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MEMORANDUM

TO: State Administration and Veterans' Affairs (SAVA) Committee

FROM: Janet R. Kelly, Director
Department of Administration

DATE: July 24, 2012

RE: Answers to Senator Arthun's Questions regarding the
State Employee Health Clinic

Question: What happens when the 3-year contract for the state employee health clinic is up?

Answer: The term for the CareHere contract is June 1, 2012 ("Effective Date") through December 31, 2015 ("Initial Term"), unless terminated earlier in accordance with the terms of this contract. This Contract may, upon mutual agreement between the parties and according to the same terms and conditions of this Contract, be renewed, in one-year intervals, or any interval that is advantageous to the State ("Renewal Term"). This Contract, including any Renewal Terms, may not exceed a total of 10 years.

Question: Will it be re-bid and how will the new bid be re-scored?

Answer: At the end of the initial three-year contract, a decision will be made on whether the contract should be: 1) renewed; 2) canceled and a new solicitation issued; or 3) canceled entirely. If a new solicitation is issued, it will follow the requirements of the Montana Procurement Act, which can include new scoring criteria.