

Stanford Blood Center, LLC	Last Approval Date: June 2021
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I. PURPOSE:

- A. To provide rules and guidelines for requests, approvals, drafting, review, signature, and administration of Contracts.

II. POLICY:

- A. Stanford Blood Center, LLC (“Stanford Blood Center”) will use consistent standards for requests, approvals, drafting, review, signature, and administration of Contracts so that all contractual relationships are lawful, ethical, protect Stanford Blood Center and satisfy internal policies, external regulations, and optimize legal and Business Terms.
- B. A Contract is required if any of the following statements is true:
1. A Vendor presents a legal or contractual document to sign.
 2. A Vendor includes terms and conditions on a quote, proposal, estimate, or invoice for the purchase of services.
 3. A Vendor is providing services on Stanford Blood Center’s premises.
 4. A Vendor is an Independent Contractor that is providing services to Stanford Blood Center.
 5. A Vendor will be paid more than One Hundred Fifty Thousand Dollars (\$150,000).
 6. A Vendor is considered a “Referral Source” and is providing services to, receiving services from, issuing payment to, or requesting payment from Stanford Blood Center.
 7. A Vendor will have access to Protected Health Information (“PHI”), internal data, or the Digital Solutions IT network.
 8. NOTE: A Contract is not required if a purchase involves only advertising insertion orders providing for the placement of advertisements in print, online, or broadcast media.
- C. A Contract must be in place before a Vendor provides goods and/or services.
- D. A Contract must be in writing and signed by all parties to the Contract.

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- E. A Contract must be sent to Contract Administration or one of the departments listed below for approval before the Contract is signed:
1. Managed Care Contracts that are managed and reviewed by the Managed Care department;
 2. Contracts that are reviewed by the Office of the General Counsel, which include Contracts that involve a Referral Source;
 3. Contracts that involve the purchase or lease of real property (i.e., real estate) that are managed and reviewed by the Real Estate department; and
 4. Contracts that involve the planning, design and construction of new buildings that are managed and reviewed by the Planning, Design & Construction department.
- F. A Contract will not be signed by Stanford Blood Center unless accompanied by a signed Contract Approval Form.
- G. Any exception to this policy must be requested for each Contract and approved by the Director of Contract Administration.

III. DEFINITIONS:

- A. **Business Terms:** core operational details of a Contract, which Stakeholders and Contract Responsible Parties are responsible for reviewing and approving before signing a Contract. Click [here](#) to access definitions of Business Terms.
- B. **Contract(s):** an agreement between two or more parties setting forth terms and conditions in which there is a promise or obligation to do something in return for a valuable benefit, usually the payment of money. Contracts may be for the purchase or provision of goods and/or services, licensing of software, or many other purposes. Statements of work and similar documents that confirm the details of a specific order and documents that amend or modify Contracts are also considered Contracts.
- C. **Contract Administration:** a department of Stanford Health Care that provides centralized Contract management and legal review services that include coordinating Contract requests, advising on contractual matters, negotiating and drafting legal documents, performing legal review, and facilitating timely renewal or termination of Contracts to meet internal policies and external regulations and optimize legal and Business Terms.

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- D. **Contract Approval Form:** a document that provides an executive summary of a Contract for the internal signatory and signifies that the Contract has been approved by Contract Administration for signature.
- E. **Contract Management Database:** software used by Contract Administration and Stakeholders to store fully signed Contracts, Contract data, and track Contract expiration dates.
- F. **Contract Request Form:** a document used to Request the preparation or review of a Contract. Click [here](#) to access the current Contract Request Form.
- G. **Contract Responsible Parties:** each Contract is assigned the following responsible parties who will receive automated email alerts about the Contract from the Contract Management Database:
1. **Primary Responsible Party:** leader, often with the title of Manager, Director, Administrative Director, or Executive Director, who has first-hand knowledge of whether a Contract is needed, negotiates significant changes to the Contract terms, and/or recommends that a Contract be drafted or renewed. This person will oversee and manage the Vendor as it provides and performs the goods and/or services described in the Contract.
 2. **Secondary Responsible Party:** the immediate Manager or Supervisor of the Primary Responsible Party.
 3. **Annual Contract Evaluation Responsible Party:** a leader who is responsible for completing the annual Contract evaluation survey of a Contract, if one is required. This may be the same person as the Primary or Secondary Responsible Parties.
- H. **Independent Contractor:** a Vendor that is an individual, a sole proprietorship, or business entity that is owned by a single individual, and that individual is providing services to Stanford Blood Center.
- I. **Managed Care Contract:** a Contract between Stanford Blood Center and a managed care organization (an organization that combines, at the same time, both delivery and administration of health service and medical care) to outline cost, utilization, and quality of health benefits and additional services delivered to patients.

