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ATTORNEYS AT LAW

Executive Order 13496—New Posting Requirements for Federal Contractors

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WOODS ROGERS PLC

Labor & Employment Update

The final rule implementing Executive Order 13496 becomes effective on June 21, 2010 and requires federal contractors to notify employees of their rights under the National Labor Relations Act (“NLRA”).

Content of Notice

Specifically, federal contractors and subcontractors must post a notice listing employee rights under the NLRA to form, join and support a union and bargain collectively with the employer. The notice also provides examples of unlawful conduct by both employers and unions which would interfere with employee rights under the NLRA and informs employees how to contact the National Labor Relations Board (“NLRB”) with questions or to file a complaint.

Exemptions

The notice posting requirements do not apply to prime contracts under the Simplified Acquisition Threshold, which is currently set at \$100,000, or subcontracts below \$10,000.

Physical and Electronic Posting Required

Federal contractors and subcontractors must post the employee notice in conspicuous locations where other notices are posted and where employees covered by the NLRA engage in activities relating to the performance of the contract. In addition, where contractors and subcontractors post notices to employees electronically, they must also post the required notice electronically via a link to the Office of Labor-Management Standards (“OLMS”) website. Where a

significant portion of a contractor’s or subcontractor’s workforce is not proficient in English, the employee notice must be provided in languages spoken by employees.

Contracts, Subcontracts and Purchase Orders

The employee notice clause must also be inserted into all applicable contracts, subcontracts and purchase orders but need not be quoted verbatim as long as it is included by reference by citing to 29 CFR Part 471, Appendix A to Subpart A.

Complaints

Employees may file complaints with OLMS or the Office of Federal Contract Compliance Programs (“OFCCP”) about contractors and subcontractors who do not comply with the posting requirements or do not include the notice provision in contracts and subcontracts.

Investigations and Sanctions

OFCCP may conduct evaluations to determine compliance. Contractors and subcontractors who violate the regulations may be subject to sanctions, including suspension or cancellation of an existing contract, and debarment from future federal contracts and subcontracts, among others.

As a result of this Act, employers should act quickly to ensure compliance with Executive Order 13496 before June 21, 2010.

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