Crown Commercial Service

Finance and Highly Complex Transactions Legal Services (RM 3787)

Customer Guidance Document

Contents [CCS TO UPDATE TABLE / PAGE NUMBERS]

INTRODUCTION 32

SCOPE 5

AUTHORISED CUSTOMERS AND USE OF PANEL 7

KEY FEATURES OF PANEL ARRANGEMENT 8

HOW TO USE THE PANEL 12

APPENDIX 1 - PANEL SUPPLIERS 24

APPENDIX 2 - AUTHORISED CUSTOMERS 25

APPENDIX 3 - MANDATORY SPECIALISMS 29

APPENDIX 4 - OPTIONAL SPECIALISMS 32

APPENDIX 5 - SUPPLIERS / SPECIALISMS MATRIX 33

APPENDIX 6 - THE ATTORNEY GENERAL'S GUIDELINES ON THE USE OF THE PRIVATE SECTOR FOR GOVERNMENT LEGAL WORK 34

APPENDIX 7 - ORDER PROCEDURE (PANEL AGREEMENT, SCHEDULE 5) 36

INTRODUCTION

Purpose of this Document

Crown Commercial Service ("**CCS**") and the Government Legal Department (the "**GLD**") have developed this guidance to assist Government departments and other enabled Central Government customers ("**Customers**") through each stage of their procurement of legal services using the Finance and Highly Complex Legal Services Panel Agreement (RM 3787) (the "**Panel Agreement**" or "**Panel**").

Background to the Panel

The Panel Agreement, together with RM 3786 (General Legal Advice Services) and RM 3756 (Rail Legal Services) have been procured to replace the Legal Services Framework (RM919), taking into account consultations with customers and suppliers of its predecessors the Legal Service Panel (RM919) and the Legal Services Panel (RM373). This Panel covers supply of Finance and Highly Complex Transaction legal services to Central Government, Executive Agencies and a defined list of other Central Government Customers set out at Appendix 2. This Panel is designed to meet the needs of Customers requiring legal advice and project support on finance and highly complex transactions.

The Panel Agreement has been set up following a joint procurement project between CCS and the GLD with CCS as the contracting authority (the **"Authority"**). The Panel consists of 9 quality assured legal services suppliers who are able to supply all Mandatory Specialisms (Appendix 3). The Panel Agreement will last for 2 years from 10 August 2017 with the option to extend for up to a further 2 years in 1 year intervals (2+1+1). Please note that Legal Services Contracts may be awarded for longer periods than the period of the Panel Agreement, provided they expire no later than 2 years after the Panel Agreement expiry.

Benefits of using the Finance and Highly Complex Transaction Legal Services Panel

The Panel Agreement has been developed by combining CCS procurement and project management expertise with GLD technical expertise and knowledge.

Tenders were evaluated following a 3-stage process comprising an eligibility assessment at Stage 1, quality evaluation (case studies and certificates of past experience) at Stage 2 and robust pricing evaluation (at Stage 2 and 3).

Procuring legal services can be a costly and time-consuming process both for Customers (Government departments requiring legal services contracts) and for Suppliers. Use of the Panel will reduce the time and cost associated with procurement by offering a route to value for money, high quality suppliers who have already been competitively tendered and quality assured, backed by Panel and call off contracts which have been specially designed with the needs of Central Government in mind.

The main benefits of using the Finance and Highly Complex Transactions Legal Services Panel to procure legal services are:

- **Central strategy**: The Panel Agreement forms part of the Government's strategy to maximise procurement efficiency and value for money by centralising, standardising and aggregating spend for legal services.
- **Ease of route to market**: The Panel Agreement provides a simple and streamlined route for Customers to access a comprehensive range of external legal firms with the right skills and expertise to supplement in-house legal resource and provide support to Customers in a wide range of areas of work.
- **Competitive rates**: The Panel Agreement offers delivery of cashable savings through competitive rates which offer significant reductions against market rates.
- **Specialist scope**: The Panel Agreement covers 10 Mandatory Specialisms to support finance and highly complex legal work. These are not subdivided into lots, so one call-off contract with a Panel firm can be used to access all of the wide range of services if that is what is required.
- **Attractive commercial terms**: The Panel Agreement facilitates various attractive commercial terms including alternative pricing models.
- **Ease of call off**: The Panel Agreement provides for greater use of Direct Awards as well as a simpler route for shortlisting for Further Competitions through use of Supplier Prospectuses.
- **Additional benefits for Government:** Secondments and exchanges from Suppliers for Panel customers are also available, which will be allocated by GLD across the Customer base.
- **Shared responsibility for efficiency**: Suppliers are under a specific duty to Customers to take positive steps to minimise costs and maximise efficiency of delivery of legal services, to control scope of work.
- **Bespoke contracts**: The Legal Services Contracts have terms specially designed for Central Government;
- **Free additional services for Customers**: The Panel delivers a number of benefits from Suppliers for no additional cost including free knowledge transfer, and free access to training and Know-How.

- **CCS Panel management**: The Panel Agreements will be managed by CCS including annual auditing of quality, benchmarking, quarterly KPI's and monthly gathering of MI.

SCOPE

This Panel is for legal services relating to finance and highly complex transaction legal services. This includes legal services for finance, capital markets and regulatory work, and exceptionally complex, innovative and/or strategically important major project issues. Panel Suppliers offer market-leading legal expertise in these areas and a market-leading level of service in order to meet Panel Customer needs of delivering their most complex and challenging projects and matters. Examples of work likely to be covered are:

- Advising on state aid in the context of Government intervention in banks;
- Proposals to move the crucial national Government services and infrastructure into the private sector;
- Establishment of Government investment funds and banks; and
- Advise regional or national crises in industry and market sectors.

RANGE OF LEGAL ACTIVITIES

Mandatory Specialisms – Appendix 3

The Panel Suppliers all provide advice and services in respect of the 10 Mandatory Specialisms which are intended to cover all the core areas of legal specialism required by Central Government for this Panel. **These are listed at Appendix 3.** All Panel Suppliers have confirmed in the procurement process that they have breadth and depth of expertise in all the Mandatory Specialisms.

Optional Specialisms – Appendix 4

Some Suppliers also offer specialist niche Optional Specialisms, **listed in full at Appendix 4**. The Panel Suppliers will set out the Optional Specialisms they provide in their Prospectuses.

Jurisdictions

The Panel Agreement has been established for the provision of advisory services principally on matters of English and Welsh law. In addition, Suppliers can supply advice on Scots and Northern Irish law where required (if not directly provided, through subcontracted law

firms or other approved arrangements). International law is also in the scope of the Panel, giving Central Government a potential route to international work if it is needed without conducting a further procurement exercise.

It is mandatory that Suppliers be able to provide where needed, public and private international law advice on Mandatory Specialisms and Optional Specialisms (where it has the capability to do so), as well as multi-jurisdictional legal advice in relation to matters within the Panel's scope. Alternatively, Suppliers shall readily source and manage quality assured advice in these areas in respect of the Panel Services. Direct or sub-contracted provision of advice in these areas will be a matter for agreement between the Supplier and the Panel Customer at legal contract stage.

Suppliers can provide a full range of requirements from one-off (ad-hoc) pieces of advice on key issues, to supporting major projects and programmes of work. Suppliers may be required to work in association with Government lawyers. Project related work may require the Supplier's personnel to participate as members of project teams or project boards. These roles are supported by a number of specific obligations in the Panel terms and conditions.

There is no upper or lower limit on the value of contracts which can be awarded under the Panel, although the lower value requirements below £20k may be exempted from the policy on use of the Panel by Central Government - see below.

