

GENERAL CONTRACT CHECKLIST

(Consider each case separately and negotiate accordingly)

Checklist for Review of a Contract From A Vendor or Third Party:

- Legal Name of Hospital/Health System – Is your legal entity correct and full legal name used?
- Term – Is the term specific; does it meet your operational needs? Check for auto-renewal. Check for penalty for early cancellation; if present, discuss operational risk and magnitude of penalty with internal client
- Termination – 30 days minimum; ensure termination is without cause (strongly preferred for flexibility) or ensure termination with cause meets operational and financial needs
- Payment Terms – Insert net 30 days as minimum time for Hospital to provide payment to support Finance
- Limitation of warranties – object to limitations that shift ordinary legal burdens or are unreasonable
- Limitations of liability and/or indemnification provisions – object if unreasonable
- Remedy – determine if remedies have been limited (such as limiting equipment failure to “repair or replace”)
- Freight and shipping – specify FOB Destination (buyer takes delivery of goods shipped by seller once goods arrive at buyer’s receiving dock; seller pays freight charges and owns goods while in transit)
- Service agreement – determine if needed if Hospital is purchasing new equipment, software, or technology

Consider Proposing an Addendum with Standard Terms Favorable to Hospital:

- Include clause that Hospital policies will be followed.
- Qualifications of Vendor – Company must warrant the qualifications of it and its staff
- Infection Control – Company must comply with Hospital standards
- Vendor Registration – Company must register as a vendor
- Include Independent Contractor clause as appropriate
- Include Confidentiality of Hospital’s business information
- Alternative Dispute Resolution clause and Hospital will not pay for attorney’s fees of another party
- Indemnification – negotiated clause; in general, prefer none to be stated but if negotiated, consider mutual indemnification or hold harmless
- Standard Insurance clause (Company must have min. coverage \$1M per claim, \$2M aggregate annually)
- Business Associate Agreement – include as applicable
- Governing Law – choice of law is Washington State
- Notices must be in writing and contract can be amended only in writing
- Include statement that Company is not on the OIG Exclusions list
- Include Annual Evaluation of Hospital’s Contracts
- Require Clinical Acceptance and confirmation/sign off by Hospital as best practice prior to invoice payment.
- Hospital will pay for travel expenses only within Travel Expense Reimbursement guidelines.
- No Assignment of rights in Agreement without mutual written consent of other party.
- In standard clause regarding “Entire Agreement,” include reference to Addendum in there, as appropriate
- Incorporate by reference all exhibits – for example: *Vendor agrees to follow Hospital Travel Expense Reimbursement Guidelines, attached as **Exhibit A**, and incorporated herein.*

June 21, 2019. Please note: This is not intended as nor should it be construed as legal advice; please consult your legal counsel on all matters and issues. This is for informational purposes only, offered as a sample checklist used by a member Hospital.