



Financial Reporting Council

Invitation to Tender (ITT): Provision of legal services

Reference: FRC2023 – 0146

4th April 2024

1. Background

1.1 The Financial Reporting Council (FRC) is an independent regulator which serves the public interest by setting high standards of corporate governance, corporate reporting and audit and by holding to account those responsible for delivering them. The FRC also monitors and takes enforcement action where things go wrong to ensure the proper operation of the market and confidence in the UK economy and the UK's international reputation as an attractive place to do business.

1.2 The FRC is committed to:

- protecting and improving audit and reporting quality;
- making company reporting fit for the future;
- supporting the creation of the audit of the future;
- ensuring that the world-leading UK Corporate Governance and Stewardship Codes make the UK a great place to do business;
- supporting the FRC's transformation to the Audit, Reporting and Governance Authority (ARGA), a modern, forward-looking regulator.

1.3 The FRC's business model is structured around the following core areas.

Regulatory Standards	Supervision
<ul style="list-style-type: none">• Lead the development of public and technical policy, informed by influential investor and stakeholder engagement.• Set codes, standards and guidance that support high quality corporate reporting, corporate governance and stewardship, audit and actuarial work.• Drive innovation in the public interest for our stakeholders.• Influence international standard-setting and collaborate with other regulators.	<ul style="list-style-type: none">• Deliver our statutory responsibilities for corporate reporting review and as the competent authority in respect of statutory auditors and the audit market.• Monitor the application of corporate reporting and audit standards and hold to account those that fail to meet these standards.• Promote improvements and innovation in corporate reporting and auditing work.• Promote a more resilient audit market.
Enforcement	Corporate Services
<ul style="list-style-type: none">• Drive the application of high standards in corporate reporting, auditing and actuarial work through proportionate and risk-focused enforcement action where it is in the public interest.• Promote improvements and innovation in these areas by communicating clear and impactful messages through enforcement cases and publications, and through the setting and monitoring of effective non-financial sanctions.	<ul style="list-style-type: none">• Support the regulatory Divisions by providing a robust and resilient framework for the delivery of FRC's wider objectives.• Support the FRC's transformation to a modern, forward-looking regulator as a trusted partner and adviser to the business and through our partnership with Department for Business & Trade (DBT).

1.4 The FRC's direct stakeholders include companies, institutional investors, auditors, actuaries, accountants and their respective professional bodies. Indirect stakeholders include consumers, retail shareholders, suppliers, employees, customers, communities, pensioners and savers, and financial institutions, all of whom have an interest in the health of companies and other

organisations within our existing and future regulatory scope and in the success of the UK corporate sector as a whole.

- 1.5 The FRC is currently located in London with a second office recently opened in Birmingham. Further information about the FRC is available at www.frc.org.uk.

2. Project requirements

2.1 Purpose and background

2.1.1 The purpose of this exercise is to create a Framework Agreement to provide a panel of law firms (the panel) to provide legal services for the FRC, through the FRC's in-house legal team.

2.1.2 The legal team advises on a wide range of issues, including:

- creating, implementing, using and maintaining the FRC's powers and procedures;
- developing and maintaining legally sound policies across the FRC;
- information handling, sharing and risk;
- corporate legal advice (eg on contracts, governance, intellectual property rights, brand and logo use, insurance etc);
- responding to challenges (eg judicial review and complaints) as well as all litigation taken by, and against, the FRC;
- providing legal support to the [UK Endorsement Board](#), which is an independent body established in 2021 to adopt International Financial Reporting Standards for use in the UK, and to lead the UK's participation in and contribution to the development of a single set of international accounting standards.

2.1.3 The legal team works collaboratively with external law firms to provide the legal support required by the FRC.

2.2 Scope overview

2.2.1 We require a panel of law firms to provide high quality, specialist, timely and value-for-money legal services. We propose to appoint up to three* law firms to act for the FRC across its business on a four-year contract (with a further one year extension).

Note:

* The FRC reserves the right to increase this number where law firms have the same overall evaluation scoring.

2.2.2 We have divided the FRC's legal services requirements into the following categories:

Category	Description
1	Public and regulatory law (this includes Local Audits).
2	Information law
3	Corporate and commercial law/general law (including litigation)
4	Employment law

For further information as to the types of matters included under each category, see Appendix 1.

2.3 Key deliverables (and anticipated benefits)

2.3.1 The creation of the panel will:

- provide a streamlined process for the legal team to appoint law firms to provide high quality legal advice;
- deliver a mechanism for the FRC to meet demands for existing and new legal services requirements; and
- enable the legal team to build strong working relationships with a small number of firms (which, correspondingly, will develop FRC-specific expertise).