AUTHORISED CUSTOMERS AND USE OF THE PANEL

Central Government customers authorised to use the Panel – Appendix 2

The Panel has been procured for use by:

- All ministerial and non-ministerial UK Government departments, including their executive agencies and other subsidiary bodies;
- All other parts of Central Government holding Crown status employing Civil Servants;
- All non-Crown status Government companies wholly or partly owned by Central Government departments or their subsidiaries;
- The non-departmental public bodies, other public bodies, public corporations and their subsidiary bodies sponsored by Central Government departments which are not covered by the above categories but are listed in Appendix 2 – this includes any successor bodies or replacements.

Please note that the Panel is not generally enabled to cover use by the Wider Public Sector, or other bodies outside the categories of bodies listed above.

Use of the Panel by Central Government – Exception Process for "off Panel" use

In recognition of the importance that the Panel is used in order to maximise savings and efficiencies as well as ensuring a high quality of service for Central Government, an Exceptions Process must be followed by any Central Government department, or executive agency, that wishes to contract for legal services which are within the scope of this Panel, but does not wish to use the Panel. This exception process is run by GLD with the full support of the Attorney General and the Minister for the Cabinet Office ("the **Exception Process**").

If your Department wishes to go "off Panel" GLD must be informed with justifications for the reasons for doing so based on the following –

- You have a specialist requirement for Panel Services which cannot be met through this Panel (this could be lack of specialism or lack of bandwidth in that specialist service); and/or
- You can demonstrate you can achieve significantly better value for money from an alternative arrangement.

The Exception Process is administered by Government Legal Department (GLD) Commercial Law Group (CLG) on behalf of the Treasury Solicitors Office. A copy of this process can be obtained by emailing, GLASexceptionprocess@governmentlegal.gov.uk

The Exception Process is similar to the well-established one operated by the Attorney General for use of Non-Panel Counsel (barristers).

Please note that the Exception Process does not replace or affect in any way applicable Cabinet Office controls on consultancy spend, which continue to apply.

Instances where the Exception Process does not apply

There is no requirement to apply to the Exception Process if you propose to instruct a firm under the General Legal Advice Services or Rail Panels because you regard these Panels as more appropriate for your requirement. For completeness (although these exemptions are unlikely to apply to work potentially under this Panel) the Exception Process does not apply:

- To the requirements for enforcement and property legal services of the:
  - Driver and Vehicle Standards Agency;
  - Driver and Vehicle Licensing Agency; and/or
  - Vehicle Certification Agency; or
- To the requirements for planning legal services of Highways England.

Although these Agencies and Highways England are still in scope to use the Panel.

The Exception Process also does not apply to certain low value procurements which do not require authorisation to use non-Panel suppliers. This recognises the fact that it may be better value to use small or niche suppliers for small pieces of work. The general rules is that if the value of the rates the Panel Customer expects to be incurred in relation to its requirement, aggregated with similar requirements relating to the same policy, project or exercise, amounts to twenty thousand pounds (£20,000) or less then the work falls outside the exceptions policy.

We have included the aggregation rules to make it clear that generally, multiple tranches of work relating to the same policy etc. which together add up to more than £20k are within the exceptions policy (and authorisation is therefore needed to use non-Panel Suppliers), even if each tranche is £20k or less.

KEY FEATURES OF THE PANEL ARRANGEMENTS

The structure of the Panel

This is a single-tier panel consisting of nine (9) Suppliers.

A full list of the Panel Suppliers can be found in Appendix 1

Customers will award Legal Services Contracts in accordance with the Ordering Procedure set out. Contracts are to be awarded by way of Further Competition or by Direct Award. In accordance with the Panel Agreement, Attachment 7a, Section 3.2, Suppliers are obliged to accept orders and participate in Further Competitions unless they can demonstrate that one of more of the following applies (Panel Services 3.4.1):

- The Supplier has a conflict of interest in relation to a proposed Order and/or the relevant Panel Customer which cannot be mitigated to the Panel Customer's satisfaction;
- The Supplier does not have adequate resources available to properly service the Order;
- The Supplier does not have the necessary specialist expertise in the types of legal services, areas of legal practice and/or industry sector specialisms required for the provision of such mandatory Panel Services as may be requested by the Authority and/or Panel Customer(s);
- The Supplier cannot complete anti-money laundering checks satisfactorily;
- The Supplier believes there is a possibility of breaching sanctions; and/or
- The Supplier is required by the SRA Code of Conduct to refuse to act.

Free additional services for Customers

Customers should note that the following additional services must be supplied by Suppliers supplying Panel Services to Customers under a Legal Services Contract without further charge once the Supplier has provided services under an Order:

- **Know-How**: Suppliers are required to, regularly and periodically throughout the Panel Period, make available to Customers free of charge and on request Know-How (including, but not limited to, printed publications, e-briefings, webinars, and invitations to briefings, seminars, conferences and events) and any legal resource available to the Supplier.
- **Other:** The Supplier must make available, if required, three serviced meeting rooms including refreshments in Central London (Zones 1 and 2). The Supplier must also provide virtual and physical storage as well as "data rooms" as requested by Panel Customers. The Supplier must also have available and maintain internet, telephone and video conferencing facilities and their use must be at no additional cost to the Panel Customer.
- **Knowledge transfer**: Suppliers must facilitate a knowledge transfer at the end of each Call Off contract, including preparation and supply of physical/electronic document bibles.
- **All document production, photocopying and other similar services.**

- **Travel costs and time and lawyers' subsistence:** These are included in Panel Prices unless you choose to pay them payable under the terms of the call off contract – see the Order Form. If you choose to pay travel and subsistence, these will automatically be capped at Civil Service rates.

Free additional services for the wider benefit of Central Government

Suppliers are also obliged to provide the following services free of charge to the Authority as a minimum. GLD will allocate these services for benefit of the Customers on behalf of the Authority. If Customers are interested in accessing these services it is suggested that contact is first made with either CCS or GLD.

- **Training**: Suppliers must provide to the Authority a minimum of 1 day of free training in every Contract Year throughout the Panel Agreement Period. This training may be bespoke or from the Supplier's current portfolio of training and may be provided through various mediums.
- **Secondment services**: On request by GLD, and subject to the Supplier having accepted at least one Order under the Panel Agreement, Suppliers must make available a minimum of two suitable secondees per Contract Year as selected and agreed from time to time between the Supplier and the Panel Customer. Secondees must be seconded for a minimum of six weeks to support the delivery of the Ordered Panel Services.
- **Exchange scheme:** On request by GLD, and subject to the Supplier having accepted at least one Order under the Panel Agreement, the Supplier must make available suitably qualified and experienced Supplier personnel for a minimum of one exchange scheme per Contract Year across the Panel Customer base, in exchange for an equivalent number of Panel Customer personnel to work with the Supplier.

In addition to the above services some Panel Suppliers have agreed to provide additional services such as additional rooms, leadership development etc.

Other paid for services which may be requested by Customers

If required, the Suppliers must also provide additional training to Panel Customers at Panel rates.

Other Panel Agreement terms to support Central Government

Removal from Panel for unreasonable refusal to accept Central Government orders: in order to ensure that the places on the Panel Agreement are held by Suppliers who are committed to Central Government work, if a Supplier is unable to accept Orders persistently or to an unreasonable extent (taking into account the resources available to it), then this may lead to the Supplier being suspended from the Panel or termination of the Panel Agreement by the Authority.

Annual Supplier self-Audit: all Suppliers are required to undertake a thorough annual self-Audit based on sampling and signed by a head of internal Audit, finance director or external auditor to ensure that charges are made correctly, all appropriate discounts applied and MI correctly supplied, backed up by an obligation to allow the Authority to Audit and supply an Audit Report.

Benchmark Reviews: the Panel Supplier must carry out Benchmark Reviews of the Panel Services when requested by the CCS. However, CCS cannot request such a review during the first 24-month period of the Panel Agreement nor at intervals of less than 12 months after any previous Benchmark Review.

