

Oxygen Plant Service Contract Guidelines

Date: 20 May 2024

This document was developed by [Build Health International](https://www.bhioxygen.org) to support global medical oxygen infrastructure planning, site preparation, operation, maintenance, and sustainability. Additional technical resources are available at www.bhioxygen.org.

This guideline document outlines the essential components and considerations for service contracts for oxygen plants. The completeness and clarity of the service contract are paramount to ensure that all parties involved have a clear understanding of their responsibilities and obligations. This document outlines key components that should be included in a service contract to avoid ambiguities and ensure smooth operation and maintenance of oxygen plants.

1. Terms of Termination

The service contract must clearly define the terms and conditions under which either party can terminate the agreement. This section should detail:

- a. The notice period required for termination by either party.
- b. Conditions under which immediate termination is permissible (e.g., breach of contract, non-performance).
- c. Obligations of each party upon termination, including settlement of outstanding payments and return of any property or materials.

2. Inclusion of Labor, Travel, and Accommodation Costs

The contract must explicitly state whether the costs for labor, travel, and accommodation for the service provider's agents are included. It should specify:

- a. If these costs are included in the service contract fee or billed separately.
- b. The process for billing and reimbursement if these costs are not included.
- c. Any budgetary considerations the hospital needs to account for in case these costs are excluded.
- d. Any limits or caps on reimbursable expenses.

3. Service Intervals and Scheduling

Details regarding service intervals must be specified, including:

- a. Frequency of service based on hours of operation or calendar dates, or both.
- b. Whether service intervals vary for different pieces of equipment.
- c. Responsibility for scheduling service visits (service provider or hospital).

4. Verification of Service Completion

To ensure transparency and accountability, the service contract should include provisions for verifying that services have been performed in accordance with the terms and schedule of the agreement. Possible provisions include:

- a. Hospital staff receiving spent or replaced parts for disposal.
- b. Plant operators/technicians being invited to observe the service being conducted.
- c. Detailed service reports, with photographs, being provided post-service by the service provider.

- i. The contract should describe the maximum time allowed for the submission of service reports after each service visit, and the required contents of the report

5. Storage and Inventory of Consumables and Service Parts

Responsibilities regarding the storage and inventory management of consumables and service parts must be defined, including:

- a. Location of storage for consumables and service parts.
- b. Party responsible for maintaining inventory records.
- c. A comprehensive itemized list of all service parts and consumables delivered with the plant or stored offsite
- d. Identification of parts considered as service parts and those not covered by warranty.

6. Emergency Repairs

Emergency repairs refer to urgent fixes required to address sudden and unexpected issues that cause the Oxygen plant to malfunction or cease operation, posing an immediate risk to patient care and safety. These repairs are critical and must be conducted promptly to restore the Oxygen plant's functionality

The contract should clearly state the provisions for emergency repairs, including:

- a. Exclusion or inclusion of part replacement costs, freight costs, labor, accommodation, and travel time in case of emergency repairs.
- b. The process for initiating and authorizing emergency repairs.
- c. Financial responsibilities of the hospital for any excluded costs.

7. Remote Support Response Times

The service contract should detail the hospital's ability to contact the supplier for remote support, including contact information, contact procedures, and the supplier's hours of operation for remote support. Once these details are established, the contract should also specify the following:

- a. The timeframe within which the supplier is expected to respond to remote support requests.
- b. Steps the hospital can take if the supplier fails to respond within the specified time.
- c. Procedures for escalating the issue if there is no response, ensuring the hospital receives the necessary support promptly.