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Contract

HSF Engagement Letter for Provision of Legal Services In Relation to the Remediation Unit

Post Office Limited

F03: Contract award notice

Notice identifier: 2025/S 000-012153

Procurement identifier (OCID): ocids-h6vhtk-04fb10

Published 1 April 2025, 10:05am

Section I: Contracting authority

I.1) Name and addresses

Post Office Limited

100 Wood Street

London

EC2V7ER

Email

procurement.operations@postoffice.co.uk

Country

United Kingdom

Region code

UKI31 - Camden and City of London

Companies House

02154540

Internet address(es)

Main address

<https://www.postoffice.co.uk>

I.4) Type of the contracting authority

Body governed by public law

I.5) Main activity

Other activity

Postal Services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

HSF Engagement Letter for Provision of Legal Services In Relation to the Remediation Unit

Reference number

C103403

II.1.2) Main CPV code

- 79100000 - Legal services

II.1.3) Type of contract

Services

II.1.4) Short description

Manage claims in relations to the Horizon Shortfall Scheme (formerly the

Historical Shortfall Scheme) ("HSS"), and various related ongoing workstreams ("Small

Projects") (together,

referred to for ease as, the "Remediation Workstreams"), as well as Post Office's separate requests for HSF

to provide Post Office with certain documents and information in connection with the work carried out on the

Remediation Workstreams (collectively referred to as the "POL Remediation Document and

Information Requests").

II.1.6) Information about lots

This contract is divided into lots: No

II.1.7) Total value of the procurement (excluding VAT)

Value excluding VAT: £15,000,000

II.2) Description

II.2.3) Place of performance

NUTS codes

- UKI - London

II.2.4) Description of the procurement

This service is for the provision of legal service in relation HSS.

This service is a transitional service to facilitate handover to a new service provider and provide services on complex matters during the transition period. The service will also cover the provision on document and advice on historical matters as they arise. This services was procured under the Light Touch Regime.

II.2.5) Award criteria

Price

II.2.11) Information about options

Options: No

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Award of a contract without prior publication of a call for competition in the cases listed below

- The services can be provided only by a particular economic operator for the following reason:
 - absence of competition for technical reasons

Explanation:

In 2020, Post Office Limited ("POL") established the Historical Shortfall Scheme, later renamed the Horizon Shortfall Scheme ("HSS"), for those who experienced shortfalls relating to previous versions of Horizon.

In 2021, the Overturned Conviction Scheme ("OC" and together with HSS the "Schemes") was established for those whose Horizon-related convictions have been overturned by the Courts.

Given that Herbert Smith Freehills LLP ("HSF") were appointed to represent POL in the group litigation raised by Sir Alan Bates & Others and that they advised POL in the mediated settlement, which gave rise to the HSS, POL appointed the same firm to provide legal services and support the administration of the Schemes, including the conduct of claim assessments, provision of legal advice in relation to scheme criteria, the establishment and operation of the independent HSS panel and various other matters. HSF has continued to support the Schemes since then.

In October 2024, POL ran a competition under the Crown Commercial Service ("CCS") Legal Services Panel (RM6179) to appoint an alternative legal adviser to support the Schemes. Following that competition, POL awarded a contract to Pinsent Masons LLP ("PM") to replace HSF. However, in order to effect an orderly transition of the services from HSF to PM and to ensure that the ongoing administration of the Schemes is disrupted as little as possible in this time, POL requires a new contract with HSF (the "Transitional Contract").

POL has awarded the Transitional Contract to HSF under the light touch regime of the Public Contracts Regulations ("PCR") in accordance with the provisions of regulation 75(2) and 32(2)(b)(ii) because HSF is the only supplier that can provide the transitional

services thereunder.

HSF is the only contractor that is capable of providing the transitional services because only it has the knowledge of the Schemes to be able to transfer to PM. HSF was closely involved in the design and initial operation of the Schemes, it has assessed thousands of HSS cases, it holds the contracts with the independent HSS panel and holds data and documentation that POL requires, will continue to require, and will need to be transferred to POL and PM.

Competition would be absent if POL was to attempt to take the Transitional Contract to market. HSF is the only organisation that is technically capable to transfer the knowledge, data and documentation that it holds to POL and to PM. It would not be technically possible to appoint another firm to provide the transitional services on HSF's behalf.

There is no reasonable alternative to awarding the Transitional Contract to HSF. It would not be feasible for POL to sever its relationship with HSF without services, documentation, data and knowledge having transferred to PM. If POL was to allow its relationship with HSF to lapse without a contract for the transitional services, this would have caused significant disruption to the Schemes and would almost certainly cause substantial delay in the provision of redress to postmasters. There is no alternative to the transitional services and only HSF is capable of providing those services. This will ensure that reasonable steps are taken to see that there are no delays in redress being paid to victims of the Horizon IT scandal that are attributable to the transition of services to PM from HSF.

The absence of competition is not caused by any artificial narrowing of the parameters of the procurement. POL has opened the provision of legal services to support the Schemes to competition by conducting a further competition under RM6179. This has led to the appointment of PM. It is necessary to award the Transitional Contract to HSF to facilitate the transfer of services and only HSF can do that.

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: No

Section V. Award of contract

A contract/lot is awarded: Yes

V.2) Award of contract

V.2.1) Date of conclusion of the contract

3 March 2025

V.2.2) Information about tenders

Number of tenders received: 1

The contract has been awarded to a group of economic operators: No

V.2.3) Name and address of the contractor

Herbert Smith Freehills LLP

London

Country

United Kingdom

NUTS code

- UKI - London

Companies House

OC310989

The contractor is an SME

No

V.2.4) Information on value of contract/lot (excluding VAT)

Initial estimated total value of the contract/lot: £15,000,000

Total value of the contract/lot: £15,000,000

Section VI. Complementary information

VI.4) Procedures for review

VI.4.1) Review body

The Royal Court of Justice

London

Country

United Kingdom