Audit: as part of its contract management function, CCS has the right to conduct independent auditing of Suppliers' processes, procedures and application of their hourly rates. Customers should contact CCS if they believe that any particular Supplier should be audited. The Panel Suppliers should also provide CCS with a completed and signed Self Audit Certificate in respect of each Contract Year with an accompanying Audit Report.

Open Book Data: Suppliers must supply full Open Book Data including the cost of providing their services, profit and expenditure, on request to the CCS. It should be noted that this can then be shared through 3rd party access with Customers.

HOW TO USE THE PANEL

Before using the Panel Agreement, Customers should satisfy themselves that it is appropriate to use external legal services for their requirements. The Attorney General has produced guidelines on the use of the private sector for Government legal work (please see "Attorney General's Guidelines on the Use of the Private Sector for Government Work" detailed below.

Customers should also consider whether Cabinet Office consultancy controls and any internal procedures for accessing external legal advice apply to their prospective procurement of legal services via the Panel.

Customers within Central Government should also consider whether requirements for services can be met by the Government Legal Department teams.

See Appendix 6 for the **Guidance Relating to the Attorney General's Guidelines on the use of the Private Sector for Government Legal Work.**

Registration

Any Customer who is within the scope of enabled organisations in Appendix 2 who wishes to use the Panel Agreement must register as a Customer with CCS. This can be done online at https://ccsforms.cabinetoffice.gov.uk/using-esourcing-suite-0 or by calling our Customer Service Desk, Tel: 0345 410 2222. There is no joining fee and no commitment to use the Panel even after registering. There is also no limit on the value or number of orders that can be placed through the Panel. Each individual wishing to use the panel and the e-sourcing tool must register separately.

1.6 Selecting Suppliers (SEE APPENDIX 7 – ORDERING PROCEDURE)

Customers should first identify their requirements and the legal specialism required so that it can identify whether it is a Mandatory Specialism or an Optional Specialism. If it is a Mandatory Specialism, all Suppliers are capable of providing the services required. Please note that the Mandatory and Optional Specialism descriptions are not definitive and each Specialism description is descriptive only, the ambit of the services covering all work within the main Specialism heading.

All Panel Suppliers are required to prepare and host a Prospectus containing the scope, depth and breadth of services they offer including any Optional Specialisms (for exact Prospectus template / Supplier Prospectus guidance please refer to CCS).

The Prospectus will be hosted by the Suppliers and will be updated at least once every 6 months.

Please note that we do not condone the use of external rankings such as Legal 500 or Chambers in the selection of Suppliers from the Panel.

1.7 Defining scope and requirements

The key stage in a successful call off exercise from the Panel is the careful and thorough definition of the requirements for legal services to be outsourced, especially in the case of large and complex instructions where there is a risk of work extending beyond the initial brief. These should include:

- Defining any areas where advice will be provided by the in-house team and is not within the scope of the Supplier's instructions such as advisory or legislative advice.
- Specifying the structure of external legal team you require to support you.
- Considering whether you require project management of the legal services being delivered, if these are complex and span a number of different areas of advice.
- Details of how you propose to manage the Supplier and keep up to date with work undertaken, risks, issues, costs etc.
- Considering the specialisms, grades and roles of Supplier Key Personnel you will require.
- Considering whether you require the Supplier to engage with project or programme management in the department, with input into specific processes such as gateway processes, risk registers etc.

2. Ordering Procedure

1. Consider your requirements
2. Establish how you want to award

Once the requirements have been established and the capability of Suppliers to supply those requirements has been assessed, there are different ordering procedures available under the Panel Agreement. Customers have discretion as to how they procure from the Panel Agreement provided that for both direct ordering and further competition procedures, Customers ensure that orders are placed in accordance with the ordering procedures laid down in the Panel Agreement (Appendix 7), which are summarised below.

Your choice of ordering procedure should be influenced both by your requirement and the number of Suppliers that may be able to meet it, for example if only one Supplier can meet your requirement then a Direct Award is more appropriate. It is for Customers to satisfy themselves as to compliance with the relevant legal requirements. You may need to obtain your own in-house legal advice on which approach is most appropriate in your circumstances.

All Suppliers awarded a place on the Panel have already been evaluated on the basis of offering best value for money, based on two key elements:

- **Non-financial criteria** – the Supplier's capability, consisting of expertise and management capability; and
- **Financial criteria** - an assessment of the fee rates charged by the Supplier.

Therefore, Customers' evaluation criteria should concentrate on the Supplier's capability and cost in relation to their specific requirements.

2.1 Direct Award procedure

Customers may select and place an Order with a single Supplier without a further competition, on the basis of the information set out in the Supplier Prospectuses. Such award will be at Suppliers' Panel Prices. The Customer may choose a Supplier with whom to place an order by reviewing the Suppliers' Prospectuses to determine which Supplier is best able to meet the Customer's identified requirements. Full rules on this are set out in Schedule 5 of the Panel Agreement (Appendix 7).

Please note that although you may negotiate any combination of fixed, capped fees and hourly/daily rates on direct awards, you may not negotiate discounts to the actual hourly/daily rates as this would require a competition. All Direct Awards will be at published hourly/daily rates. The Panel Supplier rates represent the maximum rates that may be charged and therefore Direct Award will not always be cost effective. Wherever possible, Customers are urged to utilise the most cost effective rate, in particular the daily rates.

Customers must always satisfy themselves that value for money is being achieved through this approach and that a single tender is acceptable under their own internal and any relevant Government processes.

2.2 Further Competition procedure

A Further Competition may be held with a minimum 3 Suppliers invited to tender for the Customer's requirements. Where there are not 3 Suppliers identified as capable to undertake the work using the Prospectuses, the Further Competition will be between those Suppliers who have been identified. The Customer may opt to run the Further Competition itself or request CCS to assist it.

The Further Competition process may be more appropriate for more complex, larger and/or higher value requirements where you wish to test different approaches or capabilities. It is also an opportunity to have a further competition on price and value for money that can be obtained from Suppliers. A Further Competition process under the Panel will still be far less resource intensive and much more rapidly executed than a full open procurement exercise.

Any Customer intending to award a Legal Services Contract under the Panel Agreement through a Further Competition procedure is required to:

- Develop a statement of requirements setting out its requirements for the Panel Services;
- Set its evaluation criteria, including the basis of any Further Competition on price;
- Consider whether any specific conditions to the standard call off contract terms and conditions are required;
- Identify the Panel Suppliers capable of supplying the required Panel Services using the Panel Suppliers' Prospectuses;
- Invite tenders by conducting a Further Competition procedure for its requirements;
- Invite the Panel Suppliers identified to submit a tender in writing for each proposed Legal Services Contract to be awarded by giving written notice to the relevant Supplier Representative of each Supplier;
- Set a time limit for the receipt by themselves of the tenders which takes into account factors such as the proposed Legal Services Contract and the time needed to submit tenders;
- Keep each tender confidential until the time limit set out for the return of tenders expires;
- Apply the Further Competition Award Criteria to the Panel Suppliers' compliant tenders submitted through the Further Competition procedure as the basis of its decision to award a Legal Services Contract;
- Award its Legal Services Contract to the successful Supplier; and
- Provide the unsuccessful Panel Suppliers with written feedback within thirty (30) days of the date of award in relation to the reasons why their tenders were unsuccessful.

The basic criteria which a Customer may apply on a Further Competition are set out in the Panel Agreement, Schedule 6 Part B, but these may be supplemented by additional appropriate criteria. Price is one area which may be competed under a Further Competition and Customers should note that under the terms of the Panel Agreement Suppliers may not bid higher rates than the Panel Prices.

