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CONTRACT APPROVAL AND SIGNATURE

I. SIGNATURE AUTHORITY RESERVED TO THE BOARD OF DIRECTORS

The Board of Directors ("Board") of the University of Wisconsin Hospitals and Clinics Authority ("the Authority") has reserved for itself the authority to approve certain expenditures and investments. Those include:

- A. All Real Estate Purchases having a contractual liability in excess of \$5 million must be approved by the Authority Board
- B. Real Estate purchases outside of the approved budget must be approved by the Finance Committee of the Authority Board.
- C. Investments by the Authority through the University of Wisconsin Foundation or otherwise will be in accordance with any investment policy approved by the Finance Committee of the Authority Board.
- D. Other investments in any corporation or joint venture in excess of \$500,000 that are not listed in the annually approved capital budget or paid for from approved and budgeted contingency monies must be approved by the Authority Board.
- E. Other capital expenditures in excess of \$500,000, or \$2,000,000 in the aggregate, that are not listed in the annually approved capital budget or paid for from approved and budgeted contingency monies must be approved by the Authority Board.
- F. The Authority Board shall approve the creation of any subsidiary corporations.
- G. The Authority Board must approve or sign all other contracts that by operation of law require the approval or signature of the Authority Board.

Unless otherwise directed by the Authority Board or required by law, the University of Wisconsin Hospital and Clinics ("UWHC" or "the Hospital") President and CEO shall sign any contract for which Authority Board approval is required.

The Authority Board can and has delegated signature authority not otherwise reserved for the Board or required by law to be exercised by the Authority Board, to the UWHC President and CEO. The Board also has authorized the President and CEO to delegate in writing his or her signature authority within UWHC as he or she may from time to time determine appropriate.

The proper delegation of authority to execute contracts (including memoranda of understanding and other agreements not specifically denoted as "contracts") with external entities that bind the Hospital is required to minimize financial, legal and related risks, to promote operational efficiency, and to ensure that appropriate fiscal and management

controls are in place over the creation of binding contractual relationships and the expenditure of Hospital funds.

II. UWHC DELEGATED SIGNATURE AUTHORITY POLICY

The President and CEO delegates signature authority not otherwise reserved to the Board for (A) procuring goods and services through internal requisitions and Purchase Orders (see Policy 11.12, Purchase of Goods, Services, Equipment, and Approval of Invoices); (B) binding the Hospital in contractual arrangements with third parties, including legal settlements (this policy); and (C) approving settlements and write-offs of patient accounts (see Policy 2.31, Limits for Patient Account Settlements, Discretionary and non-Discretionary Write-Offs/ Adjustments of Patient Refunds).

A. WRITTEN CONTRACT REQUIREMENTS

The Hospital requires a written contract under the following circumstances:

- Expenditure of funds greater than \$150,000.
 - The Hospital routinely enters into written contracts for under \$150,000, which must be reviewed by Purchasing or Legal and signature obtained in accordance with this policy
 - If a master agreement is in place (e.g., McKesson), individual Purchase Orders may be issued for over \$150,000 during the master contract's duration without the need for a new written contract (see Policy 11.12 for internal signature authority for Purchase Orders).
- Contracts for the purchase, sale, lease, use, construction or remodeling of real estate
- Contracts for purchased services
- Contracts for professional consulting services
- Contracts for outside (non-employee) patient care services (e.g., agency contracts)
- Patient transfer agreements
- Educational affiliation agreements
- Contracts for UWHC to provide patient care, consulting or other services to others (*i.e.*, not UWHC patients)
- As otherwise determined by the Office of General Counsel (OGC)

The Office of General Counsel has and continues to develop standard contracts to cover a number of recurrent contractual relationships (e.g., Educational Affiliation Agreements, Independent Contractor Agreements), and those standard agreements should be used whenever possible. Use of UWHC standard contracts will facilitate and expedite the contract review process.

The General Counsel is authorized, after consultation with the Internal Auditor and Chief Financial Officer or designee, to issue written determinations on how terms in

this policy shall be interpreted in general or applied in specific cases. Such determinations shall be kept on file in the Office of General Counsel.

NOTE: Purchasing is authorized under this policy to fulfill the requirement for a written contract by obtaining a vendor signature on UWHC standard terms and conditions.

B. GENERAL RULE FOR PURCHASE OR ACQUISITION OF GOODS AND SERVICES (also known as “Purchasing Contracts”)

The following signature authority applies to all UWHC contracts for the purchase or acquisition of goods and services unless an exception applies (see below).

TOTAL EXPENDITURE LEVEL	LEVELS OF REVIEW AND SIGNATURE AUTHORIZATION
\$0-\$149,999*	Director or Manager of Purchasing Contracts signed by Purchasing must comply with directions from the OGC. Variations from those directions must be approved by the OGC.
\$150,000-\$249,999*	COO or CFO, after VP Approval and OGC legal review
\$250,000-\$999,999*	COO and CFO, after VP Approval and OGC legal review
\$1,000,000 and up*	CEO and CFO, after OGC legal review

*Anyone having signature authority at a higher dollar level threshold may sign contracts requiring lower levels of authorization.

