Contract Administration is a shared service for the following legal entities: 1) Stanford Health Care; 2) Lucile Packard Children’s Hospital at Stanford (Lucile Packard Children’s Hospital); 3) The Hospital Committee for the Livermore-Measants Area (“Stanford Health Care – ValleyCare”); 4) Stanford University Medical Network Risk Authority, LLC (“The Risk Authority”); 5) University HealthCare Alliance; 6) Packard Children’s Health Alliance; 7) Stanford Health Care Advantage; 8) Stanford Blood Center, LLC; 9) CareCare LLC.

**Contract Flow Chart**

**Description:** This Contract Flow Chart depicts the steps involved in requesting, negotiating, drafting, reviewing, paying, and managing contracts following the four phases of the Stanford Health Care - Contract Administration contract lifecycle. This flow chart is organized into columns that depict the owner of each stage and is color coded to depict the responsible party of each step in the process. Definitions for specific steps are noted on the following pages.

**Legend:**
- **Stakeholder**
- **Contract Administration**
- **Supply Chain – Purchasing**

---

**Stakeholder**

1. Does the purchase require “capital approval”?
   - Yes, go to Step 11.
   - No, go to Step 2.

2. Follow Finance capital approval procedures and obtain approval.
   - Yes, go to Step 12.
   - No, go to Step 3.

3. Is the total aggregate value of the purchase $75,000 or more?
   - Yes, go to Step 4.
   - No, go to Step 5.

4. Obtain approval from Technology and Digital Solutions/Information Services.
   - Yes, go to Step 6.
   - No, go to Step 7.

5. Contact Purchasing to submit a “Purchase Requisition” so Purchasing can issue a Purchase Order.
   - Yes, go to Step 8.
   - No, go to Step 9.

6. Is the contract managed by Contract Administration?
   - Yes, go to Step 10.
   - No, go to Step 11.

7. Review and approve the contract business terms.
   - Yes, go to Step 12.
   - No, go to Step 13.


9. The completed “Contract Request Form” automatically routes to Contract Administration.

10. Is Legal Review required?
    - Yes, go to Step 14.
    - No, go to Step 15.

11. Is “Contract Request Form” complete and correct?
    - Yes, go to Step 16.
    - No, go to Step 17.

12. Create a shared drive working folder and save documents to folder.
    - Yes, go to Step 18.
    - No, go to Step 19.

13. Perform compliance checks and save documentation to working folder:
    1. Vendor Legal Name
    2. Federal Government Exclusions
    3. Annual Evaluation Required
    4. Tax Exempt Bond Compliance
    - Yes, go to Step 20.
    - No, go to Step 21.

    - Yes, go to Step 22.
    - No, go to Step 23.

15. Notify Supply Chain to invite Vendor to register as new vendor.
    - Yes, go to Step 24.
    - No, go to Step 25.

16. Search contract database and Contract Administration files for applicable base contract, former contracts, related contracts, master contract, or pre-negotiated contract and save documents to working folder.
    - Yes, go to Step 26.
    - No, go to Step 27.

17. Prepare Contract Template or Legal Addendum and, if applicable, Business Associate Addendum.
    - Yes, go to Step 28.
    - No, go to Step 29.

18. Is Legal Review required?
    - Yes, go to Step 21.
    - No, go to Step 22.

19. Review and redline contract to specify required legal changes and note any business comments on “Business Comments Form”.
    - Yes, go to Step 23.
    - No, go to Step 24.

20. Update “Contract Log: TRACK a Requested Contract” smartsheet and email contract(s) to Stakeholder for review.
    - Yes, go to Step 25.
    - No, go to Step 26.

21. Stakeholder reviews contract(s) any redlined required legal changes, and addresses any noted business comments.
    - Yes, go to Step 27.
    - No, go to Step 28.

22. Stakeholder emails applicable contracting officer’s signature.
    - Yes, go to Step 29.
    - No, go to Step 30.

23. Does the Vendor exist in Infor Lawson or PeopleSoft?
    - Yes, go to Step 31.
    - No, go to Step 32.

    - Yes, go to Step 33.
    - No, go to Step 34.

