

Whole-of-government Legal Services Panel

User Guide

Title

Whole-of-government Legal Services Panel – User Guide

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1. Introduction

As part of its Procurement Transformation Program, the Queensland Government has established a Whole-of-government Legal Services Panel of preferred providers of legal services.

This User Guide explains:

- the objectives, requirements and structure of the panel arrangement
- the roles, responsibilities and obligations of parties to the panel arrangement
- the process for using the panel arrangement to purchase or supply legal services.

2. Objectives

The overriding rationale for implementing this panel arrangement is to deliver a ‘one Government’ approach to procuring legal services and managing legal services spend to ensure the Queensland Government obtains the best value from its large legal services spend.

Legal Services Panel Objectives	
Better access to legal services	<ul style="list-style-type: none">• High quality legal services that meet the broad range of legal needs• A wide mix of legal firms, including small-medium law firms, to facilitate better matching of legal resource to legal needs
Better value for money	<ul style="list-style-type: none">• Reduced tendering and procurement costs• Competitive pricing by aggregating legal spend• Encourage use of alternative fee arrangements where appropriate
Better management of activity and expenditure	<ul style="list-style-type: none">• Clear and consistent contractual arrangements, performance standards and reporting requirements• A centrally coordinated panel manager to manage performance and monitor and report on the panel to drive continuous improvement• Improved informed purchaser capability and active management of legal costs• Improved understanding of legal services expenditure and trends

3. Panel arrangement

3.1 Standing Offer Arrangement

The Whole-of-government Legal Services Panel is a formal Standing Offer Arrangement (SOA) between the State of Queensland and law practices (Suppliers) selected as being best placed to deliver value for money legal services to Queensland Government departments and other entities (Customers).

3.1.1 Term of the Arrangement

The panel commences on 1 April 2015 for an initial term of three years until 31 March 2018, with two options to extend the arrangement beyond that date for one year at a time. The panel applies to new instructions from 1 April 2015.

3.1.2 SOA documentation

The SOA consists of the following documents:

- a. SOA Details – contains information specific to the SOA including requirements, pricing, performance measures and governance. The terms agreed in the SOA Details flow through to the contracts between Customers and Suppliers.
- b. SOA Conditions – contains the terms and conditions for the SOA between the Principal and the Supplier.
- c. General Contract Conditions – contains the terms and conditions that apply to the contracts between Customers and Suppliers.
- d. Definitions and Interpretation – contains definition and interpretation clauses for the SOA Details, SOA Conditions and General Contract Conditions.

The SOA documents are all available at: <http://www.justice.qld.gov.au/justice-services/legal-services-coordination-unit>.

3.2 Eligible Customers

Only eligible Customers may purchase legal services under the panel arrangement.

As per the SOA's definition, the following entities are eligible Customers:

- a. Queensland Government departments
- b. Queensland Government agencies and bodies accepted by the Panel Manager to opt in to the panel
- c. other entities (including those funded by the State of Queensland and/or community based non-profit organisations performing community services) accepted by the Panel Manager to opt in to the panel.

Queensland Government *agencies and bodies* include incorporated or unincorporated bodies established under legislation or through the Governor or a Minister or a body over which the State of Queensland exercises control. These include government committees and advisory councils, statutory authorities, statutory bodies, trusts, government companies, commercial business units and government owned corporations.

3.3 Crown Law

Crown Law is a significant provider of legal services to the Queensland Government. Crown Law is not a panel firm but departments may continue to use Crown Law, as of right, in addition to panel firms for untied legal services.

Tied legal services must be provided by Crown Law (see [Principles and Categories of Tied Legal Work for Queensland Government Agencies](#)).

3.4 Mandatory use by government departments and panel exemptions

All Queensland Government departments *must* use either the panel or Crown Law for all untied external legal services requirements from solicitors, subject to limited exemptions that are set out in the [Panel Usage and Exemptions Policy](#).

Potential exemptions to using the panel include:

- Where available Suppliers on the panel have a conflict of interest
- Where specialist expertise is required but is not available from panel Suppliers
- Where a matter needs to be completed and the contracted legal practitioner is moving or has moved to an “off-panel” law practice
- Where a matter arises in a regional area and the matter is quoted by an “off-panel” regional law practice to *cost more than \$15,000*, but the Customer deems it to be more cost-effective to engage that regional law practice than a panel Supplier. (*Regional areas* are defined as areas outside the Brisbane, Ipswich, Caboolture, Redcliffe, Logan, Beaudesert, Sunshine Coast and Gold Coast regions).

