**NORTH EAST FINANCE (HOLDCO) LIMITED**

**NORTH EAST FINANCE (SUBCO) LIMITED**

**NORTH EAST TECHNOLOGY (GP) LIMITED**

**ADDITIONAL LEGAL SERVICES**

**TENDER REFERENCE NEF2020.003**

**DECEMBER 2020**

Third Floor

Baltimore House

Abbots Hill

Gateshead NE8 3DF

1. **INTRODUCTION**

The Contracting Authority is **North East Finance (Holdco) Limited** (‘North East Finance’) registered office 3rd Floor, Baltimore House, Abbots Hill, Gateshead NE8 3DF.

North East Finance is the holding fund manager for the Finance for Business North East Fund (‘FBNE’). FBNE invested £160m in North East SMEs between 2010 and 2016, through six sub-funds managed by independent venture capital fund managers. North East Finance has fully repaid its European Investment Bank loan and the focus now is on generating a cash legacy from the portfolio to fund future programmes. Fund management arrangements have been streamlined and restructured as the fund moves into this phase.

The company has a small executive team and a highly qualified non-executive group and in addition staff from a related group company (North East Access to Finance) provide professional, administrative and compliance support to North East Finance. The two companies work closely together but have independent Boards and accountability. North East Technology (GP) Limited is a subsidiary of North East Finance and holds interests in some of the portfolio businesses.

1. **INVITATION TO TENDER**

North East Finance recently re-tendered the contract for its principal legal adviser. However, with the portfolio concentrated in North East England, there will be instances where the main advisers are unable to act, whether due to conflicts of interest where they are acting for one of the other parties, or for other reasons.

We are therefore inviting tenders for a law firm to provide support specifically on transactional work, such as equity exits and re-financing deals, across the portfolio of North East Finance and its subsidiary companies. These services will be provided on an *ad hoc* ‘as required’ basis over period of **up to four years from January 2021**. This is a sub-OJEU tender and total contract value over the 4 years is expected to be below the OJEU threshold.

1. **SPECIFICATION**

We are looking for a legal adviser to support the Chief Executive and Board of North East Finance in transactions where the main legal adviser is unable to act. The work will involve advising on equity exits, re-financing, M&A situations, and advice may be needed at short notice. Bidders should demonstrate expertise in the following areas:

* Private equity and venture capital, including financial services regulatory issues
* Investment transactions, including asset sales/ exits from equity holdings in SMEs, follow- on investments and general shareholder matters relating to portfolio businesses
* Legal issues relating to acting as directors or observers on portfolio company Boards
* Limited Partnerships and their legal structure
* General commercial and corporate law including data security and GDPR.

1. **INFORMATION TO BE PROVIDED AND CLOSING DATE**

Please describe how you would deliver the services specified. This should include details of your firm’s relevant expertise and how you would manage client relationships. Please give details of the **main client contact** and other team members, their experience and track record and the likely allocation of different types of work within the team.

Bidders are asked to provide **hourly rates** and, for purposes of comparison, we will look at ‘headline rates’ for Partners and Associates. You may include a breakdown of other fee-earners but it is these headline rates for Partners and Associates which will be used for scoring. We reserve the right to seek fixed fees for specific projects where appropriate.

**Tenders should be limited to 15 pages of A4**, and emailed to [james.arkless@nea2f.co.uk](mailto:james.arkless@nea2f.co.uk).

**Closing date 12.00 noon on Thursday 7 January 2021****.**

1. **EVALUATION**

Bidders must be full service law firms with an appropriate level of PI insurance, details of which should be provided.

Subject to satisfying these pre-conditions for selection, bids will be evaluated using the award criteria and scoring principles below.

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| --- | --- |
| **Award criteria** | **Max score** |
| 1. Demonstration of relevant specialist expertise as set out in the specification | **30** |
| 1. Evidence that the team is able to deliver a high quality service | **30** |
| 1. Price | **40** |

**Scoring principles for criteria 1 and 2**

* Very strong: easily exceeds the requirements of the contract: **26-30 marks**
* Strong: meets all the requirements of the contract: **21-25 marks**
* Acceptable: meets most of the requirements of the contract: **16-20 marks**
* Unacceptable: unable to meet the contract requirements **15 marks or less**

*Bids scoring 15 or less on either of criteria 1 and 2 will not be considered further.*

**Scoring for price**

* We will score price based on the headline rates for Partner and Associate (see section 4)
* The lowest priced bid will score 40 marks
* Other scores will be reduced in proportion to the additional cost over & above the lowest price

**December 2020**