

Request for Proposals for Legal Services

Inquiries and Proposals should be directed to:

Martin Buyeka,
Portfolio Associate – East Africa
mbuyeka@rootcapital.org



1. GENERAL INFORMATION.

A. **Purpose.** This request for proposal (RFP) is to contract for legal services to be provided to Root Capital Inc.

B. **Who may respond.** Only attorneys who are licensed to practice law in the Republic of Uganda and maintain an office in the Republic of Uganda, or firms including such attorneys, may respond to this RFP.

C. Instruction on Proposal Submission.

1. **Closing Submission Date.** Proposals must be submitted no later than July 15, 2019.

2. **Inquiries.** Inquiries concerning this RFP should be emailed to Martin Buyeka, Portfolio Associate – East Africa at: mbuyeka@rootcapital.org

3. **Conditions of Proposal:** All costs incurred in preparation of a proposal responding to this RFP will be the responsibility of the Offeror and will not be reimburse by Root Capital Inc., (hereinafter referred to as Root Capital).

4. **Instructions to Prospective Contractors.** Your proposal should be submitted by email addressed to:

Martin Buyeka, Portfolio Associate – East Africa
mbuyeka@rootcapital.org

with a copy to:

Janet Nyawira, Human Resource & Administration Manager, Africa
jnyawira@rootcapital.org

5. **Right to Reject.** Root Capital reserves the right to reject any and all proposals received in response to this RFP. A contract for the accepted proposal will be drafted based on the factors described in this RFP.

6. **Notification of Award.** It is expected that a decision selecting the successful Firm will be made soon after the closing date for the receipt of proposals. Upon conclusion of final negotiations with the successful Firm(s), all Offerors submitting proposals in response to the Request for Proposal will be informed, in writing, of the name of the successful consultant. It is expected that the contract shall be a contract with fees set based on a percentage of the loan amount, for a term of a year, renewable if for the documentation of securities. A fixed price contract for the legal questionnaire and a success fee based contract for work in legal collections.

D. **Description of Entity.** Root Capital is a United States based non-profit, tax exempt organization focused on growing rural prosperity throughout the developing world by providing working capital and technical assistance to agricultural enterprises. Root Capital is organized and registered under the laws of the Commonwealth of Massachusetts. Root Capital maintains various offices around the world including East Africa, with a regional hub office in Nairobi, Kenya. Root Capital is seeking local legal counsel in Uganda for the purpose of advising and assisting Root staff in the following areas: obtaining answers to its offshore lending questionnaire, attached and reviewing its standard Loan Agreement,

Promissory Note and Guarantee related to Root Capital's lending to Ugandan borrowers, reviewing and drafting of loan documents for secured loans, registration and perfection of securities, and handling of any litigation for collateralized loans and any other loans in Uganda, which are described in greater detail below.

Key Notes on Root Capital

- Not for profit, tax exempt nonprofit organization registered in the United States, with the purpose of reducing rural poverty through enterprise development.
- Not registered or regulated as a financial institution by any US or foreign regulator.
- Not a registered as an issuer of securities or an investment adviser/manager in any jurisdiction.
- Root Capital disburses all loans from its US accounts and receives all repayments to its US accounts.
- Root Capital does not maintain any non-US entities which carry investment capital on their balance sheets.
- The average Root Capital loan is roughly \$500,000 USD with 9-month average tenor, but may range from \$50,000 to \$3,000,000. Root Capital is not a microfinance lender.
- Our clients can be sole proprietors, private companies, cooperatives or associations located in Senegal.
- There is no secondary market for Root Capital notes.
- Root Capital does not plan to engage in transactions in local currency without understanding the implications, as referred to in the attached offshore lending questionnaire.