To maintain flexibility for Customers and opportunities for regional firms, if a matter expected to cost up to \$15,000 arises in a regional area, Customers can engage “off panel” regional law practices without seeking an exemption.

3.5 Opt in agencies

The panel arrangement is compulsory for all Queensland Government departments. Other Queensland Government agencies, bodies and entities may apply to opt in to the arrangement under the [Opt in Policy](#).

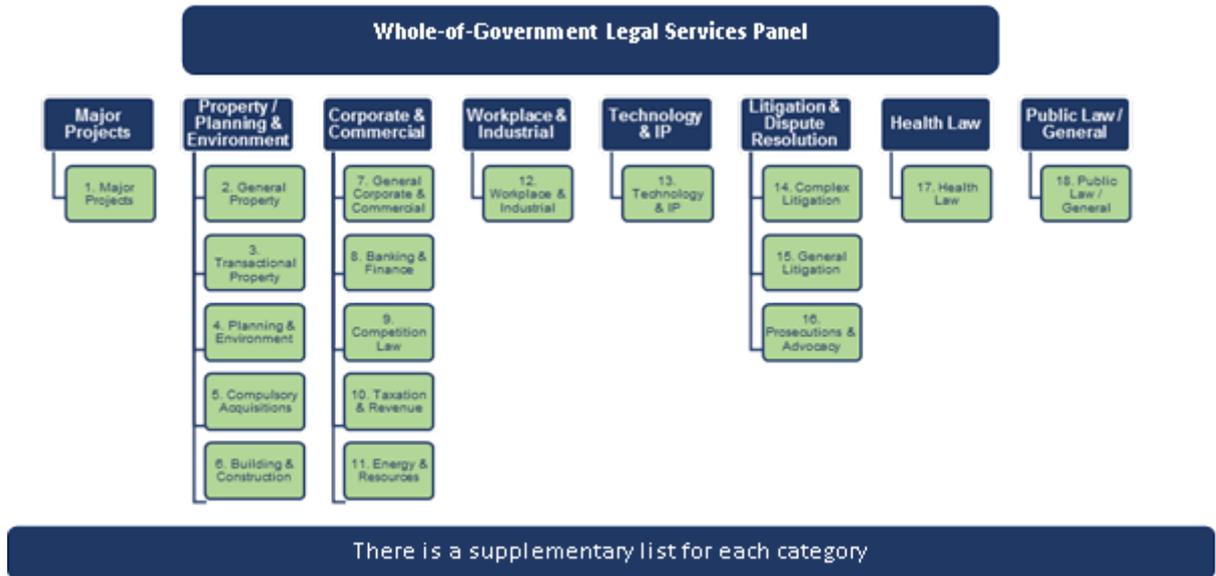
3.6 Panel structure and range of legal services provided

The panel was developed through extensive consultation across Queensland Government and with other stakeholders and a thorough examination of the Queensland Government’s legal services expenditure and requirements. The panel is made up of eight areas of law and 18 categories of legal service which align to the priority needs identified.

A supplementary list of law firms supports the list of appointed panel Suppliers for each category, and includes firms that applied for, but were not appointed, to the panel. The supplementary list acts as reserve list for each category to provide flexibility to meet the diverse legal needs of Customers.

Queensland Government departments must not engage a firm from a category’s supplementary list without the prior approval from the Customer’s [Supplier Relationship Manager](#). Refer to the [Panel Usage and Exemptions Policy](#) for more information about the process for engaging firms, use of firms on the supplementary list, and use of off-panel firms.

Eight areas of law and 18 categories are described in the [Legal Service Categories Fact Sheet](#).



3.7 Panel Suppliers

In 2014, law practices were invited to apply for appointment to one or more of the panel's 18 legal service categories under an open Invitation to Offer process.