2.3.2 The FRC's engagement with the panel will be characterised by:

- increased understanding, on the part of the firms, of the FRC, its strategy and key issues;
- transparency in the legal team's relationship with panel firms;
- the transfer of best practice and know-how; and
- predictable and transparent fee arrangements.

2.3.3 Over the framework duration it is anticipated that some special projects may arise such as a package of services relating to a particular project or theme. In these cases the FRC may undertake further competition within the framework.

2.4 Liaison arrangements

2.4.1 The successful supplier(s) will liaise with the FRC's Director of Legal Services.

2.5 Cost

2.5.1 The tenderer should provide a fee for the services. You should provide a clear breakdown of costs.

2.6 Your tender response

2.6.1 Your tender response should be submitted using the Tender Response Document provided by the FRC.

	Our Requirement	Your response
1	<p>Standard Selection Questionnaire – Stage 1</p> <p>Section 6.1 covers our technical experience / ability requirements.</p> <p>The FRC requirement is full-service law firms with sufficient capability and capacity (estimate 50 or more lawyers or staff) with experience and transferable skills in providing a variety of legal specialisms to UK public bodies, including bodies with regulatory functions. Firms should be based in the UK and have experience / transferable skills in providing advice on categories on a minimum of three of the FRC's Lot requirements.</p>	<p>You should complete the Standard Selection Questionnaire paying attention to section 6.1. The FRC reserves the right to reject all suppliers that only partially meet the overarching requirement.</p>

	Our Requirement	You should demonstrate
Stage 2 1	Managing Conflict of interest (actual and perceived) Pass / Fail	Your firm has carried out a conflict of interest check and that the check revealed no conflicts of interest
2	Transferable subject matter expertise and experience 20.00%	For each of the Lots / general categories you are bidding for please provide: <ul style="list-style-type: none"> a summary of your firm's experience, capability and expertise, evidenced with appropriate examples, and outline how this experience will be transferred to the proposed FRC contract.; your response should specifically relate to public bodies / regulatory organisations (i.e. organisations operating in the same / similar environment to the FRC).
3	Understanding and pro-active solutions The FRC is seeking to partner with law firms that understand our environment and are able to provide effective solutions (both pro-active and reactive). 14.00%	Please outline your <ul style="list-style-type: none"> understanding of the types of issues the FRC as a regulatory body would typically face; how you would seek to provide innovative, inventive and effective solutions (both reactive and pro-active solutions). understanding of the types of issues the FRC is likely to experience over a medium term / contract duration (bearing in mind the natural evolution of a public body and forced business changes)
4	Resources The FRC requires the law firms to have a range of legal expertise / talent that can be utilised to efficiently and effectively provide	Please outline why / how your firm possesses a competitive advantage in this area (and how this brings benefit to the proposed contract). Your response should also outline the lead partner and proposed team members, covering their experience and expertise (by way of a short bio).

	the desired legal advice / guidance/ input. 14.00%	
5	Processes An efficient approach to allocation of work, management and escalation 12.00%	Please outline your existing and/or proposed approach regarding how the allocation of work would be managed, including but not limited to the instruction, engagement process, allocation of lawyer, delivery of output and payment/invoicing. Your response should also include how your firm would provide contingency and if required a streamline route for escalation.
6	Contract & Relationship Management 10.00%	<p>What are the key principles, practices / protocols that your firm would implement for effective and sustainable contract and relationship management (for this proposed arrangement).</p> <p>If you were to include key Service Level Agreements (SLAs), what would these be (and why)?</p> <p>Please outline the level of reports/reporting on work in progress and the proposed value-added elements, for example, e.g. training/seminars/secondments etc</p>
7	Commitment to responsible business and Social Value 5.00%	<p>The FRC requires you to complete the Supplier Due Diligence questionnaire.</p> <p>In addition, please briefly outline your firm's activities relating to driving social value and how this will be transferable / included for this proposed contract (or new initiatives to drive social value). You should consider including reference to any targets or principles your firm has committed to, such as the Mansfield Rule.</p>
8	Cost The FRC expects high quality legal services that represent good value for money 25.00%	Your tender response must provide a clear breakdown of costs.

2.7 Tender evaluation

2.7 Tender responses will be assessed on your ability to meet the FRC's Requirements using the following scoring approach.