25. Stakeholder emails contract signed to Stakeholder for review.
    - Yes, go to Step 35.
    - No, go to Step 36.

26. Stakeholder collates a “packet” of documents in the following order:
    1. “Contract Approval Form”
    2. The contract, and if applicable, Legal Addendum and Business Associate Addendum
    3. Vendor’s IRS W-9 Form, if applicable
    4. Vendor’s Certificate of Insurance, if applicable
    5. Capital Approval Forms, if capital approval was required
    - Yes, go to Step 37.
    - No, go to Step 38.

27. Prepare a Purchase Order.
    - Yes, go to Step 31.
    - No, go to Step 32.

28. Email Vendor and Stakeholder the Purchase Order, fully signed contract, and if applicable, Legal Addendum and Business Associate Addendum, and instruct Vendor to include the Purchase Order number on all invoices.
    - Yes, go to Step 33.
    - No, go to Step 34.

---

**Legal Review Team**

11. a. Work with Stakeholder to correct.
   - Yes, go to Step 19.
   - No, go to Step 20.

19. Review and redline contract to specify required legal changes and note any business comments on “Business Comments Form”.
   - Yes, go to Step 23.
   - No, go to Step 24.

20. Update “Contract Log: TRACK a Requested Contract” smartsheet and email contract(s) to Stakeholder for review.
   - Yes, go to Step 25.
   - No, go to Step 26.

21. Stakeholder reviews contract(s) any redlined required legal changes, and addresses any noted business comments.
   - Yes, go to Step 27.
   - No, go to Step 28.

22. Stakeholder emails applicable contracting officer’s signature.
   - Yes, go to Step 29.
   - No, go to Step 30.

23. Does the Vendor exist in Infor Lawson or PeopleSoft?
   - Yes, go to Step 31.
   - No, go to Step 32.

   - Yes, go to Step 33.
   - No, go to Step 34.

25. Stakeholder emails contract signed to Stakeholder for review.
   - Yes, go to Step 35.
   - No, go to Step 36.

---

**Supply Chain – Purchasing**

30. Review “packet” of collated documents to ensure everything is complete.
   - Yes, go to Step 37.
   - No, go to Step 38.

31. Prepare a Purchase Order.
   - Yes, go to Step 31.
   - No, go to Step 32.

32. Email Vendor and Stakeholder the Purchase Order, fully signed contract, and if applicable, Legal Addendum and Business Associate Addendum, and instruct Vendor to include the Purchase Order number on all invoices.
   - Yes, go to Step 33.
   - No, go to Step 34.

33. Transmit “packet” of collated documents to Contract Administration.
   - Yes, go to Step 35.
   - No, go to Step 36.

34. Upload contract into the MediTract contract database.
   - Yes, go to Step 37.
   - No, go to Step 38.

35. Facilitate annual contract evaluation, if required.
   - Yes, go to Step 37.
   - No, go to Step 38.

36. Email Alert sent to assigned responsible party 90, 30, and 7 days before contract expiration.
   - Yes, go to Step 37.
   - No, go to Step 38.

37. Will the contract renew?
    - Yes, go to Step 37.
    - No, go to Step 38.

38. Go to Step 33.
**Contract Administration**

**Contract Flow Chart Definitions**

**Step 2. Does the purchase require “capital approval”?**
- Contact the applicable entity Finance department for information regarding the applicable capital policies and procedures for capital approval.
- Capital approval is required when purchasing a “capital asset,” which generally involves property, plant, and equipment where:
  1. The cost per item is equal to Five Thousand Dollars ($5,000.00) or more (includes freight and sales tax) for Stanford Health Care, or Two Thousand Five Hundred Dollars ($2,500.00) or more for Lucile Salter Packard Children’s Hospital at Stanford; and
  2. The depreciable life is over two (2) years.

**Step 3. a. If the purchase is $75,000.00 or more, identify 1) if the purchase is governed by an existing contract, 2) if the purchase is governed by a Group Purchasing Organization contract, 3) if three bids were obtained, or 4) document sole source approval on the Purchase Justification section of the “Contract Request Form”.
- Refer to the Purchase Justification Section of the Contract Request Form.
- A Group Purchasing Organization (“GPO”) is an entity that uses the purchasing power and leverage of a group of businesses to obtain discounts from Vendors based upon the collective buying power of the GPO members. Below is a table listing the various entities and their corresponding GPO’s. To determine whether a Vendor has an agreement with a GPO, either ask the Vendor to verify or contact Category Management by emailing: DL-CategoryMGMT@stanfordhealthcare.org.