For a complex requirement Customers may wish to communicate with all Suppliers before you send the invitation to tender for a Further Competition so that:

- They understand the requirement;
- You have confirmation that what you are asking for is feasible;
- You know that they are interested and able to bid (i.e. that they have available resource with appropriate experience and skills and there are no conflicts of interest issues);
- You understand whether Suppliers can meet any particular requirements;
- There is some awareness of price expectation on both sides; and

- There is an understanding of the time-scales (i.e. how long does the Supplier need to provide a reasonable proposal and length of assignment).

Customers should ensure that Orders are placed in accordance with the principle of achieving best value for money. This is necessary to ensure compliance with EU procurement rules as well as Governmental best practice. You may wish to consider e-Auction for commercial elements.

Customers must treat all potential Suppliers fairly and equally without discrimination and allow a reasonable amount of time for proposals to be submitted. Proposals must remain confidential until the time limit has expired and where requested, you should give feedback to Suppliers in support of your decision.

2.3 Shortlisting Suppliers for Further Competition procedures

Customers may:

- Invite all Suppliers to tender for the required Panel Services; or
- Identify and invite at least three (3) Suppliers capable of supplying the required Panel Services using the Suppliers' Prospectuses. If any Panel Customer is not able to identify at least three (3) such Suppliers, it shall invite those remaining Suppliers, who are able to supply the required services, to tender for the required Panel Services.

2.4 E-Auctions

The Panel Agreement also provides for E-Auctions and contains rules for these. CCS has an E-Auctions team that will be able to provide additional assistance in this respect.

2.5 Establishing a rota of Suppliers

Customers may wish to consider awarding call off contracts for more than one Supplier to meet recurring needs for specific legal services, with work then allocated between Suppliers on a rota or other fair and transparent basis.

Rotas should be set up in a way which is demonstrably transparent and fair and ensures equal treatment of capable Suppliers with the relevant legal specialism. Customers may appoint them following a Further Competition, or through a Direct Award on the basis of information set out in their Prospectuses. However, Customers may not use the ranking that the Suppliers were awarded within their relevant tier under the Panel Agreement as a basis for appointment.

If a rota is adopted, Customers should re-evaluate the suitability of Suppliers at sensible intervals. Equally, on the expiry of a rota the requirement should be re-competed.

2.6 Use of Alternative Fee Arrangements on a call off exercise

The use of AFA (Alternative Fee Arrangements) is encouraged in all applicable circumstances. The Panel sets maximum rates for all Suppliers on the basis of hourly, daily and monthly charges. In addition, Customers may also award contracts on a Direct Award or Further Competition based on Alternative Fee Arrangements including capped prices, fixed fees or a combination of these. However, Customers may not seek reductions from the Panel rates on a Direct Award.

2.7 Responsibility for awards

Each Customer is independently responsible for the conduct of its award of call off contracts under Legal Services Contracts under this Panel Agreement. CCS is not responsible or accountable for and will have no liability whatsoever in relation to:

- The conduct of Customers in relation to the Panel Agreement; or
- The performance or non-performance of any Legal Services Contract between a Supplier and a Customer entered into pursuant to the Panel Agreement.

3. PLACING AN ORDER UNDER A CALL OFF CONTRACT

Once a call off process has been completed a Customer will award a Legal Services Contract to the Supplier by sending (including electronically) a signed and completed Order Form in the format set out in Panel Schedule 4: Template Order Form and Template Terms and Conditions. The Template Order Form includes a set of notes which guide Customers through the key provisions which should be included.

On receipt of the countersigned Order Form from the Supplier, the Customer shall send (including by electronic means) a written notice of receipt to the Supplier within two (2) working days and the Legal Services Contract shall be formed with effect from the commencement date stated in the Order Form.

3. **THE TERMS AND CONDITIONS OF STANDARD CALL OFF CONTRACT**

The standard call off contract is at Schedule 4 to the Panel Agreement and comprises the Order Form and call off terms contained in Schedule 4 (Template Order Form and Call Off Terms and Conditions), which forms part of the Panel Agreement between CCS and each Supplier. It will constitute the entire understanding between you, as the Customer, and the Supplier relating to the services ordered. A summary of the key terms is set out below.

4.1 Amending the standard call off terms and conditions

Customers should consider whether they require any special terms or amendments to these terms and make these in advance of commencing their call off process, ensuring they are communicated to all Suppliers involved in the call off process before bids are invited.

For example, a Customer may decide to allow a Supplier to claim travel costs or travel time (which are normally not claimable over and above Panel rates).

Amendments must not include any such variations or supplementary terms that represent a substantial amendment or material variation to the call off contract terms.

Customers should also be aware that changes to the standard call off contract terms could lead to increased costs and lengthen the timescale for the procurement, as Suppliers need to assess the implications of the changes and undertake risk analysis. You should therefore only use variations and/or supplementary terms that are specific to the matter when they are really needed. They should be set out in an appendix to the Order Form and where they supersede an existing term this must be stated explicitly.

Customers should also note that the Panel Agreement allows variations and or supplementary terms to be added as part of call off contract.

Variations and supplementary terms can be proposed only by the Customer – they cannot be proposed by the Supplier. Suppliers are not obliged to accept variations and or supplementary terms and acceptance of any proposed term should be detailed in their proposal.

5. CHARGING ARRANGEMENTS

5.1 Fee rates

The Panel Agreement contains the Panel Prices, for Paralegal & Trainee, Junior Solicitor, Solicitor/Associate, Senior Solicitor/Senior Associate/Legal Director, and Partner for each Panel Supplier. The same rates apply to all the different Mandatory and Optional Specialisms, giving simplicity of charging and invoicing. The rates are available from the CCS following registration. Please note that these rates are commercially confidential and should not be distributed. In particular, they should not be circulated among Suppliers so they can see each other's rates.

The Panel Agreement includes Suppliers' prices for both hourly and daily rates and Customers should consider carefully which represents best value for money for their requirement. Customers should note that often, the rates for longer periods of time are better value for money, but clearly this requires a greater commitment to work for the Customer.

These prices apply to any Direct Award and represent the starting point for any Further Competition on price. Any prices submitted in relation to a Further Competition Procedure held in accordance with the Ordering Procedure shall be equal to or lower than the Panel Prices.

Hourly rates are based on a standard hour of 60 mins. Daily rates are based on 8 hours. Wherever possible and applicable daily rates should be utilised.

5.2 Discounts

All Suppliers have offered during the bidding process discounts for volumes of work/spend secured under the Panel Agreement. Under the terms of the Panel Agreement these discounts are built into the hourly Panel rates up front to produce a net hourly rate which is the rates in the respective tables.

5.3 Expenses (excluding travel costs, time and subsistence)

The Panel Prices include all costs and expenses relating to the Panel Services provided and no further amounts shall be payable. In respect of a Legal Services Contract, the Panel Supplier will be entitled to be paid the following: Reimbursable Expenses (as set out in Schedule 3 Pricing), Disbursements, any additional training costs and Secondment Charges provided that such costs are supported by Supporting Documentation and that the Customer has stipulated in the Order Form that such costs are payable.

5.4 Travel costs, time and subsistence

Under the Panel Agreement, services must be supplied anywhere in England and Wales and costs for travel expenses and travel time may not be claimed by the Supplier in addition to Panel rates unless otherwise agreed in the call off contract. This enables Customers to agree to pay travel costs if they wish to. Secretarial supports and photocopying are also included in Panel rates. Other Disbursements may only be incurred and claimed with the authorisation of the Customer.

The Supplier may instruct barristers from the Attorney General's Panels of counsel only once written approval (including in relation to the specific barrister's nomination) has been provided by the relevant Customer.

In the event written approval is granted by the Customer, the Attorney General Panel counsel's fees will apply to the instructed Panel Counsel members.

5.5 Supplier obligation to review work for efficiency and cost reduction

Suppliers are under an ongoing obligation to review regularly their instructions, the lawyers undertaking it, and to ensure that they are acting efficiently and providing value for money, including re-use of other Central Government work where possible.