Score	Definition
0	Unacceptable Does not satisfy any part of the requirement. Does not comply with and/or insufficient information provided to demonstrate that the bidder has the ability, understanding, experience, skills, resource and quality measures required to provide the services, with little or no evidence to support the response.
25	Poor Satisfies only minor aspects of the requirement. Or can carry out some or all of the required services but not to a sufficient standard. Strong concerns over relevant ability, understanding, experience, skills, resource, and quality measures required to provide the services.
50	Fair Satisfies part of the requirement only, not the full requirement. Or can carry out all required services but not to a sufficient standard. Minor concerns over relevant ability, understanding, experience, skills, resource, and quality measures required to provide the services.
75	Good Satisfies the requirement, with minor additional benefits. Supplier has the relevant ability, understanding, experience, skills, resource and quality measures required to provide the services, but the supplier has also provided relevant innovative methodology, or relevant added value services which will directly enhance the service required, giving minor additional benefit to FRC.
100	Excellent Satisfies the requirement, with major additional benefits. Supplier has the relevant ability, understanding, experience, skills, resource and quality measures required to provide the services, but the supplier has also provided relevant innovative methodology, or relevant added value services which will directly enhance the service required, giving major additional benefit to FRC.

2.8 Questions and clarifications

- 2.8.1 Tenderers may raise questions or seek clarification regarding any aspect of this further competition at any time prior to the tender clarification deadline (see timetable below at 2.9).
- 2.8.2 Tenderers may raise questions or seek clarification within the timeframe by sending questions to procurement@frc.org.uk in the following format.

Nature of query	Query / Clarification

- 2.8.3 The FRC will not enter into exclusive discussions regarding the requirements of this ITT with tenderers. To ensure that all Tenderers have equal access to information regarding this tender opportunity, FRC will publish all its responses to questions raised by Tenderers on an anonymous basis. Responses will be published in a questions and answers document to all Tenderers who have indicated that they wish to participate.

2.9 Tender process timeline

- 2.9.1 The following table sets out the timeline for this tender process.

Note these are provisional times and the FRC will notify if there are key changes.

DATE/TIME	ACTIVITY
04/04/2024	Publication of the Invitation to Tender
18/04/2024 by 12.00 noon	Supplier's Deadline to submit clarification questions
23/04/2024	FRC's Deadline for publication of responses to clarification questions FRC will endeavour to meet this Deadline
07/05/2024 by 12.00 noon	Deadline for supplier submission of tender to the FRC.
By 23/05/2024	Shortlisted suppliers advised (if required)
03/06/2024	Supplier tender clarification session (if required) <i>Provisionally, 2.30 – 5.30pm</i>
10/06/2024	Tender Outcome – Standstill (ending midnight 20/06/2024)
On / around 01/07/2024	Contract commencement

3. Conduct

- 3.1 The tenderer must not communicate to any person the tender price, even approximately, before the date of the contract award other than to obtain, in strict confidence, a price for insurance required to submit the tender.
- 3.2 The tenderer must not try to obtain any information about any other person's tender or proposed tender before the date of the contract award.
- 3.3 The tenderer must not make any arrangements with any other person about whether or not they should tender, or about their tender price.
- 3.4 The tenderer must not offer any incentive to any member of FRC's staff for doing or refraining from doing any act in relation to the tender.
- 3.5 If the tenderer engages in any of the activities set out in this paragraph or if FRC considers the tenderer's behaviour is in any way unethical FRC reserves the right to disqualify the tenderer from the procurement.
- 3.6 The tenderer represents and warrants that a conflicts of interest check has been carried out, and that check revealed no conflicts of interest.
- 3.7 Where a conflict of interest exists or arises or may exist or arise during the procurement process or following contract award the tenderer must inform the FRC and submit proposals to avoid such conflicts.
- 3.8 Tenderers must obtain for themselves at their own responsibility and expense all information necessary for the preparation of tenders. The FRC is not liable for any costs incurred by the tenderer as a result of the tendering procedure. Any work undertaken by the tenderer prior to the award of contract is a matter solely for the tenderer's own commercial judgement.

4. Due diligence

- 4.1 While reasonable care has been taken in preparing the information in this ITT and any supporting documents, the information within the documents does not purport to be exhaustive nor has it been independently verified.
- 4.2 Neither FRC, nor its representatives, employees, agents or advisers:
 - makes any representation or warranty, express or implied, as to the accuracy,
 - reasonableness or completeness of the ITT and supporting documents; or
 - accepts any responsibility for the adequacy, accuracy or completeness of the information contained in the ITT and supporting documents nor shall any of them be liable for any loss or damage, other than in respect of fraudulent misrepresentation, arising as a result of reliance on such information or any subsequent communication.