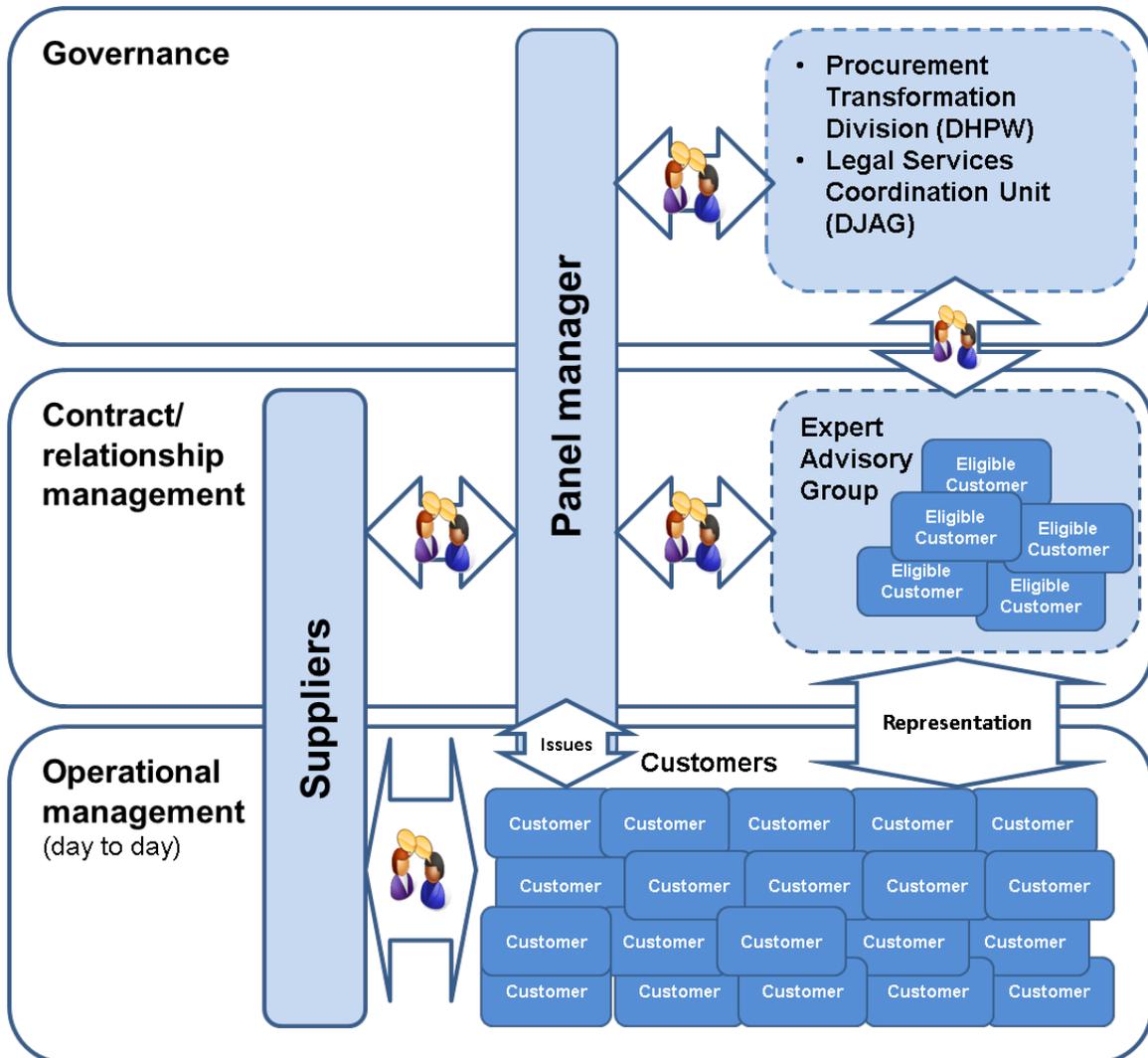
The law practices selected for the panel were chosen based on a number of factors, including capability, skills, expertise and experience, price, ability to manage costs, and ability to add value through innovative service delivery.

Refer to the [Legal Services Panel Suppliers List](#) to obtain the list of law practices appointed to the panel and supplementary list.

Customers can request information about pricing and the legal expertise and experience of key personnel for each of the panel and supplementary list firms by contacting Panel.Manager@justice.qld.gov.au.