II. **SCOPE OF SERVICES.** The Offeror shall be readily available to perform the following service, at the request of Credit Administration staff or Risk Officers:

1. Completion of the attached offshore lending questionnaire, review of our standard templates of Loan Agreement, Promissory Note and Guarantee for enforceability under Ugandan law, and advice related thereto
1. Reviewing and Drafting of loan agreements for secured loans in line with the laws of Uganda
2. Drafting loan security agreements (such as Mortgages, Debentures, Assignments, Personal Guarantees etc.)
3. Registering loan and security agreements
4. Conducting searches on landed properties, and advising on their suitability or otherwise to be used as security for credit facilities
5. Litigation relating to loan recovery

Although it is preferable for an attorney or firm to submit a proposal covering all the above areas, Root Capital will consider proposal for subsets of these areas.

Offerors shall be prepared to submit detailed billing statements for all services. If services are billed at an hourly rate, these shall be broken down into time increments of no more than a quarter hour. Offeror shall also submit summaries of work performed and provide status updates on services performed in the area of collections and registration and perfection of securities on a monthly basis, as described below.

III. **PROPOSAL CONTENTS.** The Offeror, in its proposal, shall, as a minimum include the following:

A. **Legal Expertise.** The Offeror should describe its legal experience, including the names, email addresses, contract persons and telephone numbers of at least two clients similar to Root Capital. Experience should include the following categories:

1. Experience in advising nonprofit organization and offshore lenders.
2. Experience in drafting and perfecting securities for working capital loans to small to medium sized agricultural companies and cooperatives.
3. Experience in foreclosures on property and equipment, enforcing lenders rights on liens on movable assets such as receivables and inventory, or pursuing legal collection under personal guarantees.

B. **Organization, Size, Structure, and Areas of Practice.** If the Offeror is a firm, it should describe the organization, size, structure, areas of practice, and office location(s) and provide evidence of good standing in the legal bar or equivalent association of notaries and warrant if there is any potential conflict of interest in connection with providing the services requested.

C. **Attorney Qualifications.** The Offeror should have experience in the following areas: documenting securities and related loan documentation, regulations for off-shore lending operations, judicial recoveries and collections. The Offeror should describe the qualifications of attorneys to be assigned to the representation. Descriptions should include:

1. Professional and Educational background of each attorney.
2. Overall supervision to be exercised.
3. Prior experience of the individual attorneys with respect to the required experience listed above. Only include resumes of attorneys likely to be assigned to the representation. Education, position, in firm, years and types of experience, and continuing professional education will be considered.

D. **Fee Estimate.** A fee estimate based on your prior experience, and taking into account (to the extent possible) that Root Capital is a non-profit organization with limited resources.

Note that it is Root Capital's preference in this instance to pay for legal services with a flat fee for answering the legal questionnaire, on a percentage basis (% of the loan amount) for loan documentation and perfection of securities, and with a success fee plus other approved expenses incurred during the assignment for legal support in collections. More precisely, the Offeror's proposed price should include information on:

If for the Legal Questionnaire:

A flat fee for the initial completion of the questionnaire that includes a review of our core legal documents (Loan Agreement, Promissory Note, Personal Guaranty) and to advise on follow-up questions or clarifications of responses that can be handled over the phone or otherwise without additional or extensive research or other legal work.

If for the Documentation and Perfection of Securities:

1. A Legal Fee based on a percentage of the Loan Amount
2. Other charges and expenses, if any, that may be billed (ie. travel, copies, etc).

If for Collections:

A success fee based on size of the recovery, plus standard statutory fees established for court proceedings and filings and other approved expenses incurred during the assignment.

IV. PROPOSAL EVALUATION

A. Submission of Proposals. All proposals shall be submitted by email.

B. Evaluation Procedure and Criteria. Root Capital's General Counsel and appropriate staff will review proposals and make the final selection. Root Capital may request a meeting with some qualified Offerors prior to final selection. Proposal will be reviewed in accordance with the following criteria:

1. Proposed approach to the scope of work
2. Timeline for delivery (in the case of the Legal Questionnaire)
3. The Offeror's experience with similar clients and legal matters
4. Response from references
5. Review for potential conflicts of interest reveals no conflicts
6. The Offeror's ability to communicate in English (preferred but not required)
7. Cost
8. Interviews, if conducted