**Call-Off Schedule 20 (Call-Off Specification)**

This Schedule sets out the characteristics of the Deliverables that the Supplier will be required to make to the Buyers under this Call-Off Contract

1. **PURPOSE**

## HM Treasury (HMT) is seeking specialist insurance and commercial legal services to support work in relation to the arrangements between Pool Re and the Government.

1. **BACKGROUND TO THE CONTRACTING aUTHORITY**

## The Authority is the UK government’s economic and finance ministry, maintaining control over public spending, setting the direction of the UK’s economic policy and working to achieve strong and sustainable economic growth.

## Treasury Legal Advisers (TLA) is a team within the Government Legal Department (GLD). The primary function of TLA is the provision of legal services to the Authority, including in relation to the arrangements between Pool Re and the Government.

1. **BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT**

## Pool Reinsurance Company Limited (Pool Re) is a mutual company that was established in 1993 when a series of terrorist attacks in Great Britain prompted reinsurers to withdraw from the terrorism insurance market. The government’s unlimited guarantee of the scheme (a commitment to extend a repayable loan if needed) meant that insurers were able to access adequate and affordable reinsurance cover for terrorism losses. In 2020 the ONS classified Pool Re as a central government body.

## As part of the ongoing relationship between Pool Re and HMT, HMT undertook a formal review of its arrangements with Pool Re in Summer 2020 which concluded in early 2022. The outcomes of the review included a ‘scope of works’ setting out work HMT and Pool Re will undertake following the review, including areas that will require further negotiations and amendments to the Retrocession Agreement between HMT and Pool Re. In conjunction with this work on the review, there is also continued work on this file such as a provision in the Financial Services and Markets Bill and ‘business as usual’ work (e.g. approvals given by HMT in line with the terms of the Retrocession Agreement).

## Given the volume of work on the file and its specialised technical nature, external legal support is required to provide insurance and commercial expertise.

1. **SCOPE OF REQUIREMENT**

## The in-scope requirement under this contract is for the supply of legal services by the Supplier, on a matter-by-matter basis in respect of the matters listed in paragraph [5].

## It is worth noting that nothing in the scope of this requirement prevents the Authority, GLD, or TLA putting matters out for separate tender.

1. **THE REQUIREMENT**

## The supplier will be required to provide specialist insurance and commercial advice related to the following matters:

### Proposal to move to a treaty system of reinsurance;

### Any changes to Pool Re’s Business Interruption cover following Covid-19;

### Bifurcation of risk (i.e. splitting the types of risk Pool Re underwrites into two parts – conventional and unconventional) to allow members to retain more conventional risk (e.g. conventional bomb risk) without retaining more unconventional risk (e.g. chemical, biological, radiological and nuclear risk);

### Terms of any future loan from the Government to Pool Re (in the event payments exceed the Pool Re fund size, the government guarantee commits the Government to extend a loan to Pool Re for the amount required to cover the excess amount);

### Any proposals on the future of Pool Re’s risk management offer (Pool Re Solutions – <https://www.poolre.co.uk/risk-management/>);

### Updates to the adverse-selection rules of the scheme;

### Changes to the terms of the reinsurance agreement between Pool Re and its members to allow Pool Re, at its discretion, to pay claims to those members at the same time as they pay their underlying (re)insureds (also referred to as simultaneous claim payments);

### Updating the Reinsurance Underwriting Manual, which sets out the information Pool Re must pass to HMT, and when Pool Re must seek HMT approval for the amount of any claim payment;

### Indemnities which Pool Re proposes to enter into as part of its ordinary course of business;

### The certification of events as “acts of terrorism” by the Government under the Retrocession Agreement;

### Other ad hoc matters.

## The Supplier will as relevant:

### Provide risk-based legal advice, applying the Attorney General’s Guidance on Legal Risk (available [here](https://www.gov.uk/government/publications/attorney-generals-guidance-on-legal-risk)), in concise plain English, in a form agreed with TLA and the Authority at the outset of the Supplier’s involvement on each instruction;

### Review policy proposals, correspondence and other legal instruments in order to: (a) identify effects inconsistent with the Authority’s stated policy aims; (b) provide accurate summaries of legal issues, internal inconsistencies and ambiguities; and (c) provide industry insight relevant to the issue under consideration.

### Provide drafting proposals for inclusion in legal instruments, correspondence, policy documents and other purposes.

### Undertake ad hoc, but in depth, legal research supported by concise, readily digestible summaries and advice in a form determined by the Supplier.

## Advice is to be provided in the most cost-effective fashion and in a timeframe as determined by TLA and/or the Authority and agreed in advance with the Supplier.

## The Supplier will adopt a demand-led and responsive approach: assessing its ability to meet the deadlines specified in instructions on a project-by-project basis, identifying where there are gaps in instructions, working to the level of input sought in respect of a particular project or aspect of a project, whilst ensuring that the advice is provided in the most cost-effective manner.

