



Policy/Procedure Statement

- POLICY NO.: P-11-1-13
- ISSUE DATE: November 1, 2013
- REVISED DATE: October 1, 2015
- ORIGINATOR: MCO/LEGAL/PURCHASING

SUBJECT: CLINICAL AND NON-CLINICAL CONTRACT APPROVAL AND AUTHORIZED SIGNATURES POLICY AND PROCEDURE

I. PURPOSE:

The purpose of this Clinical and Non-Clinical Contract Approval and Authorized Signatures Policy and Procedure (“Policy”) is to document the process for the Detroit Wayne Mental Health Authority (“Authority”) approval of Clinical and Non-Clinical contracts, and to designate who has the authority to sign contracts, amendments and Memoranda of Understanding. This Policy shall be read in conjunction with the Authority’s Procurement Policy and its Grant Policy. **This process only relates to those contracts or procurements that require a purchase order.**

II. APPROVAL PROCESS:

There are two processes for approval: (1) the Board Action (BA) process and (2) the ReQlogic process. All contracts that require approval (i.e. execution) require the initiation of a requisition in ReQlogic; however, certain other contracts require additional approval by the Authority Board of Directors (“Board”) through an approved Board Action.

In certain cases, a duly issued purchase order shall constitute as the contract if there is no formal contract executed by the Authority and the applicable vendor. All contracts that require a purchase/blanket order, are covered by the Authority’s Procurement Policy and subject to the provisions of this Policy.

IMPORTANT NOTE:

- 1) Ethics form only needed for contracts over \$20,000;**
- 2) Subcontractor form only if contract over \$50,000; and**
- 3) W-9 only if it’s a new provider or vendor and you must submit “Address Request Form” and W-9 to Finance (Executive Assistant to CFO) for input into ReqLogic.**

A. Clinical Contract Process

1. Managed Care Operation (“MCO”) will obtain the following information from the respective Division:
 - a. Provider information;
 - b. Scope of service/program title;
 - c. Proposed contract amount; and
 - d. Term of contract
 - e. If a Board Action is required, then MCO will follow the BA process below and simultaneously process the BA.
 - f. Budget Page from Finance (via email by providing Provider name, program title contract amount, account number and term).
2. MCO will obtain from the provider/vendor the following:
 - a. W-9 (if applicable)
 - b. Debarment Form;

- c. Program Budget Summary
 - d. Ethics (if applicable)
 - e. Subcontractor form (if applicable)
3. MCO shall be responsible for creating the requisition and obtaining and uploading the following forms into ReQlogic: all of the pertinent documentation and/or forms from the provider, which include the following:
 - a. Debarment Form;
 - b. Program Budget Summary;
 - c. Ethics Form (if applicable);
 - d. Subcontractor Form (if applicable); and
 - e. W-9 Form (if applicable)
 - f. Procurement Letter outlining how the vendor was selected (i.e. quotes, comparable source)
 - g. Scope of Services
 - h. Debarment- SAM.GOV CHECK
 - i. Budget Page
 4. Once MCO approves, the ReQlogic workflow is as follows:
 - a. Budget Manager
 1. Verify account number
 2. Ensure funds
 - b. Chief Financial Officer
 1. Final review
 - c. Legal
 1. Creates contract (if applicable)
 2. Acquire provider signature
 3. Approve in ReQlogic
 4. Signs vendor executed contract and obtains CEO signature. If BA required, this will occur after BA approval.
 - d. Purchasing
 1. Ensure completeness
 2. Final approval
 3. Create Purchase Order

B. Non-Clinical Contract Process:

1. **Responsible Division (Division requesting the services)** shall obtain the “Budget Page” from Finance via email (via email by providing provider/vendor name, program title contract amount, account number and term). In addition, the Responsible Division will provide Budget Page to Legal to prepare a contract (if applicable) and obtain the provider/vendor signature.

If a Board Action is required, then Responsible Division will follow the BA process below and simultaneously process the BA.

2. Responsible Division will obtain the following information from the provider/vendor:
 - a. W-9 (if applicable):
 - b. Debarment Form;
 - c. Program Budget Summary:
 - d. Ethics (if applicable):
 - e. Subcontractor form (if applicable)

3. The Responsible Division shall be responsible for creating requisition and obtaining and uploading the following documents into ReQlogic:
 - a. Ethics Form (if applicable);
 - b. Subcontractor Form (if applicable);
 - c. Debarment Form
 - d. W-9 Form (if applicable)
 - e. Program Budget Summary;
 - f. Budget Page;
 - g. Scope of Services (if no formal contract)
 - h. Procurement Letter outlining how the vendor was selected (i.e. quotes, comparable source). If solicited quotes, need copies of all the quotes also; and
 - i. Vendor executed contract obtained from legal (if applicable)

4. Once Responsible Division approves, then ReQlogic workflow is as follows:
 - a. Budget
 1. Ensure funds;
 2. Verify account numbers;
 - b. CFO
 1. Review and approval
 - c. Chief of Staff/COO
 1. Final review
 - d. Purchasing
 1. Ensure completeness
 2. Final approval
 3. Create Purchase Order

C. Contracts Under \$50,000:

Contracts less than \$50,000 do not require Board Approval and shall utilize the applicable Approval Process outlined above.

