

**Section 3-04 NEGOTIATED ACQUISITION.**

(a) Policy. Negotiated acquisition may be used for all categories of procurement under the circumstances and subject to the conditions set forth in this section. Authority for approvals or determinations required by this section shall not be delegated, unless otherwise stated herein.

(b) Procedures.

(1) Preliminary Discussions. An agency may engage in preliminary discussions with a vendor to explore the feasibility of a proposed negotiated acquisition. Discussions are not negotiations for the selection of a vendor.

(2) The ACCO shall justify the use of the negotiated acquisition method by making a determination that it is not practicable and/or advantageous to award a contract by competitive sealed bidding or competitive sealed proposals due to one or more of the following circumstances and the basis thereof:

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(vii) there is a need to procure construction when, during an ongoing construction project, there is a compelling necessity to perform additional work, which constitutes a material change of scope, and the advantages of negotiating with either an existing vendor or a limited number of other vendors clearly outweigh the disadvantages of a lack of competition; [or]

(viii) there is a need to procure investment services, as described **in paragraph (c) [herein]; or**

**(ix) there is an opportunity for the City to enter into a contract for a Social Impact Investment Funding Agreement, as described in paragraph (d).**

(3)The CCPO shall approve the use of the negotiated acquisition method for a particular procurement or for a particular type of procurement prior to the solicitation of vendors. **The CCPO may approve an open-ended negotiated acquisition process. The agency shall publish in the City Record quarterly a notice of solicitation, stating that the solicitation document may be obtained at any time and that proposals may be submitted in response to the solicitation on an on-going basis. When an agency decides to terminate the solicitation, such a determination shall be published in the City Record. An open-ended negotiated acquisition process may not be approved for construction or investment services.**

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(c) Investment Services. The preferred method for procuring investment services is competitive sealed proposals. Negotiated acquisition may be used for one or more City pension funds or variable supplements funds to award a contract to a vendor that has been providing investment management

services under a program to foster the growth of small or new investment managers (“the emerging manager program”) as a manager or submanager, under the following conditions:

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**(d) Social Impact Investment Funding Agreements. A Social Impact Investment Funding Agreement is a method for funding human/client services or, with CCPO approval, other services at no net cost to the City. Under a Social Impact Investment Funding Agreement, the contractor obtains funding from an entity other than the City to finance the initial delivery of the services initiative that is provided for in the contract. If the contractor meets outcomes set forth in the contract with the City that result in documented cost savings to the City, the contractor is paid a predetermined portion of the documented savings.**

**(d)e)Public Notice.** This subdivision shall not apply to negotiated acquisition below the small purchase limits or where the Corporation Counsel or designee has made a determination that such notice may disclose litigation strategy or otherwise impair the conduct of litigation by the City.

(1)**Notice of Intent to Enter into Negotiations.** This paragraph shall not apply where negotiations will be entered into with vendors solicited solely from a PQL or where time constraints beyond the agency’s control make such advance notice impractical.

(i) Frequency. Notice of intent to enter into negotiations shall be published in the City Record for five consecutive editions and shall be posted on the City's website in a location that is accessible by the public simultaneously with its publication. The last date of publications of such notice shall appear no fewer than ten days before negotiations are expected to begin. **In addition, for an open-ended negotiated acquisition, the agency shall publish in the City Record quarterly a notice of solicitation.**

### **Section 3-16 HHS Accelerator.**

(a) **Policy.**

(1) **Client services contracts must be procured through HHS Accelerator unless the HHS Accelerator Director authorizes, with the approval of the CCPO, the use of a different procurement method. Notwithstanding the above, the authorization of the HHS Accelerator Director is not required for procurements pursuant to Section 1-02(d); Section 1-02(e); Section 3-04(b)(2)(iii); Section 3-04(b)(2)(ix); Section 3-05; Section 3-06; Section 3-08; Section 3-09; and Section 3-13.**