## The requirement is for a period of one year initially, with that period being subject to an extension by the Authority for a period of one further year.

1. **KEY MILESTONES AND DELIVERABLES**

## Advice is to be provided in a timeframe as determined by TLA and/or the Authority and agreed in advance with the Supplier on a matter-by-matter basis.

## Subject to extension, the contract will last for one year and, during the last month, the Supplier will work with the Authority and TLA to ensure that all relevant information has been transferred from the Supplier to the Authority and/or to any third party (including a new supplier that may be put in place under a separate procurement exercise) nominated by the Authority.

1. **MANAGEMENT INFORMATION/reporting**

## The Supplier will be expected to report to the contract manager appointed by the Authority at regular contract review meetings. A schedule of such meetings will be agreed during the contract’s mobilisation. Additional contract review meetings may be held at the Supplier’s request.

## Cost breakdowns, in the form of a finance dashboard, are to be provided by the Supplier on a monthly basis (and in advance of any contract review meeting) and should contain such information as the Authority deems necessary.

## At contract review meetings, the Supplier will be expected to report on matters including—

## lessons learned from recent work, and suggestions for improvement in the delivery of the service, in line with the duty to continually improve the way the required Services are delivered (at [9] below);

## the Supplier’s success in delivering work-products to meet the service-level requirements (at [14.2] below); and

## market intelligence updates outlining risks to the Authority’s objectives, drawing upon the Supplier’s experience and its contacts with other participants in the market.

## Supplementary reporting requirements may be determined on an instruction-by-instruction basis and agreed with the Supplier.

1. **VOLUMES**

## It is anticipated that the supplier will advise, at least, on each of the matters referred to in from paragraph [5.1.1 to 5.1.10] within the period of 12 months but this cannot be guaranteed.

1. **CONTINUOUS IMPROVEMENT**

## The Supplier will be expected to continually improve the way in which the required Services are to be delivered throughout the Contract duration.

## The Supplier should present new ways of working to the Authority during monthly Contract review meetings.

## Changes to the way in which the Services are to be delivered must be brought to the Authority’s attention and agreed prior to any changes being implemented.

1. **SOCIAL VALUE**

## The Supplier shall seek to ensure equal opportunity. In particular, the supplier shall:

### Reduce the disability employment gap; i.e. activities which:

### Demonstrate action to increase the representation of disabled people in the contract workforce.

### Support disabled people in developing new skills relevant to the contract, including through training schemes that result in recognised qualifications.

### Influence staff, suppliers, customers and communities through the delivery of the contract to support disabled people.

### Tackle workforce inequality; i.e. activities which:

#### Demonstrate action to identify and tackle inequality in employment, skills and pay in the contract workforce.

#### Support in-work progression to help people, including those from disadvantaged or minority groups, to move into higher paid work by developing new skills relevant to the contract.

#### Demonstrate action to identify and manage the risks of modern slavery in the delivery of the contract, including in the supply chain.

1. **QUALITY**

## The Authority will measure the quality of the Supplier’s delivery by:

### assessing whether the supplier meets the deadlines, and any fee arrangements, agreed for the delivery of work-products in respect of each instruction;

### assessing whether the work-products are fit for purpose and meet agreed forms and standards, providing relevant feedback where appropriate; and,

### assessing the suitability of the advice in respect of the extent to which it engages with the commission in the relevant instruction.

1. **PRICE**

## Potential Suppliers are requested to provide a rate card (both for hourly and daily rates) for work that may arise during the contract. Where possible, the rate card for this requirement should include a discount on the Supplier’s standard rate card for this Lot. This rate card may be used by the Authority to pay on a resource consumption basis, or to fix a capped fee for larger pieces of work or in respect of particular instructions.

## All further ad hoc work is subject to requirements arising, and any costs incurred must be agreed with the Authority in writing prior to being incurred, or the Authority is not obligated to meet these costs.

## Prices are to be submitted via the e-Sourcing Suite [Attachment 4 – Price Schedule excluding VAT and including all other expenses relating to Contract delivery].

1. **STAFF AND CUSTOMER SERVICE**

## The Supplier shall provide a sufficient level of resource throughout the duration of the Contract in order to consistently deliver a quality service.

## The Supplier’s staff assigned to the Contract shall have the relevant qualifications and experience to deliver the Contract to the required standard. The Supplier will notify the Authority of the staff it intends to supply in respect of specific instructions, and where requested will supply the Authority with details of their relevant qualifications and experience, subject to approval by the Authority. Should the Authority inform the Supplier that it has concerns regarding the performance of any staff assigned to the contract, the Supplier will take steps to ensure that performance is improved, including by replacing the staff concerned.