<table>
<thead>
<tr>
<th>Legal Entity</th>
<th>Member of the Following GPO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stanford Health Care</td>
<td>Vizient</td>
</tr>
<tr>
<td>Lucile Salter Packard Children’s Hospital at Stanford (“Lucile Packard Children’s Hospital” or “Stanford Children’s Health”)</td>
<td>Vizient, Children’s Hospital Association</td>
</tr>
<tr>
<td>The Hospital Committee for the Livermore-Pleasanton Areas (“Stanford Health Care – ValleyCare”)</td>
<td>Vizient</td>
</tr>
<tr>
<td>Stanford University Medical Network Risk Authority, LLC (“The Risk Authority”)</td>
<td>None</td>
</tr>
<tr>
<td>University HealthCare Alliance</td>
<td>Vizient, International Oncology Network</td>
</tr>
<tr>
<td>Packard Children’s Health Alliance</td>
<td>Vizient, Children’s Hospital Association</td>
</tr>
<tr>
<td>Stanford Health Care Advantage</td>
<td>None</td>
</tr>
<tr>
<td>Stanford Blood Center, LLC</td>
<td>Blood Centers of America</td>
</tr>
<tr>
<td>CareCounsel, LLC</td>
<td>None</td>
</tr>
<tr>
<td>SUMIT Insurance Company Ltd.</td>
<td>None</td>
</tr>
<tr>
<td>Professional Exchange Assurance Company</td>
<td>None</td>
</tr>
</tbody>
</table>

**Step 4. a. Obtain approval from Technology and Digital Solutions/Information Services.**
- For an entity associated with Lucile Salter Packard Children’s Hospital at Stanford (“Lucile Packard Children’s Hospital” or “Stanford Children’s Health”) or Packard Children’s Health Alliance, contact the help desk at helpdesk@stanfordchildrens.org and they will help direct review to the appropriate Information Services personnel.
- For an entity associated with Stanford Health Care, contact Friend Doctor, Technology and Digital Solutions at fdoctor@stanfordhealthcare.org.
Step 5. Is a contract required?

• 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 the entity’s premises.
  4. A Vendor is an Independent Contractor that is providing services to the entity.
     a. An “Independent Contractor” is 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 the entity.
  5. A Vendor will be paid more than One Hundred Fifty Thousand Dollars ($150,000.00).
  6. A Vendor is considered a “referral source” and is providing services to, receiving services from, issuing payment to, or requesting payment from an entity.
     a. A “referral source” is 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 an entity, or to which an entity refers patients.
  7. A Vendor will have access to Protected Health Information (“PHI”), internal data, or the Technology and Digital Solutions/Information Services networks.

* 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.

Step 6. and 6. a. Is the contract managed by Contract Administration?

• Contract Administration is responsible for managing contracts for the following entities:
  1. Stanford Health Care
  2. Lucile Salter Packard Children’s Hospital at Stanford
     (“Lucile Packard Children’s Hospital” or “Stanford Children’s Health”)
  3. The Hospital Committee for the Livermore-Pleasanton Areas
     (“Stanford Health Care – ValleyCare”)
  4. Stanford University Medical Network Risk Authority, LLC
     (“The Risk Authority”)
  5. University HealthCare Alliance
  6. Packard Children’s Health Alliance
  7. Stanford Health Care Advantage
  8. Stanford Blood Center, LLC
  9. CareCounsel, LLC
  10. SUMIT Insurance Company Ltd.
  11. Professional Exchange Assurance Company