4. Panel roles and responsibilities

The key roles under the arrangement are illustrated below:



4.1 Governance

Strategic oversight of the panel is provided by the Legal Services Coordination Unit (LSCU) in the Department of Justice and Attorney-General (DJAG) and the Procurement Transformation Division (PTD) in the Department of Housing and Public Works (DHPW).

The Director, LSCU is the Panel Manager but the panel management function is the joint responsibility of the PTD in DHPW and DJAG. The two agencies will engage with Customers and Suppliers to identify issues, collect and analyse aggregate performance data, identify areas for improvement, and manage relationships at the 'whole of panel' level.

4.1.1 Panel Manager

The Panel Manager is responsible for:

- Managing the panel arrangement

- Establishing policies and procedures for the panel
- Approving the opt in of eligible Customers to the panel arrangement
- Maintaining, and providing to Suppliers and Customers, a central list of eligible Customers and Supplier Relationship Managers for those Customers
- Managing Supplier relationships at the panel level
- Monitoring, reviewing and benchmarking all Suppliers' performance against their obligations and agreed performance measures
- Receiving monthly reports from Suppliers, and post matter surveys from Customers
- Reporting to Customers and Suppliers on the panel arrangement, including panel usage, expenditure and performance
- Assisting Customers to resolve disputes with Suppliers
- Convening meetings of the Expert Advisory Group
- Managing ad hoc issues
- Identifying opportunities for continuous improvement
- Any other responsibilities identified from time to time by the Queensland Government.

4.1.2 Expert Advisory Group

The Panel has an Expert Advisory Group that is chaired by the Panel Manager and includes representatives of eligible Customers and Supplier Relationship Managers.

The Expert Advisory Group advises and supports the Panel Manager by:

- Providing subject matter expertise and advice about Customers' legal requirements
- Providing advice about the operation of the panel and reviewing reports on the operation and outcomes of the panel arrangement
- Identifying opportunities for continuous improvement.

4.2 Customer responsibilities

4.2.1 General responsibilities

Customers are responsible for:

- Engaging panel Suppliers to provide services to meet their legal needs
- Applying 'informed purchasing' principles to the engagement of firms, including providing clear instructions and monitoring performance and costs
- The day to day management (with Suppliers) of individual service contracts entered into under the panel arrangement.

4.2.2 Reporting requirements

Panel Suppliers must meet general performance standards. To assist in measuring this, Customers are required, on request, to provide a 'post-matter' survey to the Panel Manager to assess whether:

- The supplier obtained sufficient instructions to enable services to be provided efficiently
- Services were provided in a way that identified and met the customer's circumstances and requirements, and supported their policies and directions
- The customer was kept informed of the matter's progress
- Services provided were of high quality, timely, responsive to the question, practical, accurate, succinct and easy to read, and value for money.

General standards and key performance indicators for legal services Suppliers are set out in Schedule 3 of the SOA Details.

4.2.3 Supplier Relationship Managers

Each Customer must also appoint a suitably qualified and experienced person as their [Supplier Relationship Manager](#), and maintain the currency of these details with the Panel Manager.

This role will address issues with the individual service contracts, as well as engaging with the Panel Manager to continuously improve service delivery and overall panel performance.

4.3 Supplier responsibilities

4.3.1 General responsibilities

Panel Suppliers are responsible for:

- Performing legal services in accordance with the panel arrangement and with the conditions of the individual service contracts that they form with Customers
- Notifying the Panel Manager and customers of issues that arise in relation to performance of its obligations, including changes of key personnel
- Attending meetings as required by the Panel Manager and Customers, and
- Identifying opportunities for continuous improvement.

4.3.2 Reporting requirements

Suppliers will provide the Panel Manager with all reasonable information and reports requested for the purpose of determining whether they are complying with their obligations under the panel arrangement. Suppliers are required to provide a monthly report of all matters invoiced under the SOA.

4.3.3 Panel Relationship Managers

Each panel Supplier must appoint a Panel Relationship Manager to act as its key contact and manage relationships with Customers and the Panel Manager. A list of Panel Relationship Managers can be obtained by emailing Panel.Manager@justice.qld.gov.au.

4.3.4 Category Relationship Managers

Each panel Supplier must also appoint a Category Relationship Manager to manage relationships with Customers who purchase from the specific categories of legal services that the firm provides. A list of Category Relationship Managers can be obtained by emailing Panel.Manager@justice.qld.gov.au.