## The Supplier shall ensure that staff understand the Authority’s vision and objectives and will provide excellent customer service to the Authority throughout the duration of the Contract.

## The Supplier shall provide or contribute to such policy or legal training as may reasonably be requested by the Authority free of charge.

1. **SERVICE LEVELS AND PERFORMANCE**

## The Supplier shall provide accurate invoices. Where invoices are inaccurate by 2% or more of the final invoice value a discount of 0.5% of the accurate invoice value shall be applied for every whole 1% of variation.

## Deadlines for the delivery of work product shall be agreed on an instruction-by-instruction basis. The Supplier shall meet the deadlines agreed for the delivery of work-products in respect of each instruction. Deadlines suggested by the Authority in writing shall be taken to be agreed unless the Supplier expressly indicates – in writing – some difficulty in meeting the deadline. Where agreed deadlines are missed (without prior agreement and revision of the deadline with the Authority), a 10% discount to the bill associated with that work-product is to be applied for every whole day that passes after the deadline before the product provided.

## The Supplier shall obtain the written consent of the Authority before charging time at the partner rates specified on the submitted rate card. Work that is undertaken by the Supplier at partner rates, without the written authority of the Authority shall not be billed.

## Exit Management will include the transfer of knowledge to the Authority (or the Authority’s nominee) at the end of the contract in such format as the Authority reasonably requests.

1. **SECURITY AND CONFIDENTIALITY REQUIREMENTS**

## Potential Suppliers are to note that all material for and communications in relation to this procurement, and the subsequent contract, are not to be shared with any third parties without first obtaining permission in writing to do so from the Authority.

## The Supplier must have appropriate IT, physical, personnel and procedural security measures in place to prevent any unauthorised access to data collected under or in connection with the contract.

## IT Security

### The Supplier’s IT systems (including end user devices, servers, firewalls, etc.) used to meet the Authority’s requirement must comply with the technical requirements prescribed by “Cyber Essentials”. This may be demonstrated by appropriate certification or evidence of compliance with the relevant technical standards. The resilience of the Supplier’s IT systems must be tested periodically.

### Where remote access is used, the Supplier is expected to have measures in place to ensure that encryption is applied to both ‘data at rest’ on end user devices and to ‘data in transit’ during any remote access sessions.

### The Supplier’s IT systems must have the capability to employ encryption to data which shall be sent across a network or extracted by electronic means (e.g. sent via email, extracted from an online web portal or during online meetings). Where this is required, the solution adopted, and any encryption method used as part of that solution, must be agreed with the Authority.

## Physical Security

### Suppliers are expected to have appropriate physical security measures in place in any data centres, or other buildings, used to host the Authority’s data and to be able to demonstrate this. The Authority’s preference is that the Supplier hosts the data entirely within the UK. Where the Suppler wishes to host data outside the UK the Supplier should inform the Authority that is the case and must obtain the Authority’s agreement to the country (or countries) the data is to be hosted in.

## Personnel Security

### Where the Supplier’s staff require unescorted access to the Authority building, such staff will be expected to either already have, or be prepared to undergo, UK Security Vetting to Counter Terrorism Check (CTC) level (including Government Baseline Personnel Security Standard checks).

### The Supplier shall ensure that any suspected or actual security breaches related to Authority data/information are reported to the Authority immediately. Where any actual security breaches have been identified, the Supplier shall, as soon as reasonably practicable, provide to the Authority a report setting out the details of the security breach, including an impact assessment, a root cause analysis and of the steps taken to address and mitigate the breach.

## Intellectual Property Rights (IPR)

### All materials produced during the delivery of the contract will be retained by the Authority. The Supplier is advised that no material, information or outcomes about or relating to the contract are to be shared with third parties until such time that the Authority notifies the Supplier in writing that the information is no longer subject to an embargo.

1. **PAYMENT AND INVOICING**

## Insert details of required invoicing schedule.

## Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables.

## Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.

Invoices should use the following address: **REDACTED TEXT under FOIA Section 40, Personal Information**

1. **CONTRACT MANAGEMENT**

## The Supplier will be expected to report to the contract manager appointed by the Authority in accordance with paragraph 8 above. The contract review meetings will be attended by the Supplier’s contract manager and at least one senior lawyer responsible for overall conduct of the contract. A lawyer from the Supplier working on an instruction may also be required to attend. The contract review meeting may be held by telephone if appropriate.

## In addition, during the first two months of the contract the Supplier’s contract manager will be expected to provide weekly updates by telephone or email as requested.

## Attendance at Contract Review meetings shall be at the Supplier’s own expense.

1. **LOCATION**

## The location of the Services will be the Supplier’s premises, with meetings held at the Authority’s premises as required, save where specific instructions seek-the co-location of personnel from the Supplier at the Authority’s premises.