



## Testimony in Support of House Bill 780 February 22, 2024

Thank you for the opportunity to testify today. My name is Mario Murcia and I am a Political Organizer at 32BJ SEIU. I am submitting testimony in support of HB 780, which would require competitive sealed proposals for security contracts of \$100,000 or more.

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32BJ SEIU represents over 175,000 members up and down the East Coast, and we have nearly 4,000 members here in the state of Maryland. Our members form the backbone of the property service industry, including the cleaners, security officers, and other building service workers who maintain the offices, schools, airports, stadiums, and government facilities that the state of Maryland depends on. As a union, we are committed to making life better for working families and we fight for a world where everyone is treated with fundamental respect and dignity.

House Bill 780 would require that competitive sealed proposals be used as the procurement method for all security contracts valued over \$100,000 in Maryland. 32BJ strongly supports this proposal, which would benefit the Maryland public, businesses, and workers alike by ensuring that public dollars support good jobs and quality public services.

Our union collaborates with states, counties, and cities across the East Coast to ensure that taxpayer dollars used in public procurement produce the best value for the public while providing family-sustaining wages for workers. Within our jurisdictions we represent over 36,000 security officers, many of whom are employed on the public contracts that keep our airports, transit systems, cultural institutions, stadiums, and other public spaces safe and secure. Our extensive experience with public procurement has shown us that public services improve when bids account for job standards, which allow contractors to attract trained officers with the skills and experience to ensure public safety.

Low bid solicitation—the de facto procurement method currently in place for most public security contracts in Maryland—has made it challenging to raise standards for workers, and in many cases has directly undercut the living wages and benefits our union advances. By incentivizing a race to the bottom, low bids depress market-wide standards, hurting Maryland’s working families while creating quality concerns for the public.

Low bid solicitations also limit employers’ ability to recruit quality workers. Maryland employers already face extremely challenging labor market conditions. At the end of 2023, the state of Maryland had the lowest unemployment rate in the *country*.<sup>i</sup> To produce a bid that can compete on price alone in a low bid solicitation, security contractors often have no choice but to offer below-market wages, severely limiting their ability to attract skilled and experienced workers. Maryland employers are already struggling in this labor market to maintain basic



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staffing levels, and the wage depression characteristic of low bid solicitations only intensify these challenges.

By contrast, competitive sealed solicitation—the model proposed in this legislation—improve healthy market competition by expanding the set of factors on which contractors can be evaluated in bids. Elsewhere, this has included factors such as compensation standards, training standards, past performance record, managerial experience and more. This ensures that responsible contractors are rewarded for high job standards and other quality metrics that will improve the services the public receives, as opposed to being incentivized to cut costs. This also ensures that public dollars are used to lift the create good jobs that lift the standard of living for working people in Maryland, by encouraging contractors to offer competitive compensation standards.

In addition to the benefits to workers, research on procurement processes finds that giving consideration to bidders’ labor standards and other quality measures leads to employers saving on operating costs attached to turnover and higher quality goods and services for the public.<sup>ii</sup> This is particularly important in an industry like security that ensures the safety of our communities. High turnover reduces the effectiveness of security guards: officers with less on-the-job experience may be worse at detecting and mitigating threats, which jeopardizes public safety.<sup>iii</sup>

At 32BJ, we are proud of the quality of service the security guards we represent deliver to communities across the East Coast. The high compensation standards we’ve been able to win are core to this quality, allowing workers to stay at jobs and develop the skills and training that enhance their job performance. For all of these reasons, we strongly support HB 780, and also urge the Maryland legislature to expand competitive sealed bidding to other contracted industries such as cleaning, which faces similar market dynamics. Thank you for your time.

<sup>i</sup> Mirabella, Lorraine. “Maryland has the lowest jobless rate in the nation. For employers, that’s a challenge.” The Baltimore Sun. November 28, 2023. Available at <https://www.baltimoresun.com/2023/11/26/maryland-has-the-lowest-jobless-rate-in-the-nation-for-employers-thats-a-challenge/>

<sup>ii</sup> Walter, Karla et al. “Contracting that Works.” Center for American Progress. November 13, 2015. Retrieved from <https://www.americanprogressaction.org/article/contracting-that-works-2/> on 2/16/25.

<sup>iii</sup> “Reducing Security Officer Turnover.” Silva Consultants. Retrieved from <https://www.silvaconsultants.com/new-security-tips-1/reducing-security-officer-turnover> on 2/16/24.