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- J. **Protected Health Information:** Health Information, including genetic information, that is created or received by a Covered Entity and that is individually identifiable (i.e., is not de-identified).
1. “Health Information” means any information (including genetic information), whether oral or recorded in any form or medium, that is created or received by a health care provider, health plan, public health authority, employer, life insurer, school or university, or health care clearinghouse; and relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual.
 2. “Covered Entity” means a health care provider who transmits any health information in electronic form in connection with a transaction; a health plan; or a health care clearinghouse.
 3. Under HIPAA, Protected Health Information does not include:
 - a. Education records covered by the Family Educational Rights and Privacy Act (“FERPA”);
 - b. Employment records held by a Covered Entity in its role as employer;
 - c. Information relating to blood banking activities, including procurement, testing, and other procedures; or
 - d. Individually identifiable information regarding a person who has been deceased for more than 50 years.
- K. **Referral Source:** a physician (a doctor of medicine or osteopathy, a doctor of dental surgery or dental medicine, a doctor of podiatric medicine, a doctor of optometry, or a chiropractor), physician group, hospital, ambulance service, managed care organization, nursing facility, laboratory, non-physician health care provider or other person or organization that refers patients to Stanford Blood Center, or to which Stanford Blood Center refers patients.
- L. **Request:** includes a request for: 1) a new Contract on a Contract Administration template, 2) the review of a Contract provided by a Vendor, 3) an amendment to or renewal of an existing Contract, and 4) a Contract termination letter.
- M. **Stakeholder:** a Stanford Blood Center workforce member who utilizes Contract Administration services.

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- N. **Standard Contract Language:** a list of standard language maintained by Contract Administration that may be required in Contracts. Click [here](#) to access the current list.
- O. **Total Aggregate Value:** the total amount to be paid to Stanford Blood Center by a Vendor or paid to a Vendor by Stanford Blood Center pursuant to the Contract:
1. *For new Contracts:* the Total Aggregate Value is the total expenditure under the Contract for the entire term of the Contract. In the case of a master agreement, pricing agreement, or other contract that does not specify a committed dollar amount, the Total Aggregate Value is the good faith estimated expenditure with the Vendor under the Contract for the entire term of the Contract.
 2. *For amendments to existing Contracts:* the Total Aggregate Value is the value of the new expenditure authorized by the amendment. For example: if the original Contract was for three years at \$1,000 per year and the amendment extends the term for one additional year at \$1,000 per year, the Total Aggregate Value of the Amendment is \$1,000.
 - a. If an affiliated entity is being added by amendment, the Total Aggregate Value of the Amendment is the good faith estimated expenditure by that affiliated entity with the Vendor for the remaining duration of the Contract.
 3. *For statements of work, work orders, quotations, proposals, estimates, and similar documents that confirm the details of a specific order and are governed by the terms and conditions of a master agreement:* the Total Aggregate Value is the expenditure under the specific statement of work or similar ordering document, which should reflect the Stakeholder's good faith intent and plan for the entire scope of the project or goods and/or services. The scope and term (start/end dates) should not be artificially split into smaller pieces (e.g., three-month term when it is really a two-year project) so that the resulting total dollar value (e.g., \$149,999) falls under a certain signature authority threshold.
- P. **Vendor:** a party with which Stanford Blood Center enters into a Contract.

IV. **PROCEDURES:**

- A. **Contract Requests**
1. Any Stakeholder may submit a Request to Contract

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Administration.

2. Requests must be submitted using the current Contract Request Form.
 - a. For Blood Centers of America, Inc. (“BCA”) and National Blood Testing Collaborative (“NBTC”) contracts:
 - i. Stakeholder will note on the Contract Request Form that the request is for a BCA or NBTC contract and provide a BCA or NBTC contract number or other confirmation.
 - ii. Stakeholder will provide the proposal and/or Contract, the referenced BCA or NBTC master contract, and any applicable amendments or addendums.
 - iii. Contract Administration will provide a signed Contract Approval Form.
3. Contract Administration will verify the Vendor’s legal name.
4. Contract Administration will verify that the Vendor is not an excluded party of the federal government.

B. Contract Approvals

1. The designated Contract Responsible Parties must review and approve the Contract Business Terms before signing the Contract.

C. Contract Drafting

1. Contract Administration will use an approved Contract Administration Contract template that includes Standard Contract Language when a Contract is not provided by a Vendor.

D. Contract Review

1. Contract Administration will include Standard Contract Language when reviewing a Contract that is provided by a Vendor.

E. Contract Signature

1. Contracts must be signed by a leader designated by the Finance department as being a “Level A” (CEO, President, CFO, COO), “Level B” (Vice President), “Level C” (Director), or “Level D” (Manager).
2. All Contracts must be signed based upon the Total Aggregate Value of the Contract as follows:
 - a. \$0 to \$49,999 must be signed by someone with “Level D” (Manager) signature authority or higher.
 - b. \$50,000 to \$149,999 must be signed by someone with “Level C” (Director) signature authority or higher.

