.

Finally, according to interviewees, there is little horizontal communication among the different regional procurement areas of the organisation. Experiences and knowledge gained in the procurement process are thus not often discussed. Significant synergy and efficiency could be achieved through a regular exchange of different experiences and knowledge among the procurement units. However, these opportunities are generally lost in IMSS, as few formal processes or forums exist. Furthermore, little knowledge is pooled and co-ordinated at the central level for dissemination to decentralised areas. As such, most of the procurement units work in isolation from one another, and do not benefit from experience and expertise that may have been developed in other parts of the organisation.

DAED recently created a function in the central area to collect and consolidate good practices related to procurement. While this initiative is commendable, it is not well known within the organisation and the findings on good practice are not sufficiently communicated across the organisation. Moreover, it takes place on an informal and ad hoc basis when a problem or “red flag” is identified. IMSS could consider formalising this function and enlarging its scope to research all good practices on a continuous basis, not only in IMSS, but also in other organisations. Importantly, IMSS could strengthen its current efforts to better communicate the initiative and good practices throughout all procurement units (for example, through its internal website and e-mails).

Proposals for action

In order to improve the co-ordination of its procurement function, particularly in communication, and implement a unified approach across the organisation, IMSS could consider the following proposals:

1. Increasing the flexibility and dynamism of the institutional relationship between the central area and the decentralised units by:
 - a. Ensuring that the organisation’s vision, strategy and objectives for procurement are clearly communicated to all procurement units and discussed to ensure full understanding.
 - b. Creating formal mechanisms or opportunities, such as regularly scheduled meetings for units to notify the central area of any difficulties in the procurement process. For example, “policy specialists” could be identified as official points of contact to assist procurement units in the interpretation and application of policies. Similarly, a function could be created in the central area specifically providing guidance to decentralised units on the development of procurement strategies.
 - c. Ensuring that the development of central strategies is discussed with the procurement units in order to guarantee that all pertinent information, expertise and lessons learned in the organisation are identified and considered, and, furthermore, to ensure that the operational impacts of these strategies on procurement units are minimised.
2. Improving the transfer and recording of knowledge, lessons learned and expertise not only between the central area and the decentralised units (vertical communication),

but also among the procurement units themselves (horizontal communication), potentially through initiatives such as:

- a. Creating central and regional “procurement operational platforms” as forums for procurement units to exchange information and discuss difficulties and experiences. These committees could act as an interface between the units and the central area, facilitating and streamlining vertical communication.
- b. Formalising the research function and identifying good procurement practices from all procurement units (and possibly from other procurement organisations), and strengthening its efforts to better communicate the results to all procurement units (for example, through its internal website and e-mails).

Annex 1.A1

Responsibilities outlined in 2010 procurement and public works handbooks

A. Procurement of goods and services

Process	Responsibilities*								
	Ministry of Economy	General Director	Budget and planning division/area	Procurement committee	Procurement division/area	Operational division/area	Contract mgt division/area	Warehouse division/area	Administrative division/area
Budgeting and procurement planning									
Formulating budget proposal									•
Modifying budget proposal with federal government budget restrictions									•
Approving budget proposal	•								
Identifying procurement needs						•			
Verifying current inventory levels						•		•	
Costing procurement needs						•			
Prioritising procurement needs						•			
Preparing draft annual procurement plan					•				
Revising annual procurement plan against budget proposal and restrictions			•		•	•			
Approving annual procurement plan		•							
Disseminating internally and publishing externally the approved procurement plan					•				
Supervising implementation of annual procurement plan				•					
Contracting									
Verifying procurement requirements against annual procurement plan						•			
Verifying legal requirements (e.g. free trade agreements, local content requirements)					•				
Verifying budget allocation and market studies						•			
Reviewing procurement/contracting strategy					•				
Selecting procurement/contracting procedure					•				
Formulating contract schedule					•				
Selection – Open and competitive tender									
Preparing tender documents					•	•			
Selecting selection and award criteria					•	•			
Preparing contract notices					•	•			
Publishing contract notices					•				

Process	Responsibilities*								
	Ministry of Economy	General Director	Budget and planning division/area	Procurement committee	Procurement division/area	Operational division/area	Contract mgt division/area	Warehouse division/area	Administrative division/area
Responding to requests for clarification					•	•			
Recording requests for clarification					•	•			
Opening tender process					•				
Consulting debarred suppliers database					•				
Analysing technical proposals					•	•			
Resolve draws (micro, small and medium enterprises, local content)					•				
Announcing selection decision					•				
Analysing bid guarantees					•				
Awarding contract									
Selection – Restricted invitation									
Verifying restricted invitation criteria against legal requirements					•				
Consulting debarred suppliers database					•				
Drafting and circulating invitation					•	•			
Responding to requests for clarification					•	•			
Recording requests for clarification					•	•			
Opening tender					•				
Evaluating bid technical proposals					•	•			
Resolve draws (micro, small and medium enterprises, local content)					•				
Announcing selection decision					•				
Analysing bid guarantees					•				
Awarding contract					•				
Selection – Direct award									
Verifying direct award criteria against legal requirements					•				
Evaluating technical and financial requirements					•				
Requesting supplier tender					•				
Evaluating guarantees					•				
Awarding contract					•				
Contract management									
Inspecting goods and services						•			
Making payment for goods and services									•
Registering financial and accounting transactions									•
Modifying terms and conditions of contract					•				
Exercise contract's penalties for non-compliance							•		
Anticipating close of contract					•		•		
Preparing for close of contract					•		•		
Integrating financial statements			•						•
Preparing accountability reports			•						•

