



LEGAL ALERT

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President Issues Executive Orders Affecting Federal Contractors

Introduction

On January 30, 2009, President Obama issued three executive orders directly affecting the rights and duties of federal contractors and their employees, all of which are “effective immediately.”

Executive Orders are legally binding orders given by the President, acting as the head of the Executive Branch, to Federal Administrative Agencies. Executive Orders are generally used to direct federal agencies and officials in their execution of congressionally established laws or policies.

Who is a Federal Contractor?

A federal contractor is a person or entity that contracts with the Federal Government to provide supplies, services, or experimental, developmental, or research work. Entities may include commercial organizations, educational institutions, construction and architect-engineer companies, State and local governments, and nonprofit organizations. See 48 CFR 31.103-105, 31.107-108 (1995). These Executive Orders apply to all Federal Contractors and their subcontractors unless otherwise noted.

New Executive Orders

- Federal Contractors must post notices informing employees of their right to form unions and collectively bargain (E.O. No. 13496);



- Federal Contractors must offer continued employment for employees when the Federal Government changes to a new service provider for the same services at the same location (E.O. No. 13495); and
- Federal Contractors are no longer allowed to bill the government for expenses incurred in persuading employees not to unionize (E.O. No. 13494). Specific examples of expenses no longer allowable include:
 - Preparing and distributing materials;
 - Hiring or consulting legal counsel or consultants;
 - Holding meetings;
 - Planning or conducting activities by managers, supervisors, or union representatives during working hours.

Conclusion

Federal Contractors should become familiar with the new Executive Orders affecting Government Contract Regulatory Compliance. Please call Stephanie Leach in our Labor and Employment Group regarding any questions you may have concerning this Legal Alert.



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