

Briefing on OGP Legal Services Frameworks – 8th December 2016

Introduction

- As Minister of State with special responsibility for public procurement, I would like to welcome you to this briefing on the Office of Government Procurement's Legal Services Frameworks.
- The Office of Government Procurement (OGP), which commenced operations in 2014, is a major step forward in the way we do procurement in this country. The OGP has centralised procurement policy, strategy and operations in one body leading to a coherent and consistent approach to public procurement, **promoting compliance and reducing risk** for individual public service clients and for the State as a whole.
- Through the OGP, the public sector now has efficient access to arrangements put in place by **procurement specialists in an open, fair and competitive way**.
- The OGP has delivered **94 frameworks** to date encompassing over **€2.3bn** of spend over their duration.
- Over the last three years, procurement savings enabled by the OGP and the sector sourcing organisations have amounted to **€160m**.

Legal Services: Overall Approach

- The OGP has responsibility for procuring Professional Services on behalf of the public sector. Within Professional Services, a key sourcing priority for the OGP is legal services, particularly those services which public bodies procure from solicitors.
- Across the public sector, legal service needs range from routine transactional services such as a low value conveyancing to high end strategic advice on complex legal matters that are of national importance or unusual legal complexity. These **ranges of requirements** exist across all sectors within the public service and therefore it is considered appropriate that the broader OGP procurement strategy for legal services recognises the differences in service needs as well as recognising the requirements of individual sectors and organisations.
- The OGP is therefore approaching the market by way of a number of different frameworks, each framework representing a service type or alternatively a sectoral/customer need. The development of the overall approach, which is a **paradigm shift** in how legal services are delivered to the public sector, took some 18 months of **intensive design and development** work and involved extensive consultation with both the supply market and the OGP's public sector clients.
- The OGP is putting in place a range of All-of-Government, sectoral and client specific frameworks that public sector bodies can use to buy legal services. These frameworks will cover an estimated combined annual spend of over **€85m** and are expected to enable savings in the order of **11%**.

Legal Services Frameworks for All-of-Government (excluding Central Government) and for local authorities.

- Two recent and significant of these are legal services frameworks for All-of-Government (excluding Central Government) and for local authorities.

- These two frameworks, which can be used by over **320 public sector bodies and all local authorities**, have an estimated combined annual spend of **€54m** and will enable savings in the order of **€6m** per year.
- To ensure that the design of the frameworks matched both the needs of the public sector and the capacity and capability of the market, the OGP **actively engaged** with its public sector clients and with the industry before going to market. The **pre-tender market engagement** allowed the OGP to understand the market better and it acted as a sounding board for competitive structures. This included a pre-tender market engagement seminar which was facilitated through the Law Society of Ireland. The seminar gave law firms, regardless of their size, an opportunity to help shape and influence the procurement strategy.
- A key focus of good public procurement is to **sustain competition** in markets and to support and encourage smaller businesses in competing for Government business. That is why I was particularly pleased to see the **measures taken by the OGP to facilitate access by smaller law firms**.
 - Both tender competitions were broken into **lots by legal practice area**. This was to ensure that legal firms could compete on the basis of their expertise and to ensure that public sector bodies can access services specific to their requirements.
 - The competition for the local authorities framework was broken down into **regional as well as legal practice lots**. There were 8 regional lots, each representing a cluster of local authorities that broadly fall within the Circuit Court jurisdictions. Law firms **could only be appointed to a maximum of 3 (of the 8) regional lots**.
 - For 62 of the 63 lots across the two frameworks, the OGP removed the requirement for a minimum turnover, opting instead for a **simple declaration of solvency**, in order to open the competition to as many firms as possible.
 - The minimum **professional indemnity insurance** requirement was set at €1.5m, the minimum regulatory requirement to practice.
 - The OGP used **standardised response documents** to reduce the administrative burden on bidders and to ensure that the evaluation processes were as efficient as possible.
 - OGP held **pre-tender bidders' briefings** to outline the structure and form of the competitions.
- The outcome of the procurement processes demonstrates the success of these measures:
 - 109 law firms took part in the tender processes for these two frameworks.
 - In the legal services framework for local authorities, over half the firms were competing in the procurement process for the first time.
 - Following the competitions, 71 firms were appointed to the frameworks. Of these, 33 are firms with 5 solicitors or fewer; 44 are firms with 20 solicitors or fewer.

Conclusion

- The OGP's procurement strategy for legal services entails the largest co-ordinated procurement of professional services in the history of the State.
- The OGP has achieved this in a way that addresses the broad legal service needs of the public sector, facilitates law firms of all sizes to compete and enables significant savings for the taxpayer that can be reinvested in front line services.