4.4 Dispute Resolution

In the event that a dispute arises in relation to an order and contract for legal services, Customers and Suppliers (via their nominated Panel Relationship Manager or Category Relationship Manager, as appropriate) must attempt to resolve the dispute.

If a dispute is not resolved within 10 business days, the dispute should be escalated to the Panel Manager, who will work with the firm via its Panel Relationship Manager to resolve the dispute.

If the dispute is not resolved within 30 business days, the Customer and the Supplier may agree, in writing, to refer the dispute to mediation. The costs of any mediation shall be shared equally between the parties involved in the dispute.

5. How to use the panel

5.1 Purchasing arrangements

The whole-of-government SOA for legal services is a common use supply arrangement applying to all Government departments.

As a Customer you may:

- Purchase legal services directly from any panel firm
- Seek quotes from one or more firms within a category, at your discretion
- Elect to reclassify a matter from one panel legal services category to another category
- If the matter has been reclassified, approve the current firm to continue to work on the matter, even if that firm has not been appointed to the new category, or engage a new firm in the new category to which the matter has been reclassified.
- Negotiate with suppliers on their hourly rates (maximum hourly rates have been contracted under the SOA)
- Seek alternative fee arrangements where appropriate. See Section 5.4.5.

Seeking multiple quotes:

- Customers determine whether more than one quote should be obtained for a particular matter having regard to the Customer's procurement guidelines, the value and risk involved and also the cost to law firms in time and effort in providing the Customer with quotations. However, Customers are encouraged not to seek multiple quotes for low value low risk matters e.g. less than \$10,000.

5.2 Requesting quotes from suppliers

When engaging a firm to perform legal services, it is recommended that you use the [SOA Order Form](#) when purchasing under the SOA.

5.2.1 Recommended steps to engage a law firm

The suggested steps in creating a contract between you and the firm are set out below:

- Step 1** Access the supplier matrices and identify the preferred panel firm(s) to provide the services. There is a separate supplier matrix for each category of law. The matrices contain information about each firm appointed to the category including maximum rates and CVs for each firm's key personnel. The matrices can be requested from Panel.Manager@justice.qld.gov.au
- Step 2** Contact the preferred firm(s) to confirm the firm(s) has no conflict of interest
- Step 3** The Customer completes Part A of the SOA Order Form and issues it to the preferred firm(s) via email. The SOA Order Form Part A should identify the category of law and include a scope of work that is detailed enough to enable the firm to provide a quote. The timeframe and any other specific requirements should also be included in the SOA. The Customer may require specific key personnel to provide or supervise the delivery of legal services
- Step 4** The law firm(s) completes Part B of the SOA Order Form and returns it to the customer. The completed SOA Order Form Part B contains a conflict of interest declaration and will confirm the firm's availability to provide the services and nominate key personnel. It will also contain a quote to provide the services
- Step 5** The Customer selects the firm to perform the services
- Step 6** The Customer manages the engagement. Any amendments to the contract throughout the duration of the matter are made in writing, in accordance with the General Contract Conditions

If services are required urgently and it is impractical for the Customer and the firm to fully complete the SOA Order Form before commencing to provide the services, the order must be completed as soon as is reasonably practicable after service provision commences. The firm must still confirm that it has no actual, potential or perceived conflict of interest before providing services on an urgent basis.

5.3 Conflicts of interest

5.3.1 Conflict of Interest upon instructions

When the firm is contacted to provide services, the firm must make diligent enquiry about whether it has a conflict of interest (as defined in the SOA Definition and Interpretation document) and either confirm there is no conflict of interest or provide details of any conflict of interest to the Customer. The firm must not commence performing the services until approved by the Customer. Conflicts.

For urgent matters, the firm must provide a conflict of interest confirmation within one business day of receiving an urgent assistance request.

5.3.2 Conflict of Interest during engagement

The firm must monitor conflicts of interest during the engagement and immediately report any conflicts of interest that arise. If a conflict of interest arises, the firm must not continue to perform the services until approved to do so by the Customer.

For more information, consult the [Conflict of Interest Policy](#).

5.4 Pricing

Maximum rates for different tiers of personnel in a law practice are contained in the supplier matrices. This can be requested from Panel.Manager@justice.qld.gov.au. Information about rates is commercial-in-confidence. Information about price and payment terms are set out in Schedule 2 of the SOA Details.

