

New Reform to the Public Works and Related Services Law

On April 16, 2025, the “Decree Amending, Adding, and Repealing Various Provisions of the Law on Public Works and Related Services (*“LOPSRM”* for its acronym in Spanish)” was published in the Official Gazette of the Federation (the “Reform”). The changes introduced by the Reform aim to strengthen efficiency, integrity, and transparency in public procurement processes, as well as to incorporate a new digital platform and more rigorous technical criteria for the execution of public works.

Below is an executive summary of the most relevant aspects of the Reform:

1. Digital Public Procurement Platform

- The Reform establishes the creation of a *Digital Public Procurement Platform* (the *“Platform”*), which will replace CompraNet as the sole authorized system for conducting procurement procedures, contract formalization, and transparency.

2. New Restrictions on Participation in Public Procurement.

- The Reform introduces new disqualification grounds for participating in public procurement procedures, including among others:
 - Companies with partners or associates who have been disqualified from contracting by the Ministry of Anti-Corruption and Good Governance (the *“Ministry”*) or the Federal Court of Administrative Justice. This applies to both individuals and legal entities disqualified by final resolutions issued by a competent authority.
 - Contractors who have had three contracts terminated through administrative resolution by any contracting authority due to causes attributable to them. This represents a broadening of the previous regime, which imposed the restriction after a single termination.
 - Companies that have been sanctioned for engaging in absolute monopolistic practices. This disqualification lasts for two years from the date of notification of the sanctioning resolution.
 - Companies that are not up to date with their tax obligations, which will directly exclude them from procurement procedures.

3. New Pre-Procurement Instruments.

- **Strategic Dialogues:** Introduced as a pre-procurement stage, allowing government entities to present the description and characteristics of the public work or related service to interested parties.
- **Mandatory Market Research:** Entities must conduct market research before launching procurement procedures.

4. Changes to the Procurement Procedure.

- The use of subsequent discount offers is established. It is permitted to submit, electronically and within a defined timeframe, one or more follow-up bids that improve the initially offered price, without allowing any modifications to the specifications or characteristics originally included in the technical proposal.
- Introduction of an *adjustment factor* allowing unit price contracts to be updated when work begins more than 60 days after the quotation is accepted.
- Shortened minimum timelines for bid submission and decisions:
 - The public comment period for draft tender calls is reduced from 10 to 5 business days.
 - The minimum period for submission and opening of bids in national tenders is reduced from 15 to 10 calendar days.
 - The decision deadline is reduced from 30 to 20 calendar days.
- If the winning bidder fails to sign the contract within the designated period, the contract will be awarded to the second-place bidder, provided their bid is no more than 10% higher than the originally awarded bid.

5. Rules on Direct Awards and Subcontracting.

- The threshold for total direct awards is reduced from 30% to 20% of the authorized public works budget for the fiscal year.
- Subcontracting is capped at 49% of the total contract amount and is prohibited among participants of the same procurement procedure.

6. Execution and Supervision of Works.

- Use of an electronic logbook (*Bitácora*) will be mandatory for each public works or services contract. Its management and monitoring will be carried out through software implemented by the Ministry.

7. Changes to Contract Modification Conditions.

- The previous 25% cap on modifications to the amount or term of contracts (under unit price or applicable mixed schemes) is eliminated. Under the new rules, modifications may proceed if duly justified and documented.
- If a change exceeds 50% of the original contract's amount, term, or both, the contractor may request adjustments for indirect costs and financing.
- A *special regime* applies to lump-sum contracts or the relevant portions of mixed contracts. As a rule, the amount or term of a lump-sum contract cannot be modified and are not subject to cost adjustments, with three exceptions:
 - Post-award external economic changes, such as currency or international price fluctuations.
 - Delays in project initiation due to causes not attributable to the contractor, exceeding 120 days.
 - Acknowledgment of extraordinary work not originally contemplated, provided formal amendments are executed.

8. Transitional Provisions.

- Contracts signed before April 17, 2025, will continue to be governed by the provisions of the LOPSRM in force at the time of their execution.
- Amendments to the LOPSRM Regulations must be issued within 90 business days from April 17, 2025.
- Procurement procedures and contract signings in progress as of April 17, 2025, will be completed under the rules in force at the time they began.

At Von Wobeser y Sierra, we remain at your service to support you in understanding the potential impacts and implications stemming from the Reform. Should you require additional information, please do not hesitate to contact our experts on the matter:

For additional information, contact:

Edmond Grieger, Partner:

+52 (55) 5258-1007 | egrieger@vwys.com.mx

Ariel Garfio, Partner:

+52 (55) 5258-1008 | agarfio@vwys.com.mx

S I N C E R E L Y

VON WOBESER Y SIERRA, S.C.

Mexico City, May 9, 2025.

The information contained in this note does not constitute, nor is it intended to constitute, nor shall be construed as legal advice on the topic or subject matter covered herein. This note is intended for general informational purposes only. To obtain legal advice on a particular matter in connection with this topic, please contact one of our attorneys referred to herein.



VON WOBESER Y SIERRA, S.C.

Paseo de los Tamarindos 60, 05120 Mexico City
+52 (55) 5258 1000