5.6 Key Personnel

If a Supplier seeks to remove Key Personnel specified in the Order Form they may only be removed or replaced with the Customer's consent (which must not be unreasonably withheld) and 3 months' notice must usually be given.

5.7 Other terms of contract

Set out below is a summary of the key terms relevant to the delivery of all services in accordance with the dates to be set out in the Order Form.

- Unless otherwise agreed in the Order Form the Customer must pay the Supplier all the charges following successful completion of the contracted work set out in the order within 30 days of receipt of a valid invoice.
- The Supplier must disclose to the Customer any actual or potential conflicts of interest arising from the Supplier's provision of the services immediately on becoming aware of the relevant conflict or potential conflict.
- The Supplier must not appoint Key Sub-Contractors without approval. However, if a supplier proposes to use a normal Sub-Contractor, notification must be provided and an objection can be raised.
- Suppliers must not issue any publicity statements concerning specific assignments and Legal Services Contracts without gaining the prior written approval of the Customer.

The Customer may, at any time, by notice in writing, terminate the contract, or a part of it, as from the date of service of such notice of termination. Details relating to contracts terminated without default on the part of the Supplier, can be found at 11.5.2 Panel Agreement Schedule 4 Order Form.

5.8 Financial arrangement between CCS and Suppliers

In consideration of CCS establishing, managing and administering the Panel Agreement, Suppliers are required to pay CCS a management charge of 1.5% of any charges for their services in respect of which they invoice Customers (net of VAT).

Chapter 9 of the SRA Code of Conduct (the "**Code**") applies whenever a firm of solicitors has an arrangement with a third party who introduce business to the firm and/or with whom the firm shares its fees. These provisions are aimed at protecting the trust on which the solicitor/Customer relationship is built from anything which might jeopardise that trust, for example, by compromising the firm's independence or its professional judgement. The provisions are directed primarily at catching referral fees (which can compromise a solicitor's independence) but may also catch arrangements of the type CCS has with the Suppliers on the Panel.

Under Chapter 9 of the Code, the Suppliers are required to ensure that Customers are informed of any financial or other interest which CCS has in any referral of Customers to Suppliers and that Customers are informed of any fee sharing arrangement that is relevant to their matter. In order to help the Suppliers comply with that obligation, CCS is therefore giving you the following information:

- As outlined in paragraph 5.8.1, CCS has a financial arrangement with each of the Suppliers; and
- The amount each Supplier is required to pay CCS under the Panel is a sum equal to 1.5% of any charges for their services in respect of which they invoice you (net of VAT).

6 MANAGEMENT INFORMATION

6.1 Performance management

In order for CCS to carry out its contract management functions, certain Management Information will be required from both Suppliers and Customers. CCS will monitor Customer satisfaction with the Suppliers' performance across the range of legal services covered by the Panel Agreement. It will also assess the Suppliers' ongoing ability to meet Customer requirements. CCS will provide regular updates to Customers and Suppliers which may include news items, details of any overarching Panel Agreement contractual changes and Management Information.

6.2 Information required from suppliers

Suppliers are required to maintain systems and processes to provide timely and accurate Management Information (MI). Suppliers are required to complete and submit the MI template by the 7th of every month. Information requested is detailed below;

Management reports, including the following details:

- Number of orders placed in the preceding reporting period;
- Description of the matter and the services to be delivered;
- A record of the charges invoiced in the preceding reporting period on a Customer by Customer basis;
- Record of the overall charges invoiced to all Customers including expenses and Disbursements;
- Record of the practitioner grade invoiced;
- Record of the hours per grade; and
- Confirmation of the method of procurement.

The Authority may also request:

- Details of the number and nature of any complaints from any Customer;
- A forecast of the charges expected to be paid by all Customers for the forthcoming reporting period; and
- Record of any failure to provide services in accordance with the relevant call off contract.

Suppliers should notify the Authority if any key individuals leave or are likely to leave its employment or if a key individual will be unavailable for a period exceeding one month, and

Attendance at Authority service review meetings, GLD SRM quarterly reviews, which are all non-chargeable by the Panel Suppliers, with CCS on an agreed basis.

Panel Customers are also required to provide CCS with the following:

- Details of any major, material and or high-profile procurements planned to be sourced via the Panel Agreement or as separate procurement exercises;
- A record of any significant failures by any Suppliers to provide services in accordance with a call off contract;
- A completed annual survey form;
- Confirmation that the management information provided on your use of the Panel is accurate and complete; and
- Changes to Customer contact details so that records can be updated promptly ensuring that all information goes to the correct person within the Customer's organisation.

General, non-sensitive information with respect to spend and savings will be made available to Panel Customers. Panel Customers can also request sight of their own specific information in relation to spend.

7 CONTACT INFORMATION

For further information contact the CCS Customer Service Desk: Tel: 0845 410 2222

The Framework Manager is Lucy Williams

Email info@crowncommercial.gov.uk

Website: http://ccs.agreements.cabinetoffice.gov.uk

E-mail: legal.services@CCS.gsi.gov.uk

Appendix 1 RM3786 Finance and Highly Complex Legal Services Panel Suppliers

Ashurst
Berwin Leighton Paisner LLP
Clifford Chance LLP
Dentons UKMEA LLP
Freshfields Bruckhaus Deringer LLP
Hogan Lovells International LLP
Linklaters LLP
Simmons & Simmons LLP
Slaughter & May

Appendix 2 (Authorised Panel Customer List)

1. The following organisations are authorised and enabled to use the Panel:

- All ministerial and non-Ministerial UK Government departments, including their executive agencies and other subsidiary bodies;
- Other parts of Central Government holding Crown status employing Civil Servants:
- All non-Crown status Government companies wholly or partly owned by Central Government departments and their subsidiaries;
- The non-departmental public bodies, other public bodies, public corporations and their subsidiary bodies sponsored by Central Government departments which are not covered by the above categories but are named at paragraph 2 of this Appendix 1;
- Any successor bodies to any of the above; and
- All new bodies created which fall within the criteria set out above.

2. The non-departmental public bodies, other public bodies, public corporations and their subsidiary bodies sponsored by Central Government departments are listed below:

Advisory Conciliation and Arbitration Service (ACAS)
Arts and Humanities Research Council
Bank of England
Biotechnology and Biological Sciences Research Council
BIS (Postal Services Act 2011) Company Limited
BPDTS Limited
British Business Bank PLC (and Capital for Enterprise Limited. now part of BBB)
British Tourist Authority
British Transport Police Authority
Building Regulations Advisory Committee
Care Quality Commission (CQC)
Centers for Disease Control and Prevention limited
Chequers Trust
Chevening Estate/Trust
Children and Family Court Advisory Service
Civil Aviation Authority
Civil Nuclear Police Authority
Civil Service Arbitration Tribunal
Civil Service Commission
Coal Authority
College of Policing

Commission for Local Administration
Committee on Climate Change
Commonwealth Scholarship Commission
Competition and Markets Authority
Construction Industry Training Board
Criminal Cases Review Commission
Crown Commercial Services
CTRL Section 1 Finance plc
Defence Equipment and Support
Diamond Light Source
Directly Operated Railways Limited
Disabled People's Employment Corporation (GB) Limited
Disclosure and Barring Service
Dorneywood Trust
Economic and Social Research Council
Engineering and Physical Sciences Research Council
English Tourist Board
Environment Agency
Equalities and Human Rights Commission
Financial Reporting Council
Fire Services College
Gangmasters Licensing Authority
Government Communications Headquarters
Groundwork Trusts (en bloc)
Groundwork UK
Health Education England HEE)
Her Majesty's Inspectorate of Constabulary
Her Majesty's Passport Office
High Speed Two (HS2) Ltd
Higher Education Funding Council for England (HEFCE)
Highways England Company Limited
HM Crown Prosecution Service Inspectorate
HM Treasury Sovereign Sukuk plc
Homes and Communities Agency
Independent Chief Inspector
Independent Commission For Aid Impact (ICAI)
Independent Housing Ombudsman Limited
Independent Police Complaints Commission
Industrial Injuries Advisory Council

