9-23-1992

Canadian Bombardier Company Files Protest On Subway Contract Decision

Carlos Navarro

Follow this and additional works at: https://digitalrepository.unm.edu/sourcemex

Recommended Citation

This Article is brought to you for free and open access by the Latin America Digital Beat (LADB) at UNM Digital Repository. It has been accepted for inclusion in SourceMex by an authorized administrator of UNM Digital Repository. For more information, please contact amywinter@unm.edu.
Canadian Bombardier Company Files Protest On Subway Contract Decision

by Carlos Navarro
Category/Department: General
Published: Wednesday, September 23, 1992

According to a protest filed by the Canadian Bombardier company with the Federal Comptroller's Office, the Mexico City Public Transit System (STC) did not follow published rules when calling for bids to supply 135 subway cars. (See SourceMex 08/26/92 for coverage of bid award.) Bombardier submitted a list of irregularities in the bid process, which reportedly invalidate the contract to build subway cars for the city's "Metro." The contract was awarded to Spanish firm Construciones y Auxiliar de Ferrocarriles (CAF). Loss of the STC subway car contract was a blow to Bombardier, which had acquired a controlling stake in the Compania Nacional de Carros de Ferrocarril (CONCARRIL) for the purpose of setting up a subway car manufacturing facility to supply both domestic and foreign markets. Mexican representatives for Bombardier said the STC did not give preference to bidders with installed manufacturing capacity in Mexico as promised, and failed to include taxes and customs duties in cost calculations. The most serious irregularity, according to the appeal, was that CAF was placed on the list of bidders to be given preference for having installed manufacturing capacity in Mexico. CAF, said Bombardier, had neither manufacturing capacity nor a permanent representative office in Mexican territory at the time of the bid competition. According to Bombardier, the CAF bid should have been disqualified or at the very least been denied preferential treatment over other bidders because the company lacked a Mexican manufacturing facility. Bombardier criticized the handling of bids in dollars instead of pesos as stipulated in the published rules which ignored discounts to conform with the government's Pact for Economic Stability and Growth (PECE). (Source: El Financiero International, 09/21/92)

-- End --