**Tender Specification**

**NORTH EAST FINANCE (HOLDCO) LIMITED**

**Procurement of Legal Services 2019-2020**

**Tender Reference: NEF 2019/001**

**June 2019**

**33 Grey Street**

**Newcastle upon Tyne**

**NE1 6EE**

1. **INTRODUCTION**

The Contracting Authority for this Tender is **North East Finance (Holdco) Limited** (referred to as ‘North East Finance’). North East Finance is a company limited by guarantee and its registered office is 33 Grey Street, Newcastle upon Tyne NE1 6EE.

North East Finance is the holding fund manager for the North East JEREMIE Programme, also known as Finance for Business North East (‘FBNE’). The FBNE Fund was in active investment mode between 2010 and 2016 and invested almost £160m in SMEs across North East England.

The FBNE Fund operated through six ‘sub-funds’ managed by five regulated venture capital fund managers. It is now in its realisation phase and will shortly re-pay the final instalment of its £70m loan from the European Investment Bank, which was one of the funding partners for the JEREMIE Programme. At that point, the emphasis will be on the generation of a cash legacy from returns and realisations of assets held in the portfolio to fund future investment programmes in the region.

North East Finance benefits from the expertise of a Board and an Advisory Panel which are composed of seasoned venture capital and private equity professionals, as well as a small but experienced executive team.

1. **INVITATION TO TENDER**

North East Finance invites law firms to tender for the provision of legal services. The contract will be for an initial term of **one year commencing mid-July 2019** but may be extended by agreement for up to one further year.

The **specification of requirements** is set out in section 3 below, and details of the information to be provided and the process and criteria for evaluating bids is set out in sections 4 onwards.

The award of the contract does not guarantee any work and we reserve the right to procure other legal support during the Term if deemed necessary by the Board. Equally, we regret that we cannot undertake to meet the costs of any bidder in taking part in this process.

It is difficult at this stage to quantify the likely value of the contract, but bidders should note that it is procured on the basis that total fees will be below the OJEU threshold (currently £181,302).

**Enquiries and clarifications**: The tender process is being administered on behalf of North East Finance by James Arkless, Company Secretary and Legal Manager at North East Access to Finance. Any enquiries relating to the tender, and any formal clarification requests, should in the first instance be sent to james.arkless@nea2f.co.uk.

1. **SPECIFICATION**

Tenders are sought for the provision of legal services to North East Finance and its subsidiary, North East Finance (Subco) Limited, covering general commercial advice as required and specifically a number of projects focussed on ensuring that the portfolio management arrangements are appropriate for the legacy realisation phase. The JEREMIE Programme was part-funded from EU resources through the **European Regional Development Fund 2007-13** and therefore bidders will need to demonstrate a clear understanding of the regulatory and compliance regimes relating to programmes of this type.

We are seeking bids from firms with a suitable level of experience and expertise to act as legal adviser to the company, supporting the Chief Executive and the Company Secretary in providing guidance to the Board and ensuring compliance with all legal and regulatory requirements.

**Specialist expertise**

In particular, we are looking for bidders to demonstrate expertise in the following key areas:

* Private equity and venture capital, including financial services regulatory issues
* Limited Partnership structures, related legal agreements and obligations
* European structural funding, including compliance with ERDF Regulations and advice on the requirements of EU and UK Government stakeholders
* State Aid advice relating to publicly funded bodies delivering venture capital funds, including the practical application of GBER and the Risk Capital Guidelines
* Procurement, including all aspects of the OJEU procurement process, sub-OJEU procurements and the interpretation and application of procurement law
* Other legal/regulatory issues relating to public sector economic interventions
* Advice on contractual arrangements including the terms of public and private sector funding agreements and terms and conditions of fund management agreements
* Corporate advice, including supporting the Company Secretary in relation to corporate structures and governance issues
* M&As

**General commercial advice**

Bidders should also have a broad range of general commercial skills, and legal advice may be required on matters including:

* Complying with the General Data Protection Regulation, Bribery Act, Freedom of Information Act and other statutory obligations
* Staffing and employment issues
* Issues arising from commercial contracts and/or lease terms
* Issues arising from audits and evaluations.