• Contract Administration does not manage contracts that involve managed care; a “referral source” (as outlined in the chart below); the purchase or lease of real property (i.e., real estate); planning, design and construction of new buildings; or Stanford Health Care related entities contracting for software, hosted computing, or IT hardware. Refer to the table below for a listing of departments responsible for management and legal review of contracts:
<table>
<thead>
<tr>
<th>#</th>
<th>Contract Involves</th>
<th>Applicable Department Responsible for Management and Legal Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>All contracts unless otherwise outlined below.</td>
<td>Christopher Wintrode, Administrative Director – Business Operations &amp; Strategic Initiatives and Contracts, <a href="mailto:cwintrode@stanfordhealthcare.org">cwintrode@stanfordhealthcare.org</a></td>
</tr>
<tr>
<td>2</td>
<td>Managed care contract, which is defined as a contract between an entity 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.</td>
<td>Gary May, Vice President – Managed Care, <a href="mailto:GMay@stanfordhealthcare.org">GMay@stanfordhealthcare.org</a></td>
</tr>
<tr>
<td>3</td>
<td>A “referral source,” which is defined as 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) or 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 an entity or to which an entity refers patients.</td>
<td>For contracts where the entity is The Hospital Committee for the Livermore-Pleasanton Areas (“Stanford Health Care – ValleyCare”), University HealthCare Alliance, or Stanford Health Care Advantage: Alice Ho, Senior University Counsel, <a href="mailto:alice.ho@stanford.edu">alice.ho@stanford.edu</a> For contracts where the entity is Packard Children’s Health Alliance, Stanford Blood Center, LLC, CareCounsel, LLC, Stanford University Medical Network Risk Authority, LLC (“The Risk Authority”): Lisa Carr, University Counsel, <a href="mailto:licarr@stanford.edu">licarr@stanford.edu</a> All other entities: Sarah DiBoise, Deputy General Counsel for Health Care, <a href="mailto:sdiboise@stanford.edu">sdiboise@stanford.edu</a></td>
</tr>
<tr>
<td>4</td>
<td>Purchase or lease of real property (i.e., real estate).</td>
<td>Meredith Fondahl, Executive Director – Real Estate Services, <a href="mailto:MFondahl@stanfordhealthcare.org">MFondahl@stanfordhealthcare.org</a></td>
</tr>
<tr>
<td>5</td>
<td>Planning, design and construction of new buildings.</td>
<td>Matt Pearson, Vice President – Planning Design &amp; Construction, <a href="mailto:MaPearson@stanfordhealthcare.org">MaPearson@stanfordhealthcare.org</a></td>
</tr>
<tr>
<td>6</td>
<td>Software, hosted computing, or IT hardware for the following legal entities:</td>
<td>Tim Hadlock, IT Contract – Manager, <a href="mailto:TimHadlock@stanfordhealthcare.org">TimHadlock@stanfordhealthcare.org</a> Philip Chen, Administrative Director – Technology Legal Counsel (Technology and Digital Solutions) and Senior University Counsel, <a href="mailto:PhilipChen@stanfordhealthcare.org">PhilipChen@stanfordhealthcare.org</a></td>
</tr>
<tr>
<td></td>
<td>1. Stanford Health Care</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. The Hospital Committee for the Livermore-Pleasanton Areas (“Stanford Health Care – ValleyCare”)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. CareCounsel, LLC</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. University HealthCare Alliance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. Stanford Health Care Advantage</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6. Stanford University Medical Network Risk Authority, LLC (“The Risk Authority”)</td>
<td></td>
</tr>
</tbody>
</table>
### Step 7. Review and approve the contract business terms.
- The following table of business terms are approved by stakeholders in the “Business Review” phase of the contract lifecycle. The subsequent descriptions provide an explanation of each business term. It is the stakeholder’s responsibility to review and approve the business terms before signing the contract.