C. GENERAL RULE FOR ALL OTHER AGREEMENTS, INCLUDING THOSE FOR OR TO PROVIDE PROFESSIONAL CONSULTING SERVICES (also known as “Administrative/ Operational Contracts”)

The following signature authority applies to all other UWHC contracts except “Purchasing” contracts (see above) or unless another exception applies (see below).

Some of the more common examples of these contracts include but are not limited to:

1. Affiliation Agreements, except Educational Affiliation Agreements (see below).
2. Purchase or Sale of Professional Consulting Services. Professional consulting services for the purposes of this policy include legal, accounting, website development, management, and other professional consulting services. They do not include UWHC payment of speaker fees or consulting or training services provided to UWHC as part of a contract for the purchase

of related goods, which fall under the general rule for Purchasing Contracts, above.

3. Leased Employee Agreements and Purchased Service Agreements.
4. Sale of UWHC Non-Physician Services
5. Purchase of Non-Physician Medical Services
6. Confidentiality/ Non Disclosure Agreements.

TOTAL EXPENDITURE LEVEL	LEVELS OF REVIEW AND SIGNATURE AUTHORIZATION
\$0-\$499,999*	COO and CFO, after VP approval and OGC legal review
\$500,000 and up*	CEO and CFO, after VP approval and OGC legal review

* Anyone having signature authority at a higher dollar level threshold may sign contracts requiring lower levels of authorization.

D. EXCEPTIONS TO GENERAL RULES

In general, all UWHC agreements and contracts should be processed and signed in accordance with the above. However, some exceptions apply. If no exception applies, follow the General Rules for Purchasing or Administrative/Operational contracts (as applicable) above. This section includes limited exceptions for some contracts in the following categories:

1. Contracts for the Purchase, Sale, Lease, Use, Construction or Remodeling of Real Estate
2. Participation or Investment in Joint Ventures
3. Educational Affiliation Agreements
4. Medical Service Agreements
5. Federal and State Funding Grants
6. Insurance Policies and Binders
7. Business Associate Agreements and/or Data Use Agreements (Required when Patient Information is Shared with Vendors)
8. Granting Intellectual Property Permissions/Licenses
9. Selling Used Equipment or Other Goods

- 10. Pharmacy Agreements
- 11. Human Resources Agreements
- 12. Legal Settlements

The CEO may create other exceptions and special instructions. They must be in writing and kept on file with the Office of General Counsel.

1. Purchase, Sale, Lease, Use, Construction or Remodeling of Real Estate

- NOTE: A starting point for all contracts involving Real Estate should be the modified American Institute of Architects (AIA) contract that UWHC OGC has pre-approved.

a. Purchase or Sale of Real Estate

Subject to the Board approval requirement above, any contracts for the sale or purchase of Real Estate must be approved and signed by the President and CEO and Chief Financial Officer.

b. Lease, Use, Construction, or Remodeling of Real Estate

TOTAL EXPENDITURE LEVEL	LEVELS OF REVIEW AND AUTHORIZATION TO SIGN
\$0 - \$99,999*	VP/Facilities (for construction and remodeling contracts only) Contracts signed by VP/Facilities must comply with directions from the OGC. Variations from those directions must be approved by the OGC.
\$100,000 to \$499,999*	COO and CFO, after OGC legal review
\$500,000 and up*	CEO and CFO, after OGC legal review

*Anyone having signature authority at a higher dollar level threshold may sign contracts requiring lower levels of authorization.

2. Participation or Investment in Joint Ventures

Subject to the Board approval requirement above, any contracts committing UWHC to participate or invest in any joint venture must be approved and signed by the President and CEO and Chief Financial Officer.

3. Educational Affiliation Agreements (including for Graduate Medical Education Trainees)

a. Graduate Medical Education Trainees

Educational affiliation agreements involving GME trainees should be reviewed by OGC and signed by the CEO and Senior Vice President of Medical Staff Affairs.

b. Other Educational Affiliation Agreements

TOTAL EXPENDITURE LEVEL	LEVELS OF REVIEW AND SIGNATURE AUTHORIZATION
\$0	VP or COO, after OGC legal review. Use of the Hospital's standard affiliation agreement is required unless an exception is granted by OGC for good-cause shown.
>\$0	COO, after OGC review.

4. Agreements Involving Physician/ Dentist Services or Requiring Physician/Dentist Signature

NOTE: As a general rule, the Hospital cannot contract for the services of faculty physicians or dentists of the University of Wisconsin School of Medicine and Public Health (UWSMPH), and UWSMPH faculty cannot act as agents of the Hospital. If a contract involves faculty services or other commitments, referral to or coordination with UWSMPH or University of Wisconsin Medical Foundation (UWMF) likely is required. Submit any Medical Service Agreements that you believe might be appropriate for Hospital review to the Office of General Counsel.