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- c. \$150,000 to \$749,999 must be signed by someone with “Level B” (Vice President) signature authority or higher.
 - d. \$750,000 to \$2,999,999 must be signed by someone with “Level A” (CEO, President, CFO, COO) signature authority.
 - e. \$3,000,000 or more must be signed by the CEO and either the COO or CFO.
 - f. Capital Expenditures greater than \$2,999,999 require notification to the Stanford Health Care – Stanford Blood Center Board at the next Board meeting.
 - g. Expenditures greater than \$2,999,999 require Stanford Health Care – Stanford Blood Center Board approval.
 - h. All Board Member travel reimbursement must be approved by the CEO, COO, or CFO.
 - i. Pricing Contracts for medical, surgical, and other commodity supplies with no financial commitment, meaning Stanford Blood Center has the option to purchase goods at specified prices but is not obligated to do so, are signed by a Director in Supply Chain or higher regardless of estimated Total Aggregate Value.
3. The signatory must have the proper level of signature authority for the cost center that will be paying for the goods and/or services described in the Contract unless the Contract is for a “Shared Service”.
- a. A “Shared Service” involves departments that provide services or contracts with Vendors to provide goods and/or services on behalf of other internal departments or affiliated entities of Stanford Health Care. According to and consistent with their level of signature authority (i.e., Level A, B, C), shared service department personnel are authorized to sign Contracts for goods and/or services to be provided to other internal departments and affiliated entities of Stanford Health Care because the department or affiliated entity has requested that the shared service department provide the goods and/or services and/or there is an inter-entity agreement that provides for the affiliated entity to reimburse the entity that is providing the service.
 - b. Examples of Shared Services include but are not limited to:
 - i. Project Management Office personnel can sign a Contract for a renovation and improvement project that will be paid for by a Revenue Cycle cost center.
 - ii. Supply Chain personnel can sign a Contract for medical

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supplies to be provided for Patient Care Services.

- iii. Site Support Services personnel can sign a Contract for window coverings to be installed at University HealthCare Alliance premises.

F. Contract Administration

1. Fully signed Contracts will be stored either in Contract Administration’s central files (e.g., for one-time purchases) or in the Contract Management Database (e.g., for services Contracts that have an expiration date).
2. Contract Responsible Parties will receive notification in advance of the Contract expiration so that the Contract may be renewed or terminated before expiration.
3. Contract Administration will identify Contracts that require an annual Contract evaluation. Contracts for the provision of care, treatment, and services provided to the hospital’s patients require annual evaluation.
4. For Contracts that are identified as requiring an annual evaluation, the designated Annual Contract Evaluation Responsible Party will review the performance of the Vendor at least annually.

V. COMPLIANCE:

- A. All workforce members including employees, contracted staff, students, volunteers, credentialed medical staff, and individuals representing or engaging in the practice at Stanford Blood Center are responsible for ensuring that individuals comply with this policy.
- B. Violations of this policy will be reported to the applicable department manager and any other appropriate department as determined by the applicable department manager or in accordance with Stanford Blood Center policy. Violations will be investigated to determine the nature, extent, and potential risk to the hospital. Workforce members who violate this policy will be subject to the appropriate disciplinary action up to and including termination.

VI. DOCUMENT INFORMATION:

- A. Legal Authority/References:
 1. 42 Code of Federal Regulations § 482.12(e)
 2. The Joint Commission Standard LD.04.03.09

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- B. Author/Original Date:
1. Christopher Wintrode, Director of Contract Administration, April 2017
- C. Gatekeeper of Original Document:
1. Administrative Manual Coordinators and Editors
- D. Distribution and Training Requirements:
1. This policy resides in the Administrative Manual of Stanford Blood Center.
 2. New documents or any revised documents will be distributed to Administrative Manual holders. Each department manager will be responsible for communicating this information to the applicable workforce members.
- E. Review and Renewal Requirements:
1. This policy will be reviewed and/or revised every three years or as required by change of law or practice.
- F. Review and Revision History:
1. June 2017, Christopher Wintrode, Director of Contract Administration and Gay Meixel, Contract Specialist
 2. June 2018, Christopher Wintrode, Administrative Director – Business Operations & Strategic Initiatives and Contracts, Gay Meixel, Senior Contract Specialist, and Greg Lin, Contract Specialist
 3. June 2021, Christopher Wintrode, Executive Director – Business Operations & Strategic Initiatives, Christopher Mitchell, Director – Contract Administration, Gay Meixel, Senior Contract Specialist
- G. Approvals:
1. June 2017, Christopher K. Goforth, Director of Compliance Program Integrity
 2. June 2017, Sondra Hornsey, Associate Privacy Officer
 3. June 2017, Sarah J. DiBoise, Chief Hospital Counsel
 4. June 2017, Christopher Wintrode, Director of Contract Administration and Gay Meixel, Contract Specialist
 5. June 2018, Christopher Wintrode, Administrative Director – Business Operations & Strategic Initiatives and Contracts and Gay Meixel, Senior Contract Specialist

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6. June 2021, Christopher Wintrode, Executive Director – Business Operations & Strategic Initiatives, Christopher Mitchell, Director – Contract Administration, and Gay Meixel, Senior Contract Specialist

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