

Abstract

THE NORTH WASTEWATER TREATMENT PLANT IN BRUSSELS. AWARD AND FUNDING OF THE CONCESSION CONTRACT

The concession contract under investigation covers the design, the construction and the operation of the wastewater treatment plant located in the northern part of Brussels and is one of the largest plants of this kind in Europe. This contract is exceptional both in its awarding procedure (which provides a possibility of modifying the original tender during the negotiation process) and its cost (about one thousand million euro to be paid in 20 annuities from 2007, the first year of operation).

Contract award

The Court of Auditors found that the awarding procedure applied to this contract did not contain any irregularity. The analysis of the tender was carried out in a correct way and the awarding decision conforms with the laws concerning public contracts and the regulations covering the administrative and budgetary control. The selection of the concessionary was based on a relevant reasoning. More particularly, the risk induced by the mud treatment process, which is a strategic component in selecting a concessionary was assessed in all seriousness.

The Court, however, noticed a lack of formal consolidated tenders, more specially from the tenderer selected. A consolidated tender, however, should have been necessary due to the successive modifications approved during the negotiations. This lack of update and implementation into one single document might give rise to difficulties when it comes to exactly identifying the concessionary's obligations in the course of the 25 year long contract implementation (5 years for the construction and 20 years for the operation).

Contract funding

The payment scheme for the annuities is partly in the hands of a newly established body governed by public law the object of which is to build up reserves (which have now already been formed up to an amount of 79.69 million euro) aimed at decreasing the burden of the forthcoming expenditure. But the build up of reserves is not necessary to pay the annuities provided the assumptions made by the Government are met, that is an unchanged budgetary commitment and foregoing the need of new heavy investments in collecting and treating wastewater from 2005 till 2026.

Subsequent to the award, the content of the concession contract was modified to allow the early acquisition of the water collector of the left bank, the construction of which was part of the contract. This change, which involves a first payment of about 63 million euro net of V.A.T. in 2006, brought about a decrease in the total annuity cost. It does not adversely affect the equality of treatment among tenderers nor the rights of possible other potential candidates.