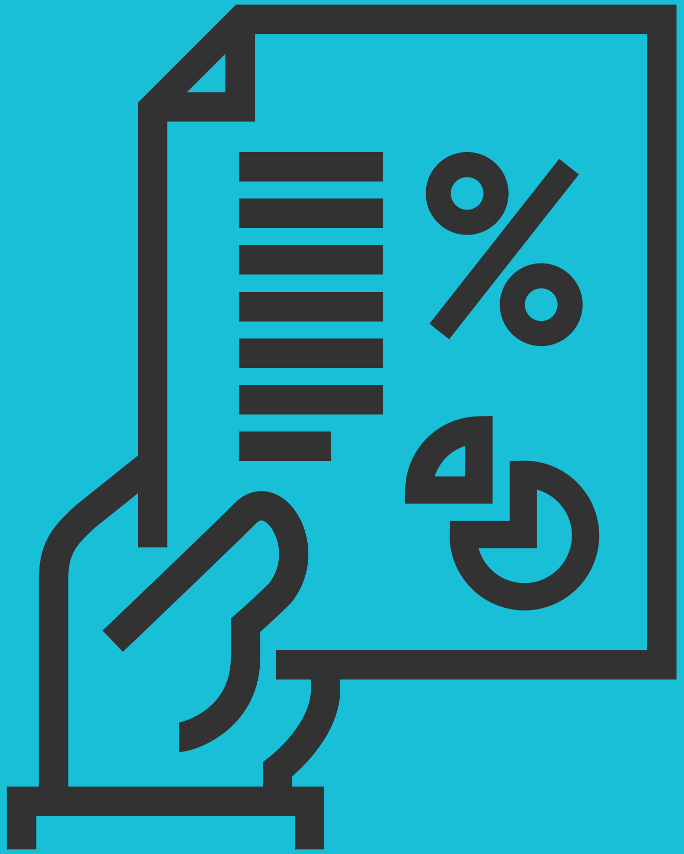
LexMundi Best Practices Guide

Preparing and Issuing Requests for Proposals



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Introduction

Issuing a Request for Proposal (RFP), evaluating the responses and selecting a law firm can be a lot of work for a legal department.

Responding to the RFP can also be a lot of work – Law.com recently estimated that law firms spend on average 47 hours responding to RFPs. Yet it seems that neither party – the issuing company nor the responding law firm – is completely satisfied with its side of the process. Given all the work that goes into preparing and responding to RFPs, it is important to establish best practices for both sides.

This set of best practices highlights important considerations and steps to take for companies issuing RFPs.

The use of RFPs for selecting legal counsel has been on the rise. Over three quarters of companies now use RFPs as part of their legal management strategy. Many companies are finding the RFP process to be an effective method of identifying and selecting law firms. Both in-house lawyers and representatives of law firms predict increased use of RFPs over the next few years.

The purpose of this publication is to provide information on RFPs and to identify best practices that will improve the RFP process for issuing entities. If the process is fair and objective and conducted for the right reasons, it can enhance the provision of quality, cost-effective legal services and the relationship between the client and the law firm.

Overview of the use of RFPs in the legal profession

The *CLOC 2025 State of the Industry Report: Legal Ops Data Review and Analysis*[1] underscores a strategic shift in how corporate legal departments manage outside counsel and utilize RFPs.

Among the various responsibilities handled by legal operations teams, outside counsel and vendor management emerge as the most prevalent, with 95 percent of respondents including it within their scope. This highlights the growing importance of vendor oversight as legal departments strive to enhance cost efficiency, performance and the overall value derived from external legal partnerships.

A key trend identified in the report is the increasing adoption of competitive bidding and RFP processes for legal matters and portfolios. It is estimated that 39 percent of legal departments plan to implement or refine their RFP strategies, signaling a move toward more structured and transparent procurement practices. Despite this momentum, the use of dedicated legal RFP tools remains limited, with only 24 percent of respondents currently leveraging such technology.

There are many reasons why an entity may issue an RFP for legal services. These include:

- A legal need (a complex issue, a new jurisdiction or specialized substantive expertise to name a few)
- The company's need for more due diligence in selecting law firms and getting a better comparison
- Routine due diligence or organizational mandate
- Change in general counsel or in-house staffing (e.g., increased outsourcing or downsizing of the legal department)
- Changes in the company (e.g., merger, restructuring or disposal of group entities)
- Increased workload and limited in-house resources
- A desire for cost control, more accurate budgeting or greater efficiencies, particularly with routine legal work

1 https://cloc.org/2025-soti-report/

- To establish a panel or network of preferred providers or diversify the ranks of outside law firms
- To improve the quality of work performed by or the responsiveness of legal counsel
- To document the selection process on important matters

According to *CLOC CGI 2025 Workshop Recap: The ABCs of RFPs*[2], panel RFPs remain a foundational strategy, especially for large organizations. They are increasingly seen as strategic governance tools rather than static vendor lists. Many multinationals are moving toward performance-based refresh cycles instead of time-based ones, allowing panels to evolve with business needs and regulatory changes.