<table>
<thead>
<tr>
<th>Business Term</th>
<th>Business Term Descriptions</th>
</tr>
</thead>
</table>
| 1. Parties to the Contract | a. If the stakeholder is involved with a shared service organization that supports multiple entities (e.g., Supply Chain), the stakeholder should review and confirm that all entities that will procure under the contract are listed as parties to the contract. Possible entities include:  
  i. Stanford Health Care  
  ii. Lucile Salter Packard Children’s Hospital at Stanford  
  iii. The Hospital Committee for the Livermore-Pleasanton Areas d/b/a Stanford Health Care – ValleyCare  
  iv. Stanford University Medical Network Risk Authority, LLC d/b/a The Risk Authority  
  v. University HealthCare Alliance  
  vi. Packard Children’s Health Alliance  
  vii. Stanford Health Care Advantage  
  viii. Stanford Blood Center, LLC  
  ix. CareCounsel, LLC  
  x. SUMIT Insurance Company Ltd.  
  xi. Professional Exchange Assurance Company |
| 2. Internal Contact Person | a. For a statement of work, is there an internal point of contact (“POC,” e.g., a project manager or technical representative) whom you want to name and designate for the Vendor to contact about coordinating the services? |
| 3. Contract Subject Matter | a. Goods or services to be purchased  
  i. Are the products (such as medical equipment or supplies) or services (such as consulting services) to be purchased under the contract described completely and correctly?  
  ii. For contracts involving both goods and services, pricing of goods and services should be provided separately (except for installation that is bundled with a product purchase).  
 b. Scope of services  
  i. Contracts and statements of work should clearly state in detail the services to be performed. The contract or statement of work should explain what the Vendor is responsible for and what the Vendor must accomplish.  
  ii. For project-based work (e.g., consulting), list any applicable deliverables and/or milestones and corresponding deadlines or schedules.  
 c. If the goods or services will be delivered or performed at a specific location, then confirm that the location is stated correctly.  
 d. Service agreements may include Service Level Agreements (“SLAs”), Key Performance Indicators (“KPIs”), or performance metrics.  
  i. SLAs may provide financial incentives (such as credits owed to an entity) if the Vendor does not respond or perform within the time frames specified in the SLA.  
    1. For facilities type Vendors, specify the response times for normal, same day, and emergency response service calls.  
  ii. Deadline  
    1. If there is a timeline, schedule, deadline, or delivery due date, then it should be specified clearly in the contract and tied to penalties if the Vendor does not perform on time. |
<table>
<thead>
<tr>
<th>Business Term</th>
<th>Business Term Descriptions</th>
</tr>
</thead>
</table>
| 4. Contract Term | a. Effective (start) date – this is the date that the Vendor’s services, performance, or work under the contract begins. Please make sure that this date is correct and conforms to the actual date the Vendor begins their work.  
   b. Termination date – this is the date the Vendor’s services, performance, or work under the contract ends. Please make sure that this date is correct and conforms to the actual date the Vendor ends their work.  
   c. Provisions for early termination or termination for convenience  
      i. Note the existence of any fees or other liquidated damages for early termination. Consider requesting a pro-rated refund of prepaid amounts in the event of early termination (this is a difficult concession for many Vendors due to revenue recognition considerations).  
   d. Provisions for automatic renewal  
      i. Under automatic renewal provisions, the contract renews for a set period of time, unless either party notifies the other within a set time frame before expiration of the then current term that the party does not wish to renew the contract.  
      ii. If a contract provides for automatic renewal, the Vendor should be required to provide any proposed changes to the terms of the contract sufficiently in advance of the required date for notice of non-renewal to enable the stakeholder to make a decision regarding whether to renew the contract (for example, in the case of a software maintenance agreement, if the agreement provides for notice of non-renewal to be given 30 days before expiration, the Vendor should provide notice to the stakeholder of any proposed changes in maintenance fees at least 90 days before the end of the then current term).  
      iii. Auto renewals must be managed and tracked by the stakeholder to ensure that a contract, that the stakeholder wishes to terminate, is not automatically renewed. |
<table>
<thead>
<tr>
<th>Business Term</th>
<th>Business Term Descriptions</th>
</tr>
</thead>
</table>
| 5. Pricing or Rates | a. Price of the products or services  
  i. For contracts covering both products and services, prices for products and services should be separately stated.  
 b. Availability of discounts or more favorable pricing  
  i. This should be reviewed by the stakeholder with Category Management.  
  ii. If a Vizient contract will govern the transaction, ensure that the correct Vizient contract number is referenced in the quotation, proposal, or estimate.  
    1. Vizient, formerly known as Novation, is a Group Purchasing Organization (“GPO”), which provides for pre-negotiated pricing on certain products.  
 c. For services, is compensation paid on a time and materials basis or is it a fixed price based upon completion of deliverables by the Vendor?  
  i. Under time and materials pricing, the Vendor will charge the entity for the actual number of hours worked and for the materials and parts consumed in performing the services.  
    1. Usually the Vendor charges a mark-up on materials and parts (anywhere from 10-20%).  