5.4.1 An initial quote must be obtained before the services are provided

Firms are required to provide the Customer with an initial quote for services in the first instance. Customers may request a quote on a lump sum, fixed price, maximum fee, retainer or other basis from one or more firms. The firm must provide the quote at no cost to the Customer and indicate how the quote has been calculated.

Customers may also request a firm to provide a detailed project management plan for major projects and complex matters.

5.4.2 If the price exceeds the quote

The firm must notify the Customer if it becomes aware that the total price is likely to exceed the quote given. The notice must be given when the firm becomes aware but no later than when the costs incurred reach 80% of the quote provided.

The notice that the total price is likely to exceed the quote must specify a revised quote for services and include the reasons why the total price will exceed the initial quote.

The Customer has discretion to approve the revised quote but must act reasonably. If the Customer approves a revised quote, written notice must be provided to the firm. It is suggested that the [SOA Variation Request Form](#) be used to complete this process.

The Customer is not liable to pay the firm any amount exceeding the initial quote unless the Customer has approved a revised quote.

5.4.3 Disbursements

Under the SOA, Customers are required to pay for disbursements that:

- Are pre-approved by the Customer in writing
- Relate to the engagement of a barrister, expert or specialist (provided an estimate or quote of those fees is provided in advance to the Customer)
- Are for application, lodgement or filing fees required to perform the services.

Customers are not required to pay for:

- Photocopying and printing
- Word-processing time
- Postage and delivery charges
- Telephone charges

- Travel time (unless pre-approved by the Customer in writing).

5.4.4 Services that cannot be charged

Services for which payment by the Customer is not required are set out in Schedule 2 of the SOA Details.

Unless prior written approval is obtained, Customers are not required to pay for excessive or unnecessary services including:

- over reliance on counsel, unless expressly instructed by the Customer;
- work not charged at the appropriate level, such as a lawyer completing administrative tasks that can be undertaken by a legal assistant;
- multiple lawyers settling the same piece of work;
- more than two lawyers attending a court hearing or meeting;
- more than one lawyer attending a directions hearing;
- writing up meeting minutes or recording a file note except in unusually lengthy or complex meetings; and
- any items with a vague description such as “various attendances” or “drafting email”.

Customers are not required to pay for the following incidental services and functions:

- The Supplier’s development and maintenance of an awareness of, and research and training of key personnel in relation to:
 - the legislative and policy framework within which Customer operates
 - the overall scope of Customer’s business and operations
 - Customers’ key priorities for each forthcoming year
- Compliance with the Customer’s policies
- Performance of incidental services or functions required for the proper performance of the services including:
 - day to day management of the services
 - contract management
 - client relationship management
 - participation in induction meetings
 - compliance with the obligations and processes set out in the SOA or SOA Order
- Time spent by new personnel familiarising themselves with a matter before commencing work
- Numerous consecutive one unit charges for performing work that is part of the same task when each part of the work would not normally take one unit of time

- Researching simple or basic legal principles
- Newsletters and other public information
- General administrative work including arranging meetings, recording routine telephone calls or meetings
- Internal discussions, meetings and conferences between personnel of the Supplier where the objective is to set up internal processes to manage cases or to provide updates between Supplier personnel. (The Customer will pay for internal meetings where proper legal supervision is required or to progress a matter provided that the supporting narration is detailed, the meeting advances the conduct of the matter; and there is demonstrated value in the activity.)
- Value added services.

5.4.5 Alternative fee options

Suppliers and Customers may determine their terms of engagement and apply innovative fee arrangements during the course of a matter. The table below shows a range of fee arrangements that could be used by firms, when each should be applied, and their benefits and limitations.

