

HARBOR-UCLA MEDICAL CENTER

SUBJECT: CONTRACT PROGRAMS

POLICY NO. 509

**PURPOSE:**

To establish guidelines for the development, ongoing management, and monitoring for Board Contracts.

**POLICY:**

Harbor-UCLA Medical Center will provide medical or support services through the use of contract services when those services are not available through the resources of the County. Clinical service contracts are initiated as the result of medical staff requests for the service and medical staff shall be included in the acquisition and execution of clinical contract services. The management of all contracts is the responsibility of the Clinical or Support Departments in terms of clinical and operational performance. Essential contract program components include:

- Contract solicitation: Development, evaluation, negotiation and approval of Request for Proposals, Request for Statement of Qualifications, Request for Quotations, Request for Information, and Invitation for Bids.
- Contract management: Ongoing management of active contracts.
- Contract monitoring: Completion and verification of annual monitoring of contracts.

Responsibilities:

- The Clinical or Support Department shall appoint a Contract Monitor and assign this person the responsibility to interface with the vendor for the ongoing oversight of clinical and operational management of the contract and the required annual documented monitoring of the contract. The Contract Monitor may be requested to participate in contract solicitations when applicable. The Contract Monitor shall maintain current contract copies in his/her files.
- The Medical Center shall appoint a "Contract Liaison" to interface between the medical center services and the Contracts and Grants Division for the management of contracts, renewals, new contracts, etc. The Contract Liaison shall interface with the Heads of the clinical and support departments to ensure that the management of the contracts is effective and that the Contract Monitors are performing their required duties.

**Only the Los Angeles County Board of Supervisors has authority to approve and sign a contract.** No Medical Center employee may commit the County to a contract.

**EFFECTIVE DATE:** 12/84

**SUPERSEDES:**

**REVISED:** 8/89, 6/92, 3/99, 2/02, 9/09, 8/10, 4/11, 7/14, 7/18

**REVIEWED:** 9/86, 8/89, 10/92, 2/96, 3/99, 2/02, 1/05, 8/10, 4/11, 7/14, 7/18

**REVIEWED COMMITTEE:** N/A

**APPROVED BY:**

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**Kim McKenzie, RN, MSN, CPHQ**  
Chief Executive Officer

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**Anish Mahajan, MD**  
Chief Medical Officer

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**Patricia Soltero Sanchez, RN, BSN, MAOM**  
Chief Nursing Officer

Signature(s) on File.

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**PROCEDURE:****I. BOARD CONTRACTS****A. Development of Board Contracts**

1. Medical Center staff initiates proposal for a specific contract/agreement and submits the proposal to the Medical Center's Chief Executive Officer for approval to proceed with contract development. Or, Department of Health Services (DHS) Contracts and Grants Division personnel initiates a proposal.
2. Medical Center staff cooperates with DHS Contracts and Grants to develop one or more of the following: Request for Proposal (RFP), Request for Statement of Qualifications, (RFSQ), Request for Quotations (RFQ), Request for Information (RFI), and/or Invitation for Bids (IFB). Harbor-UCLA staff must ensure that the contract solicitation requests accurately reflect the facility's requirements.
3. DHS Contracts and Grants is responsible for issuing contract solicitation requests, coordinating evaluation of vendor requests/bids, and negotiating contract proposals for Board of Supervisor approval.
4. The Medical Center Chief Executive Officer must approve all proposed contracts originated at Harbor-UCLA prior to submitting to DHS Contracts & Grants for Board approval.

**B. Ongoing Management of Active Contracts**

The Contract Monitor is responsible for ongoing contract management, including development and implementation of strategies to ensure that contracted services are provided in accordance with the contract terms and conditions. Such strategies include, but are not limited to:

1. Developing and maintaining work schedules
2. Validating hours worked
3. Submitting approved invoices to Expenditure Management for payment
4. Completing an annual contract monitoring instrument

**C. Annual Contract Monitoring**Responsibilities and Frequency

1. The Contract Monitor – in consultation with the Contract Liaison – must monitor Board-approved contracts annually.  
**Note:** The DHS Centralized Contract Monitoring Division (CCMD) must fiscally monitor Proposition A and Cafeteria agreements for compliance to the Living Wage Ordinance.
2. The Contract Liaison must verify the proper monitoring of contracts and submit an annual Status of Contract Monitoring Report to the DHS Audit & Compliance Division. Monitoring compliance is defined as 70% of the Medical Center's contracts being properly monitored.
3. The DHS Audit & Compliance Division is responsible for providing administrative and fiscal oversight, technical assistance, and training.

Contract Monitoring Process

1. The Contract Monitor must complete a contract monitoring instrument to systematically document contractor and medical center performance in three areas: administrative, service, and invoice.

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Typically, the DHS Centralized Contract Monitoring Division (CCMD) develops a contract-specific contract monitoring instrument.

2. The contract monitoring process ensures the following:
  - Contractor provides all contracted services
  - Contractors comply with applicable laws/regulations
  - Provided services meet the needs, requirements and expectations for efficient services.
  - County is protected from potential liability due to contractor negligence.

**II. PURCHASE ORDER CONTRACTS**

**A. Development of Purchase Order Contracts**

1. Requests to initiate contracts must be submitted to the Medical Center's Chief Executive Officer (or designee) for administrative approval. Such requests must provide written justification sufficient to merit approval.
2. The Medical Center's Purchasing Agent:
  - May approve and process purchase order contracts for sundry goods or services up to \$5,000.
  - Must submit initial or ongoing purchase order contact requests for goods/services between \$5,000-\$99,999 to the County's Internal Services Division Purchase for approval and processing.
3. The Board of Supervisors must approve purchase order contracts exceeding \$99,999.

**B. Contract Monitoring**

No formal monitoring process is required for Purchase Orders.