Information Commissioner's Office
Intelligence Services Commissioners Office
Judicial Appointments and Conduct Ombudsman
Judicial Appointments Commission
Judicial Office
Law Officers
Lease Conferences Limited
Legal Services Board
Legal Services Ombudsman
Local Ed Property Limited
Local Government Boundary Commission for England
London and Continental Railways Limited
Low Carbon Contracts Company Electricity Settlements Company
Low Pay Commission
Marine Management Organisation
Medical Research Council (MRC)
Migration Advisory Committee
Monitor
National Employment Savings Trust (NEST)
National Health Service Trust Development Authority
National Savings & Investments
Natural England
Natural Environment Research Council (NERC)
Network Rail Limited
NHS Blood and Transplant
NHS Business Services Authority
NHS Digital (HSCIC)
NHS England,
Nuclear Decommissioning Agency
Nuclear Decommissioning Authority Archives Limited
Office for Fair Access
Office for Nuclear Regulation
Office for the Commissioner of Public Appointments
Office of the Immigration Services Commissioner
Official Solicitor and Public Trustee
Parole Board
Pension Protection Fund
Pensions Advisory Service

Pensions Ombudsman
Pensions Regulator
Planning Inspectorate
Rail Accident Investigation Branch
Research Council UK Shared Services Centre Limited
Research Councils (En Bloc)
Revenue and Customs Digital Technology Services
Science and Technology Facilities Council Innovations Limited
Security and Intelligence Services
Security Industry Authority
Shared Services Connected Limited
Social Security Advisory Committee
Student Loans Company
The Chief Inspector of the UK Border Agency
The Children and Family Court Advisory and Support Service
The Committee for the Protection of Animals Used for Scientific Purposes
The Crime Concern, Marks and Spencer, Groundwork Partnership (t/a Youth Works)
The Leasehold Advisory Service
The National Archive
UK Asset Resolution Limited
UK Atomic Energy Authority
UK Commission for Employment and Skills
UKAR Corporate Services Limited
UK Export Finance
UK Government Investments Limited
UK Financial Investments Limited (UKFI)
UK Government Investments Financing plc
Urban Development Corporations
Valuation Office Agency
Youth Justice Board for England and Wales

Appendix 3 - Mandatory Specialisms

1.1 The Panel firms are required to have expertise in all aspects of the following Mandatory Specialisms of law required by Central Government, together with legal advice on any other legal specialism not referred to below but which is required to support the delivery of advice in these specialisms, to be able to deliver a full legal service. These include all contentious and non-contentious elements of the work (including cross-border matters), multi-jurisdictional advice (directly or the ability readily to source and manage quality assured advice from significant legal jurisdictions), international law, and any related tax advice:

Mandatory Specialism No.	Service	Scope
1	Corporate Finance	All aspects of corporate Finance including but not limited to: a) Corporate finance transactions and other financial transactions by way of loans; b) other credit transactions, guarantees, derivative products, contracts for differences or other means
2	Rescue, Restructuring & Insolvency	All aspects of rescue, restructuring and insolvency of financial institutions and other strategically important businesses (including liquidity and resolution processes)
3	Financial services, market and competition regulation	All aspects of financial services, market and competition regulation, including but not limited to the Financial Services and Markets Act, rules of the UK Listing Authority, takeovers, mergers and state aid.

4	Investment and Commercial Banking	All aspects of investment and commercial banking
5	Insurance and Reinsurance	All aspects of insurance and reinsurance (reinsurance can be provided either direct through the panel firms or through partners). Bidders would need to demonstrate this provision was in place.
6	Investment and Asset Management	All aspects of investment and asset management law including analysis, intervention and divestment strategies
7	Equity Capital Markets	All aspects of equity capital markets law including privatisation by way of sales, initial public offerings (IPOs) and equity derivative products.
8	Debt Capital Markets	All debt capital markets law including but not limited to list bond issues, commercial paper programmes, listed debt rescheduling, monoline credit wraps and credit derivative products
9	Asset Finance	All aspects of asset finance, structured finance (including securitisation) and project finance
10	High Value or complex transactions and disputes	All high value or complex transactions and disputes in highly regulated environments. This includes financial services of all kinds, energy (including generation, distribution and market interventions), water, transport (including aviation, road and maritime), pharmaceuticals, telecommunications, broadcasting and digital services.

11	High value or complex merger and acquisition activity	All high value or complex merger and acquisition activity including but not limited to restructuring/divestment of public interests (including establishment, restructuring and privatisation of government owned companies and assets and joint ventures)
12	Projects of exceptional innovation and complexity	A full legal service on Central Government projects and other matters which are characterised by exceptional innovation and complexity, which have potential impacts on national financial stability or other issues of national importance, or which involve the management of major risks to exchequer/taxpayer interests and the need for extreme urgency and confidentiality.

Appendix 4 - Optional Specialisms

The Finance and Highly Complex Transactions Panel Suppliers may also be asked to provide all aspects of external legal advice required in relation to the following legal specialisms, together with together with legal advice on any other legal specialism not referred to below but which is required to support the delivery of advice in these specialisms, to provide a full legal service. These include all contentious and non-contentious elements of the work, and any related tax advice:

Optional Specialism No.	Scope
1	Sovereign debt restructuring including international and EU structures and processes
2	International development/aid funding
3	International Financial organisations
4	All aspects of law and practice relating to international trade agreements, investments and associated regulations, and to the United Kingdom's exit from the European Union, in so far as they relate to the above projects
5	Credit / bond insurance, counter indemnities, alternative risk transfer mechanisms

Appendix 5 (Panel Suppliers Optional Specialisms Matrix)

RM3787	Ashurst	Berwin Leighton Paisner LLP	Clifford Chance LLP	Dentons UKMEA LLP	Freshfields Bruckhaus Deringer LLP	Hogan Lovells International LLP	Linklaters LLP	Simmons & Simmons LLP	Slaughter & May
Sovereign debt restructuring including international and EU structures and processes.	X		X		X	X	X	X	X
International development/aid funding.	X		X			X	X	X	X
International financial organisations.	X		X		X	X	X	X	X
All aspects of law and practice relating to international trade agreements investments and assosciated regulations, and to the United Kingdom's exit from the European Union, in so far as they relate to the above projects.	X	X	X	X	X	X	X	X	X
Credit/bond insurance, counter indemnities, alternative risk transfer mechanisms.	X	X	X	X	X	X	X	X	X

APPENDIX 6 - THE ATTORNEY GENERAL'S GUIDELINES ON THE USE OF THE PRIVATE SECTOR FOR GOVERNMENT LEGAL WORK.

- These guidelines:
  - Set out the issues to be addressed when considering whether to use the Government Legal Service (GLS) or the private sector for particular types of legal work (paragraph 2);
  - Identify core-Government work for the purposes of considering those issues (paragraph 3); and
  - Set out the procedures which should be followed in undertaking such a consideration (paragraph 4).
- These guidelines are addressed to all Government departments, including the Health and Safety Executives and their agencies, but not to regulatory bodies or to the Competition Commission.
- Their guidelines do not apply to the use of counsel and agent solicitors in day-to-day business, or to restrict the discretion of Legal Advisers to seek a second opinion.