RFPs for specific projects are also gaining traction, particularly for repeatable, moderately scoped matters like employment litigation or commercial disputes. These RFPs offer quick wins in pricing, transparency and firm comparison. Legal teams are using them to build internal buy-in for broader RFP adoption.

A substantial number of entities are issuing RFPs but do not hire a law firm from the process. Some reasons for this approach include:

- Routine due diligence on quality and cost of legal services
- Board request/organizational mandate (e.g., for projects exceeding a certain monetary amount)
- To restructure the relationship with existing law firm(s)
- To receive ideas on how to handle a matter

Companies most frequently identify the law firms to receive the RFP through:

- Past relationships
- Discussions within the legal department
- Referrals from others in the business or industry
- Directories like Chambers & Partners
- Advice from consultants

The number of law firms that companies contact with the RFP varies dramatically depending on the nature of the work and the geographic coverage required.

2 https://www.priorilegal.com/blog/cgi-workshop-recap-abcs-of-rfps/

When evaluating the proposals that are submitted, companies use many factors to select legal counsel. These are often weighted and may include:

- Expertise
- Quality
- Proposed staffing
- Pricing, including alternative fee arrangements
- Approach to service delivery
- Project management capabilities
- Geographic reach
- Absence of conflicts
- Diversity
- Technological capabilities
- Value-added activities and access to resources

The actual proposal document is important, too. Companies report that they evaluate proposals on:

- Creativity shown in submission (i.e., differentiation, use of different formats, etc.)
- Adherence to the RFP guidelines
- An easy to follow, concise submission
- Timeliness (meeting the deadline)

Most companies and law firms agree that interviews are important. While the proposal may be used to whittle down the number of law firms to a "short list", interviews are key to evaluating the presence and presentation of the lawyers, and that all-important "chemistry".

Who issues legal RFPs: Procurement or legal?

Legal departments are increasingly leading the RFP process, especially when selecting outside counsel. They define the scope, evaluation criteria and strategic goals (e.g., diversity, innovation, cost control).

Procurement teams often support the process by managing logistics, ensuring compliance and applying sourcing discipline. Their involvement is widespread in larger organizations or when legal spend is part of broader vendor management strategies.

The most effective RFPs are now jointly managed, combining legal's subject matter expertise with procurement's process rigor.

Best practices for entities issuing an RFP

i. Developing the RFP document and list of recipients

- **Provide a clear and comprehensive RFP document.** Be certain that the questions are not vague and recipients understand what information the company is seeking. Poorly crafted RFPs can strain existing partnerships, delay projects and hinder decision making.
- **Tailor the RFP to the company's needs.** Be specific about the nature and scope of the legal work for which the company has needs, instead of asking firms to bid on generic work. If possible, ask about a specific type of work or geographic scope.
- **Include the company's business drivers for the RFP and what the desired outcome is.** For many companies, the purpose of using an RFP is to create a selection process that is fair and objective. However, whether the goal is better decision making, price reductions or diversity, it is in everyone's best interest to be clear about the rules of the game.
- **Make it clear what the law firms will get in return.** For example, if the company can guarantee a certain amount of work, it may result in better pricing.
- **Use the RFP to get a sense of how the law firms approach their work.** Ask for more than "vital statistics." Inquire, for example, how a law firm approaches a deal and how they will deliver the project.
- **Structure your data requests thoughtfully.** Clearly outline the quantitative and qualitative information you expect. Avoid overly open-ended formats that lead to excessive post-analysis. Specify pricing expectations, key evaluation criteria and the qualitative insights you need to make informed decisions.
- **Be targeted in your qualitative questions.** Law firms tend to overdeliver with lengthy pitch decks. To avoid information overload, ask only what is essential – such as team composition, relevant experience and strategic approach to the matter. This ensures responses are focused and actionable.
- **Do not issue an RFP to get free advice or take a law firm's work product without paying for it.** For example, a company should not request a strategy for litigation and then implement it without compensating the firm.

- **Be open-minded when seeking law firms to participate in the RFP.** There may be hidden gems of law firms that can be uncovered through proper due diligence (e.g., discussions with others).
- **Make the number of recipient firms proportional to the number of firms to be hired.** For example, if the company only intends to hire one firm, it may not be productive for either side if 30 firms are asked to participate.
- **Do not ask firms to guarantee that the rates are the lowest rates offered.** This presents a difficult situation with respect to other important firm clients.
- **Be selective about the information requested.** Identify clearly the criteria on which the company will judge the law firms and focus questions and information gathering in those areas. For example, if the company hires lawyers, not law firms, what is the purpose of firm metrics? This focus will help the company avoid asking for statistics that are difficult to produce or, in the end, irrelevant. Some law firms pass up proposal opportunities because the data required is overwhelming. If the company is asking for some extensive or unusual information, explain why.
- **Consider conflicts issues.** For example, if the company asks law firms to provide suggestions for strategy in a particular matter, will this conflict the unsuccessful firms with potential clients? In addition, if the company would consider it a conflict if a law firm worked with certain companies, identify those companies in the RFP instead of asking the firm to identify potential conflicts.

