

Policy Applies to:

- Contracts Manager
- Executive Team
- All Mercy Hospital staff members with authority to enter into or maintain the efficacy of a legal agreement.

Related Standards:

- Ngā Paerewa Health and Disability Service Standard 2021

Rationale

This policy describes Mercy Hospital requirements to manage its legal agreements (Contracts) and associated risks. The policy governs all types of agreements that have contractual requirements. For purposes of completeness, Memoranda of Understanding, Lease Agreements and Service-provision Agreements are included.

Excludes employment contracts made in relation to Mercy Hospital staff.

Cultural Considerations

No cultural considerations applicable to this policy.

Objectives

- To inform authorised staff of responsibilities and legal requirements
- To provide clear direction in the establishment of any legally-binding agreement
- To accurately maintain the electronic register in a consistent manner
- To ensure a robust system is in place to monitor and review risks

Implementation:

Definitions:

<i>Contracts</i>	Any procurement or service delivery agreement that commits Mercy Hospital in legal and/or financial terms.
<i>Contracts Database</i>	The electronic register managed by the Contracts Manager and viewed by Executive Staff with contract responsibilities.
<i>Contracts Filing Unit</i>	Secure filing unit located in the Administration office
<i>Manager</i>	The Mercy Hospital staff member responsible for ensuring the organisational obligations and rights under any such agreement are being met.

Contract Proposals

From time to time, service providers and suppliers may submit to Mercy Hospital their own agreement documentation.

This must be checked by:

- Manager with responsibility for department
- Contracts Manager
- Any other Manager of an affected department
- Health and Safety Specialist (where required)

If there is any disagreement in the terms presented, a formal response will be made to the providers by the Contracts Manager.

Contracts Negotiation

- 1 Negotiation of a contract must be completed by a Manager who has appropriate knowledge of the services, influences, achievable obligations, legal implications, and responsibility for resources and/or finances. The Contract Manager can be asked to represent the Manager for negotiations.
- 2 The Manager negotiating any contract will at all times ensure the proposed services are fit-for-purpose
- 3 The Manager will document liaison with appropriate internal parties to confirm there is no extension of liability, will have no negative reflection on the organisation, and security within the contract can be assured
- 4 A full and proper record must be kept of all contract negotiation and related correspondence by the Manager. This record should then be appended to the formal contract when established.

Contracts Preparation

- 1 All Contracts must be in writing
- 2 All Contracts must contain key performance indicators, ensuring the following areas are encompassed:
 - i. Quality management programs, and
 - ii. Participation in Mercy Hospital-directed quality auditing procedures, and
 - iii. Industry standard compliance, and
 - iv. Contingency planning methods.
 - v. Health & Safety considerations as appropriate, and
 - vi. for Service Contracts, or where any provider may be attending Mercy Hospital's campus to undertake service activities, compliance with site induction requirements.

A system for effective monitoring of these must also be identified.

- 3 All contracts must be drafted clearly, in plain English to avoid ambiguity or misinterpretation
- 4 All contracts must specify an end-date and rights of renewal – where a perpetual term is proposed, the Initial Term must be specified as a minimum.

- 5 Mercy Hospital's approved standard terms and conditions must be used for all service contracts, taking precedence over any other document.
- 6 Where necessary, the Manager is responsible for validating financial accommodation from the relevant budget
- 7 All contracts must be finalised and issued by the Contracts Manager, ensuring relevant Health and Safety and Confidentiality resources are included.

Contracts Maintenance

- 1 The Manager responsible for the renewal and maintenance of the contract will be notified by the Contracts Manager when a review or action date is approaching.
- 2 The Manager must then complete required follow-up action and report back to the Contracts Manager to update the electronic register, where indicated. The Manager may request that the Contracts Manager completes actions on their behalf.
- 3 If a notification of action is not followed up in a timely fashion, the Contracts Manager will escalate the notification to the next delegated Manager as identified in the Contract Database.

Contracts Signing and Storage

- 1 Only those staff members identified in the Mercy Hospital Delegations of Authority Policy have authority to review and sign contracts on behalf of Mercy Hospital.
- 2 Mercy Hospital may implement electronic signing software which Managers must comply with. The Contracts Manager will initiate and publish all notifications / signing instructions from such a system.
- 3 When the contract has been signed by both parties (either manually or electronically), the original contract must be submitted to the Contracts Manager for storage in the Contracts Filing Unit
- 4 A copy of other relevant documents may also be requested by the Contracts Manager to form part of the contract file
- 5 The Contracts Manager will establish an official contract file and may assign a contract number for all new contracts
- 6 The contract will also be stored in electronic (soft copy) form in the Contracts Manager folder.
- 7 The Contracts Manager is responsible for adding contract details to the Contracts Database.

Evaluation:

- Global Audit for External Service Providers will be undertaken by the Contracts Manager on an annual basis. Results of this will be discussed by the External Service Providers Group as well as by the Quality & Risk Committee annually.
- External Contracts Review meeting (minutes/contract notes)
- Ngā Paerewa
- Mercy Contracts Manager may from time to time provide contracts to Executive for their discussion and review.

Associated External Documents

- Commerce Act 1986
- Consumers Guarantee Act 1993
- Contract and Commercial Law Act 2017
- Fair Trading Act 1986
- Health and Safety at Work Act 2015
- Privacy Act 2020

Associated Internal Documents

- Delegations of Authority Policy
- Risk Management Policy
- External Service Providers Policy
- Health & Safety Policy
- Mercy Hospital Agreement for Contract for Services, including:
 - Information Book for Contractors (encompassing General Permit to Work), and
 - Contractor Health and Safety Questionnaire, and
 - Contractor Induction Training Record