

Ask Questions. Be Informed.

Understanding the U.S. Government Contract Rebid

Late last year, the U.S. Government notified MFLC contractors that it intended to solicit a request for proposals to rebid the MFLC program. The tentative dates for the recompetes of the MFLC program are:

- ▽ Mid-February: release of the solicitation
- ▽ Late March: contractors submit confidential proposals
- ▽ Mid-June: new contract awarded
- ▽ Mid-August: new contract start date

FAST FACTS: Contract Rebid

The Government will award a maximum of two contract awards: one for the eastern half of the United States, Europe, and Africa; the other for the western half of the United States, Asia, and the Middle East.

Magellan is well-positioned to be awarded one of the two regions. With its longstanding relationship with the government, a consistent record of outstanding service delivery and the professionalism of our MFLCs, Magellan is optimistic that it will be awarded at least one of the new contracts.

Union representation does not guarantee MFLCs would be provided the same wages and benefits under a new MFLC contract as they have now. Regardless of whether you are currently represented by a union, a new contractor can offer union-represented and non-represented employees initial terms and conditions that are different than what they currently have. Federal labor law does not require a new employer to bargain with a union representing Magellan employees before setting these initial terms and conditions.

Represented employees who choose to work for the new contractor would work under those terms and conditions until the new employer negotiates a collective-bargaining agreement with a union. **CBA negotiations are a lengthy process with no guaranteed outcome.**

Collective Bargaining Agreements do not guarantee job security, rates of pay or benefits for MFLCs. Even if a collective bargaining agreement is reached between Magellan and a union, a new employer would not be bound to follow the CBA terms negotiated by Magellan and the union. Union-represented MFLCs are not guaranteed the current wages and benefits negotiated as part of a CBA if a different contractor is awarded the new contract. The new contractor can offer union employees initial terms and conditions that may be different than the old CBA while the parties negotiate a new CBA.

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FAST FACTS: Service Contract Act (SCA)

Some MFLCs have told us that the Union is saying that wages and fringe benefits negotiated in a CBA must be honored by a new contractor. While that is the case for employees subject to the Service Contract Act (SCA), the Union is leaving out a key fact: **SCA does not apply to Magellan MFLCs.**

Magellan MFLCs are appropriately classified as exempt under the Fair Labor Standards Act (FLSA) as “learned professionals.” As exempt employees, MFLCs are not “service employees” covered by the SCA. **None of the provisions of the SCA including those requiring that CBA terms be honored by a successor employer apply to Magellan MFLCs.**