

## E.S.G. CONSULT

Missions of audit and assistance to communities in the technical, administrative, legal and economic fields

### GENERAL PRESENTATION

For more than 80 years, the consulting firm MERLIN is entrusted by local authorities, cities, syndicates of municipalities, joint boards of communes and towns for the design and the project management of their works of infrastructures in the fields of drinking water networks, waste water or rain waters, the treatment of these waters, domestic waste and other public services.

Cabinet MERLIN GROUP also acquired widened skills in the field of legal and financial technical audit and operation control of the public utilities of drinking water, sewage system and waste management.

So it intervenes, together with ESG Consult, subsidiary company of MERLIN Group, which brings it the precedence of its references and its specific knowledge in legal and economic matters during missions:

- of **audit of services** before a reorganization or a new investment; this audit can concern the service itself (quality, availability) or its cost;
- of **assistance to the client in the procedures of operation contract renewal** (of public utility or services), but also in the implementation of public state management;
- of **control of the conditions of infrastructures management** just built by the Collectivity, then to implement the management, the control concerning the technical, legal and financial aspects;
- of **assistance to the client** on the implementation of a public intercommunal cooperation institute like syndicate of communes or association of local authorities and **on know-how transfer** towards these public institutions.

In front of the evolution of the needs of its Collectivities customers, MERLIN cabinet provides them with administrative advice, legal advice (constitution of Companies of Mixed Economy for example) and financial advice (modalities of VAT reclaiming on the investments, implementation of financing, control or set up of drinking water pricing in regard of operating charges and investments realized or to come).

## MAIN SERVICES PROVIDED WITHIN THE FRAMEWORK OF AUDIT AND ASSISTANCE MISSIONS TO COLLECTIVITIES IN THE TECHNICAL, ADMINISTRATIVE, LEGAL, ECONOMICAL AND FINANCIAL FIELDS

### 1. AUDIT OF A PUBLIC SERVICE CONTRACT

The audit deals with the analysis of the following aspects:

- Examination of contract articles and its amendments in comparison with the evolution of the regulations in the field of public services and environment ;
- Analysis of accounting procedures of the delegatee;
- Analysis of infrastructure operating conditions: analysis of the means dedicated to the utility, analysis of quantities of reagents and energy consumed, analysis of the reordering process, cost price analysis;
- Evaluation of economics of the contract.

### 2. CONTROL OF CONDITION OF OPERATION OF INFRASTRUCTURES AND PUBLIC UTILITIES

Survey of the technical and financial conditions of functioning of the installations and public utilities:

- Performances,
- Energy consumption;
- Reagents consumption;
- Maintenance and replacement of equipments;
- Installations maintenance.

### 3. IMPLEMENTATION OR RENEWAL OF PUBLIC UTILITY CONTRACT OR PUBLIC UTILITY SERVICES

#### **Assisting the Collectivity for the analysis of the different possible modes of operation**

- Analysis of the different regulatory frameworks,
- Analysis in terms of responsibility;
- Analysis of fiscal implications;
- Analysis of financial implications;
- Maintenance and replacement of equipments;

#### **Assisting the Collectivity for the handover or the renewal of public utility contract or public utility services**

- Assistance for the entire process follow-up
- Writing of delegates (or service providers) tender enquiry including notably tender rules and a project of contract;
- Analysis of bids;
- Assistance provided while negotiating with candidates (in the framework of public utility power delegation);
- Assistance provided for writing minutes of negotiation meetings, report of Commission and its President, and various discussions.

#### 4. TRANSFER OF COMPETENCES TO AN INTERCOMMUNAL COOPERATION PUBLIC UTILITY

##### **State-of-play analysis**

- Patrimonial situation;
- Employees assessment;
- Contractual situation;
- Accounting, financial and fiscal situation.

##### **Terms o organization and analysis of the consequences of the transfer of skills**

- Transfer of the properties: writing of deliberations and minutes of transfer,
- Transfer of contracts: writing of additional clauses and mails,
- Transfer of staff,
- Drafting of the budget of the intercommunal cooperation public utility (new power body)

##### **Institutional consequences**

- Towards Collectivity having transferred its powers
- Drafting the statutes and rules of procedure of the public establishment which just received the power

##### **Legal and financial follow-up of powers transferred to intercommunal cooperation public utility.**