    2. Since the Vendor is charging by the hour, the contract must specify the hourly rate(s).  
    3. For facilities type Vendors, specify whether there are differing rates for standard/straight/regular/normal time, over-time, double-time, and holidays (state, federal or other). The contract should specify the various rates and the service hours (i.e., 7 a.m. to 4:00 p.m., etc.) when those various rates apply.  
    4. For consultants, the contract should specify if there is an increased fee for working weekends or holidays, working over eight hours in a day, or over 40 hours per week.  
  ii. Under a fixed price, the Vendor will charge the entity based upon the completion of specific activities or deliverables (such as a consultant’s report) specified in the contract.  
  iii. Are prices fixed for the term (i.e., duration) of the contract?  
  iv. If an entity will be reimbursing the Vendor for travel (i.e., airfare, lodging, car rental or taxi, parking, meals) or other expenses (e.g., cost of printed materials), the contract must indicate whether the entity is reimbursing Vendor for actual cost and/or any applicable mark-up. SHC Finance does not permit a mark-up on travel expenses.  
 d. Caps on future price increases  
  i. For contracts that span several years or are subject to automatic-renewal provisions, consider annual maximum percentage caps on price increases.  
 e. Payment terms  
  i. The standard is to require 60 days from our receipt of the invoice within which to issue payment.  
    1. Invoices for goods are generally issued when the goods are shipped or, if installation is required (such as for equipment), when the equipment is installed.  
      a. For major equipment purchases, it is appropriate to hold back a percentage (usually 10% or 20%) until completion of installation and/or acceptance testing.  
    2. For services, invoices are usually sent as services are performed, but billing is never more frequent than monthly.  
  ii. Substantial upfront payment commitments should be reviewed carefully and skeptically, and be justified by compelling business considerations (i.e., if the entity has already paid, then the Vendor will not have an incentive to perform well). |
<table>
<thead>
<tr>
<th>Business Term</th>
<th>Business Term Descriptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. Quantity</td>
<td>a. If an entity is purchasing a quantity of products, is the stated quantity correct (e.g., is an entity buying 1 or 10 ultrasounds)?</td>
</tr>
</tbody>
</table>
| 7. Exclusivity/Requirements or Volume Commitment Provisions | a. These provisions obligate the entity to  
   i. Purchase all of its needs for a particular product or service only from that particular Vendor or  
   ii. Purchase specified quantities or volumes of a product or services from a particular Vendor, usually to qualify for reduced pricing. Under the contract, higher pricing may apply if a certain quantity is not purchased.  
   b. Provisions of this type should be reviewed by Category Management, Supply Chain, and Contract Administration team members who are knowledgeable in working with these types of provisions. |
| 8. Obligations of an Entity | a. For equipment trial evaluations and equipment rentals, it is important to be aware of any Vendor imposed requirements such as preventive maintenance. If the entity does not comply with these requirements, the entity may be required to purchase the equipment.  
   b. For statements of work, stakeholders should carefully review assumptions and entity responsibilities; failure to comply with these requirements will likely excuse performance delays by the Vendor. |
| 9. Product Warranties | a. Warranty commencement date (for products)  
   i. Product warranties may begin on delivery, on acceptance by an entity (after having had a reasonable opportunity to inspect the products to make certain they conform to the contract requirements), installation (for products requiring installation), or placement into service (first patient use).  
   1. In cases where the warranty start date is based upon placement into service, the Vendor may require a maximum outside start date (for example, “warranty commences on the earlier of first patient use or six months following completion of installation by Vendor”).  
   2. Delayed warranty starts have been used for 500P and Packard 2.0 to ensure that the entity receives the full benefit of the manufacturers’ warranties.  
   b. Guaranteed uptime provisions  
   i. These are similar to a Service Level Agreement (“SLA”) and often are used in contracts providing for both preventive maintenance and service of complex medical equipment.  
   c. Duration  
   i. Hardware and durable medical equipment should have warranty periods of at least one year. |
| 10. Return Policy | a. This provision addresses the circumstances under which an entity can return products to the Vendor.  
   b. The entity should always be able to return products that do not conform to the contract requirements, specifications, or relevant product order before the acceptance of such products.  
   c. For sterile packaged products, the Vendor should accept returns of excess quantities if the products are unopened and have a reasonable amount of shelf life remaining.  
   i. The shelf life is based upon the published expiration date. |
| 11. Shipping Terms | a. This provision addresses how freight is paid for and handled.  
   b. The preference is for the Vendor to pay shipping charges, which is commonly referred to as “Freight or Free on Board” (“FOB”) destination. |
| 12. Software and Services Warranties | a. For services, the Vendor should warrant that services will be performed in accordance with industry standards/best practices and/or manufacturer’s specifications.  
   b. For software, the warranty period is usually 90-180 days, but typically the software Vendor has an obligation to provide bug fixes, updates, and upgrades under a maintenance agreement. |

