

'WE NEED LAW FIRMS THAT ADVISE US ON HOW TO CONDUCT BUSINESS'

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Failing to meet deadlines, little transparency and having to repeatedly supply the same information to firms is a cause of frustration, says Efacec's Francisco Goes Pinheiro

A law firm's ability to provide clients with guidance on how to conduct business in overseas jurisdictions is a key factor when choosing which external legal advisers to use, according to Francisco Goes Pinheiro, senior in-house counsel at Efacec in Lisbon.

"We have businesses in several jurisdictions worldwide, and it is therefore very important to have strong local support if needed," Goes Pinheiro explains. "The added value that external law firms can bring includes information on how to do business, an insight that is very important for us, and which is something that is more relevant than ever regarding local laws and regulations."

International operator

Efacec, which is headquartered in Portugal, supplies generators, motors, transformers and electrical accessories for a range of uses, including metro and light rail systems, electric car-charging facilities and solar power plants. It employs more than 2,300 people and has offices in more than a dozen countries. Its revenue stands at around €430m per year, around a quarter of which is generated in Portugal. Efacec's most significant business line is power transformers, which accounts for more than a third of its income.

Recently, the company began the construction of two solar power plants in Portugal, which will generate more than 70 gigawatt hours (GWh) of electricity per year, an amount that equates to the power needs of around 19,000 households. The company also recently won a tender for the construction of substations for the extension to the Copenhagen Metro, as well as a contract for the supply of signals and telecommunication systems for the next phase of the Bergen Light Rail network in Norway.

Seeking local firms

There are a number of circumstances in which the company's in-house legal team outsources work – they are either due to reasons of confidentiality, or due to the nature of the issue at stake, such as when the case requires litigation, or when it concerns matters in another jurisdiction, in which case a local firm would also be sought out for advice, Goes Pinheiro says.

Among the key items on the Efacec in-house department's agenda at present is the legislation amendment to Portugal's public procurement law, the so-called Decree-Law 111B, which was promulgated last August and came into effect in January of this year, and which is one of the laws that is most relevant to Efacec's business in Portugal. The amendment introduces special rules

regarding procurement by entities awarding contracts in the water, energy, transport and postal services sectors, and the legislation is also applicable to all contracts that are subject to competition in public tenders. It designates the Instituto dos Mercados Públicos, do Imobiliário e da Construção as the watchdog responsible for regulating public procurement.

Goes Pinheiro says the company's choice of law firm can be influenced by the existence of a historical relationship. He adds that the company's preferred law firms are Vieira de Almeida, Uría Menéndez - Proença de Carvalho and Serra Lopes Cortes Martins. Goes Pinheiro says the characteristics he most values in a law firm, or team of lawyers, are trust, reliance and knowledge. However, the company's choice of external legal adviser also depends on the complexity, nature and type of case at hand.

Among the other priorities for Efacec's in-house legal team are the company's contracts related to projects in a number of countries, including Argentina, Chile, the Ivory Coast, Germany, Mauritius, the UK and the USA. Other challenges the team face include the need to manage the company's day-to-day legal issues, as well as meeting the requirements of the company's various business units, which means the legal department often has to resort to using external law firms.

Causing frustration

However, there are a number of factors that would dissuade the company from engaging certain law firms, according to Goes Pinheiro. These include a failure to deliver work on time, or a lack of reputation or lack of transparency. Meanwhile, Goes Pinheiro identifies the biggest cause of frustration when dealing with an external law firm as the need to send the same information several times due to a lack of coordination among the lawyers involved.

Francisco Goes Pinheiro is a senior in-house counsel at Efacec in Lisbon