

LEE MEMORIAL HEALTH SYSTEM BOARD OF DIRECTORS POLICY MANUAL

no. 20.06 C

supersedes no. 20.06b (combined with retired 20.07b)

category: Financial Operations

title: Contracts (Purchase, Sale, Transfer or Lease)

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PURPOSE:

To provide guidelines for the approval of formal written contracts (purchase, sale, transfer or lease).

POLICY:

1. All contracts shall be styled using the legal name: "Lee Memorial Health System". All contracting involving subsidiaries of Lee Memorial Health System shall indicate in the styling of the contract that it is a subsidiary of the System.
2. All written contracts, except those prepared by or reviewed by the Board's Attorney, shall be reviewed for legal sufficiency by an attorney in the health system's Legal Services Department, consistent with the health system's administrative policy.
3. Contracts for purchase, sale, transfer or lease of real property (land and/or buildings) shall be approved by the Board of Directors.
4. All unbudgeted equipment leases in which the annual lease payments are \$100,000 or more must be approved by the Board of Directors.
5. Contracts for the construction or improvement of real property that require the awarding of a professional services contract must abide by Policy 20.15 – Design-Build Contracts.
6. A summary of all new or revised contracts related to the provision of employee benefits shall be reported to the Board of Directors. Formal advance approval of the same by the Board of Directors shall not be required.
7. All other contracts may be approved by the President/CEO or designee without being referred to the Board of Directors.
8. Once a contract has been approved as required herein, it shall be signed in accordance with health system administrative policy.

Reference guide for contract approval requirements

DESCRIPTION	PRESIDENT	BOARD OF DIRECTORS
Facility projects, Equipment, New Programs (Tactics), Outside Vendor Services (budgeted)	All Budgeted Requests & Qualified Substitutions	Non Qualified Substitutions
Facility projects, Equipment, New Programs (Tactics), Outside Vendor Services (non-budgeted)	\$500,000 or less	More than \$500,000
Construction or Remodeling Change Orders	Cumulative Costs < 10% & Less Than \$100,000	Cumulative Costs > 10% & Greater Than \$100,000
Asset Disposal	\$100,000 or less	More than \$100,000
Formal Contracts		All formal contracts for the purchase, sale, transfer or lease of capital equipment will come to the Board for approval
New Services/Programs /Maintenance/Leasing Rental Agreements and Renewals	\$100,000 or less per year	More than \$100,000