- The **Total Aggregate Value** of a contract is defined as follows:
  1. The total amount to be paid to an entity by a Vendor or paid to a Vendor by an entity pursuant to the contract.
  2. For new contracts:
     a. The Total Aggregate Value is the total expenditure under the contract for the entire term of the contract.
     b. 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.
  3. For amendments to existing contracts:
     a. The Total Aggregate Value is the value of the new expenditure authorized by the amendment. For example: The original contract was for three years at $1,000.00 per year and the amendment extends the term for one additional year at $1,000.00 per year, the Total Aggregate Value of the amendment is $1,000.00.
        i. 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.
  4. 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:
     a. 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’s really a two-year project) so that the resulting total dollar value ($149,999.00) falls under a certain signature authority threshold.

Step 15. Does the Vendor exist in Infor Lawson or PeopleSoft?

- A Vendor must be added to the applicable Infor Lawson or PeopleSoft financial management system if a Purchase Order is required.
  1. A Purchase Order is not required for the following contracting entities:
     a. Stanford Health Care Advantage
     b. CareCounsel, LLC
     c. SUMIT Holding International, LLC
     d. Stanford University Medical Network Risk Authority, LLC (“The Risk Authority”)
     e. SUMIT Insurance Company Ltd.
     f. Professional Exchange Assurance Company
  2. A Purchase Order is not required if the purchase of goods and services is for one of the following types:
     a. Banquets and catering
     b. Benefits
     c. Bond and interest payments
     d. Collection expenses
     e. Conference fees
     f. DMV renewals
     g. FedEx and shipping costs
     h. Flower services
     i. Forms (SHC approved supplier only)
     j. Government fees
     k. Honorariums
     l. Insurance expense
     m. Inter-entity hospital agreements
     n. Legal fees
o. Licensing and filing fees (excludes software licensing)
p. Membership dues
q. Mortuary/autopsy services
r. Moving & storage services
s. Office supplies (SHC approved supplier only)
t. Organ transplant
u. Patient accounts/refunds
v. Postage
w. Real estate leases and rentals
x. Recruitment expenses
y. Reference labs
z. Reimbursements (other)
aa. Temporary staffing agencies
bb. Tax payments
c. Travel & entertainment expenses
dd. Utilities – telephone, water, gas/electric

- A Vendor can be added to Infor Lawson/PeopleSoft financial management system by registering with the Supply Chain Vendor Manager System, which authenticates and vets Vendors. Vendor credentialing helps to manage Vendors in a cost-effective way to meet requirements for patient safety, regulatory compliance, internal controls, and facility access requirements.

**Step 18. Is Legal Review required?**
- A contract requires Legal Review if any one of the following statements is true, unless an exception is met:
  1. A Vendor proposes changes to a Contract Administration approved template.
  2. A Vendor will be paid more than Five Hundred Thousand Dollars ($500,000.00) pursuant to a Contract Administration approved template.
  3. A Vendor will be paid more than One Hundred Fifty Thousand Dollars ($150,000.00) pursuant to a Vendor contract.
  4. A contract includes exclusivity or quantity/volume commitments.
  5. AVendor is considered a “referral source.”
    a. A “referral source” is 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 an entity, or to which an entity refers patients.
  6. A Vendor will have access to internal Protected Health Information (“PHI”), internal data, or the Technology and Digital Solutions/Information Services networks.
  7. A stakeholder asks to terminate an existing contract.
  8. A contract is a management, services, research, or clinical trial agreement relating to tax-exempt bond compliance.

- Contracts that meet one of the following exceptions do not require Legal Review, but must still be managed by Contract Administration:
  1. Stanford Blood Center, LLC purchases that are governed by a Blood Centers of America group purchasing organization agreement.
  2. A contract in which the Vendor will be paid less than Five Hundred Thousand Dollars ($500,000.00) pursuant to a Contract Administration approved template that the Vendor accepts without revisions.
  3. A contract in which the Vendor will be paid less than One Hundred Fifty Thousand Dollars ($150,000.00) pursuant to a Vendor contract template and the Vendor executes a Contract Administration approved Legal Addendum without revisions.

**Step 27. Stakeholder obtains the applicable contracting officer’s signature.**
- Follow the applicable entity Contract Administration Policy.
Step 29. Is a Purchase Order Required?