Fee type	Definition	When used	Benefits	Limitations
Hourly rate	Varying rates charged for each hour of work done by lawyers, increasing with the seniority of the professional (e.g. \$500 per hour for a partner of a law firm, \$250 per hour for a 3rd year solicitor)	Most types of legal work In a trusting relationship where the task is difficult to scope in advance	Low scoping cost Easy to calculate Easy to measure work done Easy to manage Aligned to costs Readily available benchmarks Allows flexibility of both scope and resources during the course of a project	Can reward inefficiencies Not aligned to benefits Discourages innovation Fee not known until post-project High administrative burden for both client and firm in assembling and checking invoices
Blended hourly rate	A single rate charged for each hour of work done by any lawyer, regardless of experience and seniority	Large matters or disputes where a team approach is required and there is a need for work to be handled at the right levels for overall cost effectiveness	Allows for work to be done at the right levels and to enable a single blended rate to be used as a benchmark Enables direct comparison between firms handling similar work	Not suitable for partner-heavy advice work
Capped fee	Hourly rates are charged up to an agreed maximum level on an agreed, documented scope of work. After the cap is reached, any additional work (within the scope) will be done at no additional cost	Suitable for most medium complexity work where realistic scope of work can be agreed Often used for stages of commercial project or litigation (e.g. discovery)	Provides certainty for budgeting purposes and enables direct comparison between firms pricing the same work The firm assumes the risk and the scoping allows all parties to fully understand what is expected to be completed within the capped fee	May encourage firms to cut corners if they have scoped badly May incur a high scoping cost for firms
Fixed pricing	A set fee is agreed for certain types of work and the fee is	Capable of being used for most work	Provides absolute price certainty and enables direct	May encourage firms to cut corners if they have scoped

Fee type	Definition	When used	Benefits	Limitations
	charged regardless of the time spent	Most commonly used for work where the variables can be anticipated e.g. property acquisitions/disposals, leasing (commercial, retail and industrial), debt recoveries of less than an agreed value, trade mark registrations, standard contracts for goods and services	comparison between firms handling similar work	badly May incur a high scoping cost for firms
Retainer	Law firm paid a set amount per annum or per month to provide specific services	Often used for high volume/low complexity work where there is a pattern of use and volume, such as leasing portfolio renewals When client needs a fixed budget When requirements can be clearly articulated in advance	Provides cost certainty, reduces administrative burden of processing multiple invoices Total cost of service is often less than if charged on a per matter basis	Workload, or perception of workload, may vary from month to month May create misalignment of objectives between client (wanting greater benefits) and firm (wanting to do less)
Volume discounts	Law firm applies a fixed percentage discount on rates for a guaranteed volume of work	Most often used for high volume yet standard work such as property, leasing, conveyancing, debt recovery	Low scoping cost Total cost is often less than if charged on a per matter basis	No price certainty for client High base rates negate the impact of the volume discount Requires close scrutiny of invoices by agency staff

6. Engaging counsel and experts

The Customer's written approval must be obtained before counsel or other experts are engaged by the firm.

The Whole-of-government Policy for Barristers Undertaking Legal Work for Queensland Government Departments outlines how departments engage barristers and sets maximum fee caps for junior and senior counsel. Firms must consider the policy when engaging counsel on behalf of departments. More information is contained in the [Briefing counsel policy](#).

7. Invoicing

Invoicing requirements are set out in the General Contract Conditions and in Schedule 1 of the SOA Details. Customers may also negotiate additional requirements. For particularly large matters, Customers may wish to request an invoice in MS Excel format to facilitate easy checking.

The minimum requirements are that invoices must:

- be itemised (each item should include the personnel, hourly rate, hours billed and a brief description of the item)
- show the initial quote and how much has been used
- show the Customer's file reference.

8. General requirements

8.1.1 Cap on liability

The SOA Details provide that the cap on liability is \$10 million or as limited by law or binding scheme which applies to some firms. Therefore the cap on liability might be different for different firms.

Customers can require a higher cap on liability for certain engagements e.g. major projects. If a higher cap on liability is required, this should be specified in the SOA Order Form.

8.1.2 Professional indemnity insurance

Under the SOA details, firms are required to hold professional indemnity insurance as required by the Queensland Law Society. The insurance must be at least as much as the applicable cap on liability (see Section 8.1.1) and therefore it might be different for different firms.

Customers can require a higher amount of insurance for certain engagements e.g. major projects. If this is required, it should be specified in the SOA Order Form.

8.1.3 Contract variations

The contract for legal services between the Customer and the Supplier consists of the SOA Details, SOA Order and the General Contract Conditions. Clause 23(d) of the

General Contract Conditions provides that the contract can be varied by written agreement between the Customer and the Supplier.