1.3 THE ISSUES TO BE CONSIDERED:

- Broadly, departments and agencies should be ready to contract out legal work where:
  - The necessary expertise does not exist in the GLS and there is no long-term value in growing it;
  - The GLS does not have the resources to do the work without undue delay; or
  - It is more cost-effective for the work to be done in the private sector.
- In considering whether to contract out legal work, the following factors and risks must be borne in mind:
  - Long-term value for money: departments and agencies should satisfy themselves that they would receive a service which is cost-effective overall and of the right professional quality. The need to brief the external Supplier, to keep the Supplier in touch and to set up monitoring arrangements can add to cost.
  - The particular experience and expertise required for the job: there are certain fields of law (e.g. public law and many areas of EU and ECHR law) where experience suggests that legal advice provided in-house, which can exploit inter-departmental legal networks, is unlikely to be matched outside. Equally, there are other areas such as the commercial aspects of a PFI contract, where the relevant expertise lies in the private sector.
  - The risk that the nature of out-sourced work will tie the department or agency to one Supplier: an external monopoly may lead to excessive cost in the medium and longer terms.
  - Possible conflict of interest between a department or agency and another client of the Supplier: although any technical conflict can frequently be avoided, there may also be issues of public perception.

- Whether in the opinion of the relevant Legal Adviser the work constitutes Core Government Work (see "Core Government Work" below), in which case contracting out may not be in the Government's interests and the Legal Adviser must refer the proposal to the Attorney General.
- The impact of the proposal on the ability of the GLS to continue to provide an in-house service: if a proposed out-sourcing might, in the opinion of the Legal Adviser, have a significant impact on the overall service provided by the GLS, perhaps by reducing its critical mass, the Legal Adviser must refer the proposal to the Attorney General.

1.4 CORE GOVERNMENT WORK

- In this area the Government's interests are likely to be best served by a continuing relationship of close confidence between Ministers and departmental Legal Advisers who, as specialists in public law, understand both the cross-Government implications of policy options and the public interest factors in play. Legal Advisers need to be involved in the development of policy in order to advise constructively and in order to minimise the risk of adverse judicial review of administrative action.
- Core Government Work cannot be precisely defined. It will include, but is not restricted to, the following categories:
  - Work with national security or other particularly sensitive implications
  - Work relating to major policy or constitutional issues
  - Government to Government and other international non-commercial work
  - Work affecting the long-term interests of more than one department, e.g. claims of public interest immunity
  - Work where Cabinet Office co-ordination is necessary.

1.5 PROCEDURES

- In considering the source of provision of any legal service, therefore, the Legal Adviser to the relevant department or agency must be consulted at an early stage and their views sought on the application of these guidelines to the service under consideration.
- In all cases where it is decided to out-source work the Legal Adviser should be informed. It is desirable that he/she is given the opportunity to agree the specification and to approve the tendering arrangements. He/she should be invited to participate in the selection of the firm.
- Once a firm is selected, the Legal Adviser should be satisfied that monitoring arrangements are put in place by the department, and that the risk of inconsistent advice being given to the department has been minimised, establishing good working relationships between GLS lawyers and the firms concerned.
- Private sector firms, when instructing Counsel in litigation, must select Counsel from the Attorney General's Panels. When going off list they do not need to seek a nomination but should seek the views of the Legal Adviser.

APPENDIX 7 – ORDERING PROCEDURE (PANEL AGREEMENT, SCHEDULE 5-7)

PANEL AGREEMENT SCHEDULE 5: ORDERING PROCEDURE

1. DEFINITIONS

1.1 In this Panel Agreement Schedule 5, the following expressions shall have the following meanings:

"Prospectus"	means the written description of the Supplier's capabilities and Supplier Personnel and in the form set out in Annex 1 of Panel Agreement Schedule 11 hereunder required pursuant to paragraph 2 of Panel Agreement Schedule 5 (Ordering Procedure), as the same may be amended or updated from time to time in accordance with this Panel Agreement
"Direct Award"	means the award of a Legal Services Contract by the award procedure set out at paragraph 2 (Direct Award Procedure) of Panel Agreement Schedule 5 (Ordering Procedure), as the same may be amended or updated from time to time in accordance with this Panel Agreement

2. OVERVIEW

2.1 If a Panel Customer wishes to source Panel Services through this Panel Agreement then it will do so in accordance with either of the procedures set out at paragraphs 3 and 4 in this Panel Agreement Schedule 5 (Ordering Procedure) and the Guidance. For the purposes of this Panel Agreement Schedule 5, "**Guidance**" shall mean any guidance issued or updated by the Authority from time to time in relation to the use of the Panel Agreement.

2.2 The Supplier shall be fully responsible for all its costs of responding to invitations by Panel Customers to participate in both Direct Award and Further Competition Procedures. The Supplier acknowledges and agrees that in no event shall the Authority or any Panel Customer have any liability for such costs, in whole or in part, at any time and even where the Panel Customers decide not to appoint any Suppliers for any reason including but not limited to the circumstances set out in paragraph 6 below.

3. DIRECT AWARD PROCEDURE

3.1 The Supplier shall develop and maintain throughout the Panel Period a Prospectus in the form set out in Panel Agreement Schedule 11 (Marketing) and shall publish its Prospectus (which shall include all prescribed content as required pursuant to this Panel Agreement) in accordance with the requirements of Panel Agreement Schedule 11 (Marketing), as the same may be amended or updated from time to time. The Supplier's Prospectus shall:

3.1.1 describe the scope, depth and breadth of the Panel Services (including the Optional Panel Services, if any), which the Supplier offers hereunder;

3.1.2 identify the Supplier Personnel (at all grades) relevant to each Mandatory Specialism (and each Optional Specialism, if any), who will act as the Supplier's key contacts in respect thereof, and provide an overview of the relevant experience and background of such Supplier Personnel;

3.1.3 provide a summary of the Supplier's experience and expertise in each of the Mandatory Specialisms and Optional Specialisms gained over the three (3) preceding calendar years on a rolling basis throughout the Panel Period;

3.1.4 include any other information Panel Customers reasonably need to assist them in making award decisions, provided that all such other information shall first be submitted to the Authority for approval for inclusion in the Supplier's Prospectus, which the Authority shall have the sole and absolute right to grant or deny; and

3.1.5 be kept reasonably up to date, and shall be updated by the Supplier at regular intervals at least once every six (6) calendar months, or more frequently if the details and/or content of the Supplier's Prospectus have changed significantly.

3.2 A Panel Customer which intends to place an Order using the Direct Award process shall follow the procedure set out in this paragraph 3 (Direct Award Procedure).

3.3 Before a Panel Customer decides to place an Order under this paragraph 3 (Direct Award Procedure), it must:

3.3.1 satisfy itself that it is appropriate, having regard to the circumstances, for it to make a Direct Award;

3.3.2 identify its requirements for Panel Services, which may be either in the nature of a general requirement for legal support in any of the Panel Services, or a Statement of Requirements identifying and specifying the Panel Services required;

3.3.3 identify which Panel Services are relevant to its requirements;

3.3.4 identify the Panel suppliers capable and authorised to provide the relevant Panel Services using the information provided in the Panel suppliers' Prospectuses ;

3.3.5 further review the Prospectuses of the Panel suppliers which it has identified as capable and authorised to provide the relevant Panel Services pursuant to paragraph 3.3.4 (above) and determine which such Panel supplier is best able to meet the Panel Customer's requirements identified pursuant to paragraph 3.3.2 (above).

3.4 Once a Panel Customer has identified the Panel supplier best able to meet its requirements in accordance with paragraph 3.3 (above), it may award an Order:

3.4.1 based on the Panel Prices tendered by the Supplier; or

3.4.2 subject to paragraph 3.5 (below), based on an alternative fee arrangement, including (but not limited to):

(a) a capped price based on Panel Prices quoted by and agreed with the relevant Supplier; or

(b) a fixed price based on Panel Prices quoted by and agreed with the relevant Supplier; or

(c) any combination of the pricing models set out in paragraphs 3.4.1, 3.4.2(a) and 3.4.2(b) (above),

provided that no Panel Customer shall seek discounts to the Panel supplier's Panel Prices as part of any alternative fee arrangement under this paragraph 3 (Direct Award Procedure).