ii. Exchanging information with external counsel

- **Provide recipient law firms with sufficient background and context.** This is especially important when engaging firms that may be unfamiliar with your organization. Include relevant historical data – such as volumes, types of matters, fees or case trends – as well as expectations for future workload, the role of in-house counsel and the team structure they will be working with. Sharing this context enables firms to craft tailored, informed proposals and significantly improves the quality of responses. Some companies even include their core values and ask firms to demonstrate how they would support them, which can be a powerful way to align expectations and culture from the outset.
- **Be honest about the odds.** If the company is issuing the RFP for a reason that might affect a firm's chances of receiving business, or if it is unlikely to hire a law firm (or a new law firm) from the process, tell the recipient law firms. For example, the company's board may require an annual review of relationships. This will allow the firms to make better decisions about the resources invested in the response. Avoid issuing an RFP to other law firms if the process is simply a method to negotiate the relationship with the incumbent firm (e.g., a new pricing structure).
- **Contact the law firms directly before sending the RFP.** This helps them prepare and provides an opportunity to discuss the company's goals. If the company has a good relationship with the firm, this also provides an opportunity to talk about the process, e.g., *"Sorry about the form, but we're required …"*
- **Allow the recipient law firms to contact the company for more information or clarification of the RFP document.** This is key to recipients preparing a thoughtful and relevant proposal. In some cases, they may want additional details related to the matter; in other cases, it may be to clarify one of the questions asked on the RFP. If the RFP process is run by procurement, provide a point of contact in the legal department for external counsel to discuss the RFP with or host briefing calls that recipients could use to clarify any questions they might have either in respect of the RFP requirements or the process itself.

- **Outline the process.** Let the recipient law firms know how many firms have received the RFP and how many firms the company anticipates selecting. This will help the firms determine their odds of success and decide whether to respond. Even better, tell the law firms which other firms have received the RFP so they can differentiate themselves and make it easier for the company to judge their relative strengths and weaknesses.
- **Respect the confidentiality of the law firms' information.**

iii. Managing the RFP process

- **Consider a multi-round, or staged, process.** The first round could request limited information from more firms to identify the best fits for the need. The second round could request a more in-depth response from a short list of firms. The third round would be an interview with the finalist firms.
- **Consider utilizing legal technology to support the RFP process, allowing companies to build and send RFPs, and summarize the responses.** Many platforms allow companies to visualize responses and summarize the responses. While some generic platforms can be used to build specific RFP tools (for example, Thomson Reuter's HighQ), there are many off-the-shelf tools on the market such as Persuit+ and Virtual Pricing Director.
- **Give law firms enough time to put together an effective and customized response.** Law firm representatives suggest that anything less than three weeks is taxing and difficult, yet some companies give firms less than two weeks (and as little as five days) to respond.
- **Stay on schedule.** Many law firms have reported waiting six months or more for decisions to be made. This is particularly trying when they have invested substantial time and energy in a response or, worse yet, were given a very short timetable to respond.
- **Consider reverse auctions carefully.** Reverse auctions can reduce legal costs by having law firms bid in real-time, online competitions where the lowest bid wins. This process increases price transparency, enables cost comparisons and improves efficiency by reducing administrative overhead. However, focusing solely on price may compromise quality and strain relationships with external counsel. Reverse auctions are best suited for standardized, well-defined legal tasks – not complex or specialized matters. While they offer benefits like cost savings and pricing visibility, the potential impact on quality and firm relationships means their use should be evaluated on a case-by-case basis.

iv. Making the final decision

- **Develop a good decision-making process.** This could range from having the right team involved to outlining a reasonable schedule. For example, the company might put together an executive committee to establish criteria, review the proposals and drive the decision-making process. Where procurement is involved, consider how the in-house legal team will feed into the decision-making process.
- **Interview the finalist law firms.** Companies truly seeking strategic partners will not select firms based solely on written responses.
- **Meet the team.** Ask the finalist law firms to bring the key people who will be working on the company's matters, including associates.
- **Move from a quantitative to a qualitative approach.** Use meetings to explore the firms' approaches and to judge the potential relationship. For example, ask firms to explain their staffing levels.
- **Conduct reference checks on the law firm the company is considering.**

v. Notifying the participants

- **Contact all the law firms that responded.** As one might expect, a firm that invests the necessary time to prepare a thoughtful and tailored proposal is anxious to learn how it was received. However, many firms report not hearing from the company, or only after inquiring.
- **Be open to discussing the company's decision.** If an unsuccessful law firm contacts the company to learn why it was not selected, provide some candid feedback. Contacting the company demonstrates the firm's sincere interest in the company. This may help the firm improve its proposals in the future.

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700+
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23,000+
Lawyers

125+
Countries

Contacts

As always, Lex Mundi is here to help. Lex Mundi staff members are always ready to make introductions to fellow member firms, join you on pitches and calls and brainstorm ways to add more value.

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