- A Purchase Order is not required for the following contracting entities:
  1. Stanford Health Care Advantage
  2. CareCounsel, LLC
  3. SUMIT Holding International, LLC
  4. Stanford University Medical Network Risk Authority, LLC ("The Risk Authority")
  5. SUMIT Insurance Company Ltd.
  6. Professional Exchange Assurance Company

- A Purchase Order is not required if the purchase of goods and services is for one of the following types:
  1. Banquets and catering
  2. Benefits
  3. Bond and interest payments
  4. Collection expenses
  5. Conference fees
  6. DMV renewals
  7. FedEx and shipping costs
  8. Flower services
  9. Forms (SHC approved supplier only)
  10. Government fees
  11. Honorariums
  12. Insurance expense
  13. Inter-entity hospital agreements
  14. Legal fees
  15. Licensing and filing fees (excludes software licensing)
  16. Membership dues
  17. Mortuary/autopsy services
  18. Moving & storage services
  19. Office supplies (SHC approved supplier only)
  20. Organ transplant
  21. Patient accounts/refunds
  22. Postage
  23. Real estate leases and rentals
  24. Recruitment expenses
  25. Reference labs
  26. Reimbursements (other)
  27. Temporary staffing agencies
  28. Tax payments
  29. Travel & entertainment expenses
  30. Utilities – telephone, water, gas/electric
Step 29. a. Stakeholder submits “packet” of collated documents to Purchasing.

1. If the contract involves paying a Vendor through one of the following contracting entities:
   a. Stanford Health Care
   b. University HealthCare Alliance
   c. Stanford Blood Center, LLC
   d. The Hospital Committee for the Livermore-Pleasanton Areas (“Stanford Health Care - ValleyCare”)
      i. Then click here to request a Purchase Order.

2. If the contract involves paying a Vendor through one of the following contracting entities:
   a. Lucile Salter Packard Children’s Hospital at Stanford (“Lucile Packard Children’s Hospital” or “Stanford Children’s Health”)
   b. Packard Children’s Health Alliance
      i. Then click here to request a Purchase Order.

3. If the contract involves paying a Vendor through one of the following contracting entities:
   a. Stanford Health Care Advantage
   b. CareCounsel, LLC
   c. SUMIT Holding International, LLC
   d. Stanford University Medical Network Risk Authority, LLC (“The Risk Authority”)
   e. SUMIT Insurance Company Ltd.
   f. Professional Exchange Assurance Company
      i. Scan and email all the documents to the appropriate department to create a PO, if needed. Then scan and email all of the documents to ContractAdministration@stanfordhealthcare.org so that the fully signed contract can be stored in Contract Administration’s central files and, if applicable, uploaded into the MediTract contract database.

Step 35. Facilitate annual contract evaluation, if required.

- If Stanford Health Care, Lucile Salter Packard Children’s Hospital at Stanford (“Lucile Packard Children’s Hospital” or “Stanford Children’s Health”), or The Hospital Committee for the Livermore-Pleasanton Areas (“Stanford Health Care – ValleyCare”) is a party to the contract, the contract may require annual evaluation.

- The Centers for Medicare and Medicaid Services (“CMS”), pursuant to 42 CFR § 482.12(e), and The Joint Commission (“TJC”), pursuant to Standard LD.04.03.09 regarding contracted services, require the hospital governing body to ensure that services performed under contract are provided in a safe and effective manner. To achieve this, the board, hospital leadership, and the Medical Executive Committee monitor contracted services by establishing expectations for the performance of the contracted services.

- TJC Standard Introduction and Rationale states that “The only contractual agreements subject to the requirements in Standard LD.04.03.09 are those for the provision of care, treatment, and services provided to the hospital’s patients. This standard does not apply to contracted services that are not directly related to patient care. In addition, contracts for consultation or referrals are not subject to the requirements in Standard LD.04.03.09.”
**Step 36. Definition of Responsible Parties.**

- Each contract has the following assigned responsible parties who receive automated email alerts 90, 60, 30, and 7 days before a contract expires:
  1. **Primary Responsible Party**
     a. Has firsthand knowledge of whether a contract is needed;
     b. Negotiates significant changes to the contract terms;
     c. Recommends a contract be drafted or renewed; and
     d. Oversees and manages the Vendor as it provides and performs the goods and/or services described in the contract.
  2. **Secondary Responsible Party**
     a. Immediate manager/supervisor of the Primary Responsible Party;
  3. **Annual Contract Evaluation Responsible Party**
     a. Point of contact for the annual contract evaluations who will complete the annual contract evaluation survey, if needed for the contract. This may be the same person as the Primary Responsible Party or Secondary Responsible Party.