



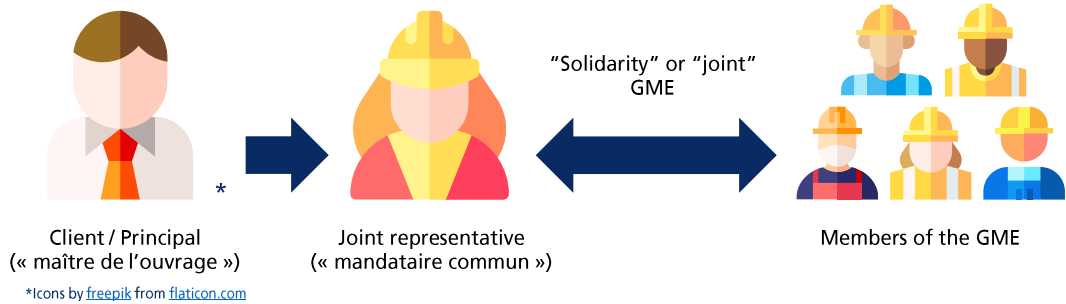
BMH AVOCATS

LEGAL TOOLBOX #2 TEMPORARY COMPANY GROUPING IN FRANCE (GME)

QUESTION

ANSWER

How does a GME setup look like in France?



What is a temporary company grouping or GME?

A GME (*"groupement momentané d'entreprises"*) is a temporary grouping of independent companies with the aim of achieving building works often awarded to the GME through an *"invitation to tender"* (*"appel d'offres"*).

When can a GME be useful?

Construction work of a certain scope may require **pooling substantial human, financial and material resources** which SMEs of the building sector cannot afford.

The GME allows to **share the resources and risks** while entrusting the work guidance to **only one company**.

It often **limits the expenditures of the members of the GME** by adjusting the scope of their work to their very own resources, mutualizing equipment and reducing the need for external funding. Thus, a GME may **facilitate the project for the client/principal** (economies of scale, sound work plan, single point of contact).

Is a GME a legal entity as such?

A GME **does not have any legal personality**. Its establishment and functioning solely rely on a **contract** whose content can be more or less comprehensive and complicated. This contract **cannot be relied on against third parties**.

Are there different types of GMEs?

Yes, there is the *"solidarity"* GME (*"groupement solidaire"*), in which **every member bears liability for the achievement of the work of the other members**, and the *"joint"* GME (*"groupement conjoint"*), where every member is responsible for the achievement of its own work.



Who represents the GME?

Yes, the “joint representative” (“*mandataire commun*”) plays a key role. He/she shall at least represent all the members of the GME towards the client/principal during the preparation and the award of the tender.

The “joint representative” can have **very broad obligations** (to be defined by the members of the GME) such as court representation, proposal of a successor in case of a member’s bankruptcy, organization of the construction site, acceptance of works, payment management, etc. He/she may also be designated to **coordinate the implementation of the work by the GME’s members**.

When should the GME be created?

A GME should better be constituted **before the “procuring entity” (“*pouvoir adjudicateur*”) allocates work**, as it requires in-common affinities and a willingness to achieve work together. The establishment of a GME **after** the allocation of work often creates a **risk** as the “bond of trust” can be missing.

What are the other points to focus on when creating a GME?

It is essential to **clearly state the type of GME** (“solidarity” or “joint”). In case of doubt (e.g., if respective work is not clearly allotted between the members of the GME), “General Conditions of Contract” (for public procurements) or a Court (for private procurements) may qualify the GME as “solidarity”.

Want to learn more?

The respective tasks and obligations must be **carefully designed**, as the **legal and regulatory framework is very limited**. Contact us before you get involved in a GME!

About this factsheet

This “Legal toolbox” factsheet was created by a team of **BMHAVOCATS** lawyers. Find more factsheets from the same series on our website: <http://bmhavocats.com/en/publications-en> under the tab “Legal toolbox”. To contact one of our lawyers, click on their photo below.

Our team



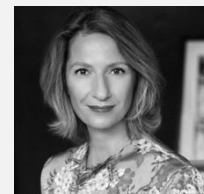
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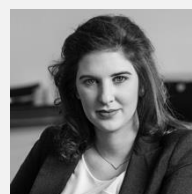
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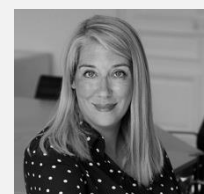
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