5. Federal and State Funding/Grants

TOTAL EXPENDITURE LEVEL	LEVELS OF REVIEW AND SIGNATURE AUTHORIZATION
\$0 -\$49,999*	CFO, with OGC review unless renewal of annual agreement with right to terminate on no more than 60 days notice, in which case OGC review not required
\$50,000 and up*	CFO, with OGC review

*Anyone having signature authority at a higher dollar level threshold may sign contracts requiring lower levels of authorization.

6. Insurance Policies and Binders

TOTAL EXPENDITURE LEVEL	LEVELS OF REVIEW AND SIGNATURE AUTHORIZATION
All	CFO and General Counsel

7. Business Associate Agreement and/or Data Use Agreement (Required when Patient Information is Shared with Vendors)

These agreements may be signed by the Hospital Privacy Officer/ Director of Compliance or by the General Counsel, Deputy General Counsel or any Associate General Counsel. The standard Hospital agreements or variations approved by the Privacy Officer or Office of General Counsel may be signed by the Director or Manager of Purchasing, CEO, COO, or CFO.

8. Granting Intellectual Property Permissions/Licenses.

These agreements may be signed by the General Counsel or those authorized by the General Counsel. If questions exist about the propriety of granting IP rights, it may be appropriate to first contact Marketing and Public Affairs for review of the request, who can submit requests for signature to the Office of General Counsel as appropriate.

9. Selling Used Equipment or Other Goods

Purchasing has the Authority to sell Hospital used equipment or other goods through the use of a Bill of Sale pre-approved by the Office of General Counsel.

10. Pharmacy Agreements

Pharmacy pricing agreements that do not require the Hospital to purchase pharmaceutical products but simply guarantee a discounted price if a volume requirement is met may be signed by the Director or Manager of Pharmacy Services and do not require OGC review unless the agreements contain other terms besides the pricing terms.

The Director or manager of Pharmacy Services may sign contracts for pharmaceutical purchases for less than \$150,000 and may sign retail pharmacy sales agreements for managed care and claims adjudication. Contracts signed by Pharmacy must comply with directions from the OGC. Variations from those directions must be approved by the OGC.

11. Human Resources Agreements

The Legal Department has worked with the Human Resources Department to create certain template agreements and guidelines to handle a number of employment-related agreements (*e.g.*, last chance and severance agreements). When using those templates and/or guidelines, the Senior Vice President of Human Resources has authority to sign such agreements <\$50,000. For any agreements >\$50,000, the COO or CFO should also sign, after OGC legal review. The CEO and CFO must approve all contracts over \$250,000. Because of the highly sensitive nature of contracts with executive search firms (including salary range information), the CEO reserves signature authority on those contracts, which contracts shall be reviewed by the Senior Vice President and General Counsel. Copies of executive search firm contracts shall be kept in a confidential file in the Human Resources Department unless the CEO directs otherwise in writing.

Human Resources shall send copies of all settlement and severance agreements not reviewed by the OGC (*i.e.*, those using approved templates pursuant to the above paragraph) to the OGC, unless there is documentation of an agreement otherwise kept on file in the OGC.

10. Legal Settlements

Settlement Agreements in conjunction with threatened claims, lawsuits and other legal proceedings either against or on behalf of the UWHC are subject to the following approval limits:

TOTAL SETTLEMENT AUTHORITY	LEVELS OF REVIEW AND SIGNATURE AUTHORITY
\$0-\$9,999*	Director of Risk Management
\$10,000-\$99,999*	Vice President, Deputy General Counsel
\$100,000 - \$249,999*	Senior Vice President, General Counsel, and CFO and COO.
\$250,000 and up*	CEO, Senior Vice President, General Counsel, and CFO

*Anyone having signature authority at a higher dollar level threshold may sign contracts requiring lower levels of authorization.

In addition to the above authorization requirements, the Office of General Counsel shall perform the following:

- Prepare reports and make recommendations for all settlements against or on behalf of UWHC above \$100,000
- Coordinate all activities between UWHC and applicable insurance companies and brokers

- Receive all formal complaints, execute or approve all affidavits, summons and verifications of answers
- Prepare reports and make recommendations to present to the UWHCA Board for all settlements against or on behalf of UWHC above \$750,000

E. DELEGATION OF SIGNATURE AUTHORITY – RESPONSIBILITY AND PROCEDURE

The CEO may exercise any signature authority granted to another under this policy and may delegate to another any signature authority not otherwise reserved to the Board of Directors. Such delegation must be in writing and kept on file with the Office of General Counsel.

When the CEO is unavailable, the COO shall have the authority to sign documents that the CEO holds authority to sign.

When the COO is unavailable, the CFO shall have the authority to sign documents that the COO holds authority to sign.

When the CFO is unavailable, the COO or VP of Finance shall have the authority to sign documents that the CFO holds authority to sign.

When the COO and the CFO are both unavailable, they may delegate their authority to any Senior VP who shall have the authority to sign documents that the COO or CFO hold authority to sign.

When the General Counsel is unavailable, the VP, Deputy General Counsel shall have the authority to sign documents that the General Counsel holds authority to sign.