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- 4.3 It is the tenderer's sole responsibility to undertake such investigations and take such advice, including professional advice, as it considers appropriate in order to make decisions regarding the content of its tenders and in order to verify any information provided to it during the procurement process and to query any ambiguity, whether actual or potential.
 - 4.4 It is a requirement that the successful supplier (i) comply with all applicable laws and regulations including, without limitation, the Bribery Act 2010, the Equality Act 2010 and the Modern Slavery Act 2015; and (ii) in addition to any contractual requirement(s), inform the FRC immediately upon becoming aware of any event (including actual or threatened court proceedings) which may impact upon the reputation of the FRC, whether or not connected with the Supplies and/or Services.

5. Submitting a Tender

- 5.1 Tenderers must submit their tender response within the deadline to procurement@frc.org.uk.
- 5.2 Where a Tender Response Document template is provided, bidders must align their tender response with that format.
- 5.3 A Tender must remain valid and capable of acceptance by the FRC for a period of 120 days following the Tender Submission Deadline. A Tender with a shorter validity period may be rejected.

6. Evaluation

- 6.1 The FRC will award the contract on the basis of the tender which best meets the evaluation criteria aligned to the requirements.

7. Acceptance of Tender & Notification of Award

- 7.1 The FRC reserves the right to amend, add to or withdraw all or any part of this ITT at any time during the procurement.
- 7.2 FRC shall not be under any obligation to accept the lowest price tender or any tender and reserves the right to accept such portion or portions as it may decide, unless the tenderer includes a formal statement to the contrary in the tender. FRC also reserves the right to award more than one contract to fulfil the requirement.
- 7.3 The tenderer will be notified of the outcome of the tender submission at the earliest possible time.
- 7.4 Where the procurement process is subject to EU public procurement directives, a minimum standstill period of 10 calendar days will apply between communicating the award decision electronically to tenderers and awarding the contract.
- 7.5 Nothing in the documentation provided by FRC to the tenderer during this procurement or any communication between the tenderer and FRC or FRC's representatives, employees, agents or advisers shall be taken as constituting an offer to contract or a contract. No tender

will be deemed to have been formally accepted until the successful tenderer has received a formal contract award letter from FRC.

8. Additional information

- 8.1 Tenderers must not undertake any publicity activity regarding the procurement within any section of the media.
- 8.2 The FRC reserves the right to take up references. You may be required to provide references in the Tender Response Document / upon request. References must be relevant to the FRC's Requirements and relate to work performed in the five years preceding the date of the submission of your tender.
- 8.3 The Terms and Conditions will apply to this proposed Agreement are contained in the Tender Response Document and should be accepted with no material changes.

Appendix 1

Category	Description	The matters on which advice may be sought
1	Public and regulatory law	<ul style="list-style-type: none"> • FRC regulations and procedures • Independent tribunal procedures • Public and regulatory law litigation (including enforcement proceedings and judicial review proceedings) • Public procurement • Statutory interpretation • Equality and human rights • MoUs with public bodies • Cross-border issues and Irish law (in the context of the FRC's oversight role relating to Chartered Accountants Ireland) <p>Plus Local Audit</p> <ul style="list-style-type: none"> • Local Audit and Accountability Act 2014 • Companies Act 2006, Part 42 and Sch 10 (as modified by the 2014 Act) • The FRC's regulatory role in relation to local audit, including setting standards, monitoring and enforcement • The FRC's role as Shadow System Leader in relation to local audit <p>FRC regulations and procedures as they relate to local audit</p>
2	Information law	<ul style="list-style-type: none"> • UK GDPR and Data Protection Act 2018 • Freedom of Information Act 2000 • Environmental Information Regulations 2004 • Confidential information • Market sensitive information • Information gathering / sharing • Information loss • Publications and privacy
3	Corporate and commercial law/general law (including litigation)	<ul style="list-style-type: none"> • Contracts – formation, execution, interpretation, breach and remedies, termination • Companies law (especially relating to governance issues) • General litigation • Intellectual property (eg trademarks) • Property law (eg commercial leases and licences) • Legal professional privilege • Insurance • Competition law issues • Compliance requirements (eg reporting requirements in relation to modern slavery and the Bribery Act 2010)
4	Employment law	<ul style="list-style-type: none"> • Starting employment – recruitment, contract etc • Pre-employment checks • Pay, benefits, pensions and tax • Legal aspects of working and travel abroad • Equality Act 2010 and protected characteristics • Protected rights in employment (eg maternity, parents and carers, flexible working, whistle blowing, health and safety and other rights). • Secondment arrangements/contracts • Disciplinary procedures

		<ul style="list-style-type: none">• Grievance procedures• Ending employment – termination, dismissal• Pensions law issues• Employment law litigation
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