III. BOARD APPROVAL PROCESS:

A. Items Requiring Board Approval: Approval by the Board shall be required for all of the following contracting situations:

1. All grant agreements (i.e. Housing and Urban Development), subject to Grant Policy;
2. All contracts between the Michigan Department of Health and Human Services (“MDHHS”) and the Authority, including amendments that provide funding for system-wide services (i.e. MDHHS/Authority PIHP, MDHHS/CMHSP ABW, MDHHS/CMHSP and MDHHS/CMHSP (including SED and Children’s Waivers) contracts);
3. All contracts for supplies and services (including purchase orders) in excess of \$50,000, including all monetary modifications to the initial contract amounts which result in the total costs being in excess of \$50,000;
4. All collective bargaining agreements.

B. Board Action Process:

Clinical Contract Process:

1. BA Number shall be obtained by MCO from the CEO’s Executive Assistant.

2. MCO shall be responsible for preparation and submission of the “Board Action Packet,” which shall include the following documentation:
 - a. Properly filled out Board Action Form;
 - b. Scope of Services;
 - c. Program Budget Summary which is received from provider/vendor; and
 - d. Procurement Letter outlining how the vendor was selected (i.e. quotes, comparable source).
3. MCO shall deliver the Board Action Packet to Finance for review, assignment of an account number and development of a Budget Page.
4. Upon Finance approval of the Board Action Packet, the MCO shall retrieve the Board Action Packet, including the Budget Page, and deliver it to the CEO’s Executive Assistant **no later than the Wednesday prior to a scheduled Board/Committee meeting where such Board Action is to be discussed.**
5. The CEO’s Executive Assistant shall distribute the Board Action packet to the President/CEO and the Chief Operating Officer for review and execution **no later than the Wednesday prior to a scheduled Board/Committee meeting where such Board Action is to be discussed.**
6. The CEO’s Executive Assistant shall forward executed Board Action packet to the Authority Board Liaison, who shall distribute the completed Board Action packet to the Board members **no later than the Friday prior to a scheduled Board/Committee meeting where such Board Action is to be discussed.**
7. Board Liaison will be responsible for forwarding approved BA to MCO, Responsible Division, Finance, and to Purchasing.

Non-Clinical Contract Process:

The Non-Clinical Process is the same as Clinical EXCEPT that the Responsible Division (Division requesting the services) will be accountable for processing the BA as outlined above in the Clinical Process for Board Approval rather than MCO. Thus, wherever “MCO” is mentioned, replace with “Responsible Division.”

IV. AUTHORIZED CONTRACT SIGNATURES:

- A. The President/CEO, or his/her designee, has the sole authority to bind the Authority to contracts which include, but are not limited to:
 1. All contracts between the Authority and MDCH,
 2. Any other contracts, other than a purchase order, for supplies and services exceeding \$50,000 in costs,
 3. All contracts, other than a purchase order, of less than \$50,000 for supplies and services,
 4. All intergovernmental agreements between the Authority and another governmental entity, and
 5. All Business Associate Agreements (as required for certain vendors who are not covered entities).
- B. Contracts requiring Board Approval shall not be executed by the President/CEO, or his/her designee, without the prior approval of the Board.
- C. In the event that the President/CEO designates no designee to sign contracts in his/her absence or incapacity, the Chief Operating Officer, Chief of Staff, or designee shall be understood to have the authority to execute all contracts covered by this Policy on behalf of the President/CEO.

V. CONTRACT AMENDMENT/MODIFICATION PROCESS

- A. The Division that processed the initial contract under the Clinical or Non-Clinical process is responsible for processing Modifications:
 1. The Division will provide Legal with the following items:
 - a. Memo stating reason for Modification
 - b. Revised BA approving the modification (if applicable).

- c. If no formal contract, then an email or memo from vendor agreeing to the modification.
2. Legal will draft a modification if a formal contract has to be modified. If no formal contract has to be modified, then Legal will forward the documents provided by the Division to Purchasing for processing.
3. Legal, will acquire the provider/vendor signature on the modification.
4. Legal will obtain the General Counsel's signature and the CEO or his/her designee's signature on the Modification.
5. All of the documentation will be submitted to Purchasing for processing and issuance of modified PO and transmittal of executed modification to provider/vendor.

VI. DAF APPROVAL PROCESS:

- A. DAFs are not required to process Clinical or Non-Clinical contracts. If a contract requires a DAF, it is the responsibility of the Responsible Division to submit proper documentation to Legal. The following contracts still require a DAF for processing:
 1. Grant Agreements (i.e., Housing and Urban Development) where Authority is receiving the funds from the granting entity. This includes MDHHS, HUD etc. agreements.
 2. Collective bargaining agreements;
 3. Any other agreement or contract that requires CEO signature but does not require a purchase order.
- B. The Responsible Division will provide Legal the following documents:
 1. Contract;
 2. Approved BA (if applicable);
- C. Legal will process the DAF and obtain the following signature in order:
 1. General Counsel
 2. Director of Responsible Division
 3. Budget Manager
 4. Chief Financial Officer
 5. Chief Executive Officer
- D. Copies of all DAF Packets will retained by the office of General Counsel in accordance with the Authority's record retention policy and a copy will be provided to Responsible Division.

VII. AMENDMENT AND VALIDITY

Other resolutions or parts of resolutions which are inconsistent with the provisions of this Policy are hereby superseded and amended.