Bidders might usefully consider offering to provide some **training for staff** on key legal issues.

1. **INFORMATION TO BE PROVIDED**

Please describe how you would deliver the services set out in the specification above.

This should include details of your firm’s **relevant specialist expertise**, which is a key focus in the selection process. You should specify who would be the **main client contact**(s) and how you would manage client relationships. Please also give details of the rest of the proposed team, their **roles, experience and track record**. Brief CVs of key team members should be included.

In terms of pricing, you are asked to provide **hourly rates** for delivering the services specified. We expect that these will vary between individuals and between grades of fee-earner. Please set out all the relevant rates. However, for comparison purposes in scoring the bids, please provide headline rates for the equivalent of lead Partner and Senior Associate (see details of **evaluation and scoring at section 7**). Proposed arrangements for **agreeing and monitoring costs** should also be set out in your bid. We would anticipate that, for each project or instruction, we would agree a fee quote with you in advance, based on the rates stated in your tender.

1. **TENDER SUBMISSION AND EXPRESSIONS OF INTEREST**

Tenders should if possible be **limited to 15 pages of A4**, and should be submitted by email to james.arkless@nea2f.co.uk, with the header ‘CONFIDENTIAL TENDER: NEF 2019/001’.

The closing date for submissions is **12.00 noon on Friday 5 July** **2019.** In the interests of fairness, bids will not be opened before the closing date.

It is useful to know **who interested parties are**, in case any additional clarifications need to be circulated. Firms intending to bid may indicate their interest and provide contact details, without any obligation, at any time by emailing james.arkless@nea2f.co.uk.

1. **CONFIDENTIALITY AND TRANSPARENCY**

To ensure a fair and transparent process, no approach of any kind should be made to anyone associated with North East Finance in connection with this tender, except for your formal tender documents and any clarification request. Failure to comply with this may lead to disqualification.

You must not disclose to anyone else any prices or other information which are contained in your tender submission before the decision on award of the contract is notified to you, and you must not make any arrangement with another party about whether or not they should bid.

You must not try to obtain any information about anyone else’s tender submission or proposed submission before the decision on award of the contract is notified to you.

1. **EVALUATION OF TENDERS**

**Selection pre-conditions**

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

**Award criteria**

Subject to satisfying the above pre-conditions, bids will be evaluated using the award criteria and scoring principles set out below.

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| **Award criteria** | **Max score** |
| 1. Demonstration of specialist expertise as detailed in section 3 in relation to venture capital funds, Limited Partnerships, EU structural funds, funding contracts, fund management agreements, procurement and State Aid
 | **35** |
| 1. Understanding of the requirements of the contract and evidence of the ability of the firm and named individuals to deliver the full range of services required to a high standard
 | **35** |
| 1. Price and value for money
 | **30** |

**Scoring principles for criteria 1 and 2**

* Excellent: easily exceeds the requirements of the contract: 35 marks
* Very strong: meets all contract requirements to a high standard: 30 marks
* Strong: meets most contract requirements to a high standard: 25 marks
* Good: meets all contract requirements to an acceptable standard: 20 marks
* Adequate: meets most contract requirements to an acceptable standard: 15 marks
* Unacceptable: unable to meet contract requirements to an acceptable standard: Nil.

**Scoring for price**

We will score price based on an average of the headline rates given for lead Partner and Senior Associate only (see section 4). The lowest priced bid will score the maximum 30 points and other bidders’ scores will be reduced in proportion to the additional cost.

**Interviews**

Having considered the written submissions received, we reserve the right to **invite shortlisted firms to interview**. At interview, we would look only to clarify the specialist expertise of the firm and the quality of the delivery team (criteria 1 and 2) and accordingly would revisit those scores. The tentative date for interviews is **Tuesday 16 July**.

NEF/18.06.19