3.5 Where a Panel Customer wishes to obtain an alternative fee arrangement (in accordance with paragraph 3.4 (above) it will seek a quote from the Panel supplier it has identified as best meeting its requirements pursuant to paragraph 3.3.5 (above). Once the alternative fee arrangement has been agreed, or if the Panel Customer is placing the Order on the basis of the Supplier's undiscounted Panel Prices, the Panel Customer may award the Order by issuing (whether electronically or otherwise) a signed and appropriately completed Order Form to the Supplier which the Supplier shall countersign and return promptly and without delay.

3.6 Where the Panel supplier is unable to accept the Order for one of the reasons set out in paragraph 3.2.1 of Part A (Panel Services) of Panel Agreement Schedule 2 (Panel Services and Key Performance Indicators), the Panel Customer may:

3.6.1 follow the procedure set out in paragraph 3.4 (above) in respect of the second Supplier identified as being best able to meet its requirements pursuant to paragraph 3.3 (above) and the Panel Customer may repeat this process until it identifies a Panel supplier which is able to accept the Panel Customer's Order; or

3.6.2 if there is any change to the Panel Customer's requirements, re-perform the steps set out in paragraphs 3.3.3 to 3.3.5 to identify the Supplier capable and authorised to meet its requirements and follow the procedure set out at paragraph 3.4 (above); or

3.6.3 run a Further Competition Procedure in accordance with paragraph 4 below,

3.7 Subject to complying with this paragraph 3, a Panel Customer may award a Legal Services Contract to the Supplier in accordance with paragraph 8 below.

4. FURTHER COMPETITION PROCEDURE

Panel Customer's Obligations

4.1 Any Panel Customer awarding a Legal Services Contract under this Panel Agreement through a Further Competition Procedure shall:

4.1.1 develop a Statement of Requirements setting out its requirements for the Panel Services; and

4.1.2 either:

(a) invite all capable and authorised Panel suppliers to tender; or

(b) identify and invite to tender at least three (3) Panel suppliers capable of supplying the required Panel Services using the suppliers' Prospectuses, further to paragraph 4.1.2 (above). If a Panel Customer is unable to identify and invite at least three (3) such Panel suppliers from the Prospectuses it may:

i) invite all capable and authorised Panel suppliers to tender for the required Panel Services and follow the procedure set out in paragraphs 4.1.5 to 4.1.7; or

ii) where there is only one capable and authorised Panel supplier, proceed to direct award in accordance with paragraphs 3.4 to 3.7 above;

4.1.3 Not used

4.1.4 Not used

4.1.5 apply the Further Competition Award Criteria to the Panel suppliers' compliant tenders submitted through the Further Competition Procedure as the basis of its decision to award a Legal Services Contract; and

4.1.6 on the basis set out above, award its Legal Services Contract to the successful Supplier in accordance with paragraph 8 below; and

4.1.7 provide unsuccessful Panel suppliers with written feedback within thirty (30) days of the date of award in relation to the reasons why their tenders were unsuccessful.

The Supplier's Obligations

4.2 The Supplier shall in writing, by the time and date specified by the Panel Customer following an invitation to tender pursuant to paragraph **Error! Reference source not found.** above, provide the Panel Customer with either:

4.2.1 a statement to the effect that it is unable to tender for one of the reasons described at paragraph 3.2.1 of Part A (Panel Services) of Panel Agreement Schedule 2 (Panel Services and Key Performance Indicators); or

4.2.2 the full details of its tender made in respect of the relevant Statement of Requirements. In the event that the Supplier submits such a tender, it should include, as a minimum:

(a) a unique reference number and Supplier name, so as to clearly identify the Supplier;

(b) a brief summary, stating that the Supplier is bidding in response to the Panel Customer's Statement of Requirements;

(c) a proposal covering the Panel Customer's Statement of Requirements.

(d) summary CVs of Key Personnel – as a minimum any lead lawyer, with others, as considered appropriate along with required staff levels; and

(e) confirmation of the Charges, whether fixed price, capped price, Panel Prices including discounts (if any) for the proposed Panel Services, or any combination of the above.

4.2.3 The Supplier shall ensure that any prices submitted in relation to a Further Competition Procedure held pursuant to this paragraph 4 shall be no higher than the Panel Prices and take into account any discount to which the Panel Customer may be entitled as set out in Panel Agreement Schedule 3 (Framework Prices and Charging Structure).

4.2.4 The Supplier agrees that:

(a) all tenders submitted by the Supplier in relation to a Further Competition Procedure held pursuant to this paragraph 4 shall remain open for acceptance by the Panel Customer for ninety (90) Working Days (or such other period specified in the invitation to tender issued by the relevant Panel Customer in accordance with the Ordering Procedure); and

(b) all tenders submitted by the Supplier are made and will be made in good faith and that the Supplier has not fixed or adjusted and will not fix or adjust the price of the tender by or in accordance with any agreement or arrangement with any other person. The Supplier certifies that it has not and undertakes that it will not:

i. communicate to any person other than the person inviting these tenders the amount or approximate amount of the tender, except where the disclosure, in confidence, of the approximate amount of the tender was necessary to obtain quotations required for the preparation of the tender; and

ii. enter into any arrangement or agreement with any other person that he or the other person(s) shall refrain from submitting a tender or as to the amount of any tenders to be submitted.

5. NOT USED

6. NO AWARD

6.1 Notwithstanding the fact that the Panel Customer has followed a procedure as set out above in paragraph 3 (Direct Award Procedure) or 4 (Further Competition Procedure) (as applicable), the Panel Customer shall be entitled at all times to decline to make an Order. Nothing in this Panel Agreement shall oblige any Panel Customer to make any Order.

7. RESPONSIBILITY FOR AWARDS

7.1 The Supplier acknowledges that each Panel Customer is independently responsible for the conduct of its award of Legal Services Contracts under this Panel Agreement and that the Authority is not responsible or accountable for and shall have no liability whatsoever in relation to:

7.1.1 the conduct of Panel Customers in relation to this Panel Agreement; or

7.1.2 the performance or non-performance of any Legal Services Contracts between the Supplier and Panel Customers entered into pursuant to this Panel Agreement,

except where the Authority is the Panel Customer.

8. AWARD PROCEDURE

8.1 Subject to paragraphs 3 (Direct Award Procedure), 4 (Further Competition Procedure) and paragraph 7 (Responsibility for Awards) above, a Panel Customer may award a Legal Services Contract to the Supplier by sending (including electronically) a signed Legal Services Contract.. which shall:

(a) describe the Ordered Panel Services required, which may be either in the nature of a general requirement for legal support in any of the Ordered Panel Services, or a Statement of Requirements identifying and specifying the Ordered Panel Services required; and

(b) describe the Charges payable for the Ordered Panel Services in accordance with the tender submitted by the successful Panel supplier.

8.2 The Parties agree that any document or communication (including any document or communication in the apparent form of a Legal Services Contract) which is not as described in this paragraph 8 shall not constitute a Legal Services Contract under this Panel Agreement.

8.3 On receipt of the Legal Services Contract as described in paragraph 8.1 from a Panel Customer the Supplier shall accept the Legal Services Contract by promptly and without delay signing and returning (including by electronic means) a copy of the completed Template Order Form to the Panel Customer concerned.

8.4 On receipt of the countersigned completed Template Order Form from the Supplier, the Panel Customer shall send (including by electronic means) a written notice of receipt to the Supplier within two (2) Working Days and the Legal Services Contract shall be formed with effect from the Commencement Date stated in the completed Template Order Form.