B. Procurement of public works

Process	Responsibilities*						
	General director	Procurement area	Public works committee	Budget and planning area	Operative area	Operative area chief	Resident Supervisor
Procurement planning							
Identifying requirements of public works		•			•		
Revising projects studies and licenses		•			•		
Estimating costs					•		
Prioritising works by cost-benefits analysis					•		
Obtaining budget allocation		•		•	•		
Preparing annual works procurement plan (<i>Plan anual de obras públicas y servicios relacionados con las mismas</i>)		•					
Supervising annual works procurement plan			•				
Approving annual works procurement plan	•						
Disseminating annual works procurement plan		•					
Contracting							
Analysing project requirements and terms of reference		•					
Verifying legal requirements		•					
Reviewing budget allocation		•					
Analysing market studies		•					
Analysing usage of framework contracts		•					
Selection – Open and competitive tender							
Drafting calling		•					
Diffusion of calling		•					
Publishing calling for offers		•					
Receiving clarify demands		•					
Realise and redact the final minute of clarification meetings		•			•		
Offering presentation and opening		•			•		
Consulting database of punished suppliers		•					
Analysing technical evaluation of proposals		•					
Emit and spread results		•			•		
Analysing guarantees		•					
Awarding contract		•					
Selection – Restricted invitation							
Create a justification					•		
Verify legal controls		•					
Scheduling		•					
Consult database of punished suppliers		•					
Create invitation and spread it		•			•		
Receive clarify demands		•			•		
Realise and redact the final minute of clarification meetings		•			•		
Proposal presentation and opening		•					

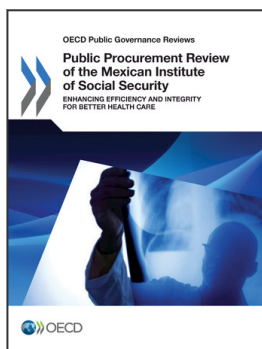
Process	Responsibilities*							
	General director	Procurement area	Public works committee	Budget and planning area	Operative area	Operative area chief	Resident	Supervisor
Analyse technical evaluation of proposals		•			•			
Emit and spread results		•						
Analysing bid guarantees		•						
Awarding contract		•						
Selection – Direct award								
Create justification					•			
Legal requirements (quotations, technical and economical justification, minute of failing public tendering processes or three people's invitation)		•						
Request documentation of chosen supplier		•						
Analyse guarantees		•						
Contract management								
Appointing superintendent and resident						•		
Opening logbook							•	•
Reporting on physical and financial progress							•	•
Reporting on delays and deviations							•	
Costs adjustments							•	•
Contract modifications procedures		•			•			
Penalties and punish methods							•	•
Preparing for close of contract		•					•	
Closing contract					•		•	•

*Ministry of Economy: Public organisation in charge of federal government budget; General Director: chair or head of organisation; Budget and planning area: area in charge of planning and budgeting for organisation's operational areas; Procurement committee: body responsible for approving organisation's procurement guidelines and supervising its implementation; Procurement area: area in charge of procurement or leasing of goods and services for organisation's operational areas; Operational areas: area directly in charge of achieving organisation's objectives; Contract management area: area responsible for managing contract implementation as per signed contract; Warehouse area: area responsible for managing operational area's inventory; Administrative areas: area responsible for finance and accounting.

Sources: Adapted from SFP (2010), "Manual Administrativo de Aplicación General en Materia de Adquisiciones, Arrendamientos y Servicios del Sector Público" [Procurement Handbook]; SFP (2010), "Manual Administrativo de Aplicación General en Materia de Obras Públicas y Servicios Relacionados con las Mismas" [Public Works Handbook]; SFP (2010), "Manual Administrativo de Aplicación General en Materia de Recursos Financieros" [Financial Management Handbook].

References

- IMSS (2011a), “Manual de Integración y Funcionamiento de los Comités de Adquisiciones, Arrendamientos y Servicios del IMSS” [Manual of Integration and Operation of the Committees of Acquisitions, Leases and Services of IMSS], www.imss.gob.mx/instituto/normatividad/normas/Documents/DAED/1000-024-004.pdf, accessed 2 December 2012.
- IMSS (2011b), *The Mexican Institute of Social Security: Evolution, Challenges and Perspectives*, IMSS, Mexico.
- Secretaría de la Función Pública (SFP) (2010a), “Manual Administrativo de Aplicación General en Materia de Adquisiciones, Arrendamientos y Servicios del Sector Público” [Procurement Handbook], published in the Diario Oficial de la Federación [Official Journal of the Federation] on 9 August 2010, www.normateca.gob.mx/Archivos/50_D_2475_09-08-2010.pdf, accessed 5 December 2012.
- SFP (2010b), “Manual Administrativo de Aplicación General en Materia de Obras Públicas y Servicios Relacionados con las Mismas” [Public Works Handbook], published in the Diario Oficial de la Federación [Official Journal of the Federation] on 9 August 2010, www.normateca.gob.mx/Archivos/50_D_2478_09-08-2010.pdf, accessed 5 December 2012.
- SFP (2010c), “Manual Administrativo de Aplicación General en Materia de Recursos Financieros” [Financial Management Handbook], published in the Diario Oficial de la Federación [Official Journal of the Federation] on 15 July 2010, www.conacyt.gob.mx/ElConacyt/Documentos%20Normatividad/5-Manual_RRFF.pdf, accessed 5 December 2012.



From:
**Public Procurement Review of the Mexican
Institute of Social Security**
Enhancing Efficiency and Integrity for Better Health Care

Access the complete publication at:
<https://doi.org/10.1787/9789264197480-en>

Please cite this chapter as:

OECD (2013), "Strengthening the structure and governance of IMSS' procurement function", in *Public Procurement Review of the Mexican Institute of Social Security: Enhancing Efficiency and Integrity for Better Health Care*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264197480-4-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.