8.1.4 Meetings

Customers may require firms to attend ad hoc meetings. At least five business days written notice must be provided to the firm.

8.1.5 Ad hoc reporting

Customers may request ad hoc reports from firms in relation to matters. The reports are to be provided in the form and timeframe requested by the Customer

9. Appendix A – Principles of informed purchasing for legal services

Queensland Government adopts an informed purchasing approach to the procurement of its legal services. Informed purchasing is an approach that focuses on obtaining quality legal services and optimum value for money for the Customer.

The recognised informed purchasing leading practice model includes the following six stages:

1. Define legal services needs
2. Establish in-house legal resources
3. Select external legal services
4. Manage provider relationships
5. Information sharing
6. Measure, monitor and refine.

The panel arrangement seeks to streamline the first three stages for Queensland Government Customers by completing the first two stages of the model under the SOA, and part of the third stage by establishing categories with preferred suppliers and supplementary lists.

All customers have to do is engage preferred suppliers for each matter, manage the engagement, and report to the Panel Manager when required.

The output from stage six (measure, monitor and refine) feeds back into the remaining stages through continuous improvement.

The key concepts behind each of these six stages are described below.

A.1 Define legal services needs

In this first crucial stage, leading practice for the Customer is to define how legal services are to be delivered. The first issue to consider is the demand, scope, nature and volume of legal services required by the agency.

In this phase, consideration needs to be given to, and decisions need to be made on, how the legal services will operate (for example the mix of in-house and external provision of legal services and the amount of work that can be distributed).

A.2 Establish in-house legal resources

Once the procurer has defined the legal services needs in the first stage, leading practice requires an examination of the in-house legal resources required.

Issues that must be considered during this stage include the size and capacity of the in-house team, the appointment of a business improvement manager and their management of legal services panels for agencies, how the internal team will be provided with informed purchaser training, and giving the internal team access to knowledge-sharing tools available across government.

A.3 Select external legal services

Leading practices in this stage focus on the Request for Tender (RFT) and include establishing the performance management regime and agreeing any relationship management protocol.

It also includes determining terms of engagement with panel firms and innovative fee arrangements.

The table in section 5.4.3 of this guide illustrates the range of different fee arrangements open to firms in providing legal services to Customers.

A.4 Manage provider relationships

Arguably the most critical part of the model, this stage focuses on implementing and managing legal services provider relationships. Leading practice is the implementation of all the processes put in place in the earlier stage of 'select external legal services.'

These should be actioned in an effective, efficient and ethical way. Specifically, innovative fee arrangements should be considered, and performance measures applied and used, to improve the performance of panel firms.

Implementation of a performance measurement regime requires the Panel Manager to monitor and audit the performance of firms against agreed key performance indicators and to benchmark their performance.

Where a firm's performance has met or exceeded agreed standards, this information should be recorded and analysed and inform the next re-tender of the panel. Specifically, the processes used to promote the superior performance should be replicated. Where a firm's performance has not met required standards, action needs to be taken to address the poor performance, potentially including removal from the panel.

It is the informed purchaser's role to gather, analyse and utilise this information to generate ongoing savings. The challenge is to create an environment whereby all parties are continually focused on improving outcomes.

Relationship management also helps to ensure large and complex litigation and commercial transactions are managed as projects and properly scoped. The application of legal project management principles helps to ensure this occurs.

The informed purchaser approach ensures customers pay only for necessary work done at the right time by the appropriate resource level.

A.5 Information sharing

Leading practice in this stage focuses on sharing information to reduce duplication (such as advice on the same legal question being sought and provided to two agencies, or the duplication of commercial starting point templates).

Leading practice is achieved through greater information sharing – across agencies and between government and panel firms. Leading practice is to share this information not just within in-house legal teams and panel firms, but through business unit managers (such as panel managers) who can facilitate the sharing of information across government.

Information can be shared with non-lawyers through document creation tools and checklists, to empower and educate the internal client base.

A.6 Measure, monitor and refine

Leading practice is achieved in this stage through capturing data to improve the entire informed purchasing process.

This includes:

- obtaining data from panel firms
- reporting to stakeholders, and
- undergoing a lessons learned process through constant review of what is working and what needs to be improved.

This stage is part of the continuous improvement cycle, feeding back into earlier stages of the leading practice model.