



**Large Maryland Agency Security Services Contracts Providing Protection to Maryland Employees and Visitors Should Not be Awarded on a Lowest Cost Basis  
Support the Passage of HB 780**

The National Association of Security Companies (NASCO) is the nation's leading trade association for contract private security companies. In Maryland, NASCO member companies employ thousands of highly trained security officers who are safeguarding public and private entities throughout the State.

HB 780 is a recognition that when it comes to the provision and performance of private security services at Maryland State government locations the quality of such service matters. There is no doubt that better trained, better paid, and better managed private security officers, working for companies with proven performance records, will provide better security services. Accordingly, HB 780 seeks to end the practice of MD agencies awarding such important public safety contracts solely or primarily based on which bidder submitted the lowest bid. Instead, HB 780 will make "Competitive Sealed Proposals" the "preferred method" for security service contracts, as it is already for other specialized/important services such as "human, social, cultural, or educational services.

In its opposition to HB 780, MDOT states that "historically, MDOT has conducted private security procurements using either the Competitive Sealed Bidding or Multistep Sealed Bidding procurement method because the scope of work and contract requirements are clear." As stated in MD Procurement law, "Competitive sealed bidding (CSB) is the procurement method used where the contract is awarded to the responsible bidder submitting a responsive bid with the most favorable bid price." Thus, in a CSB award, a company that attests it can meet the requirements of the contract and offers the lowest bid, will win the contract.

As for Multi-Step Sealed Bidding, while each bidder undergoes a "technical review," as MD Procurement law states, "the technical review is a pass or fail determination." Then "the responsible bidder that submits the lowest responsive bid that is deemed technically acceptable is recommended for award of the contract." In this situation, one can make the analogy that if an agency has a bid from a security company that is an "A" student, and a bid from a security company that is a "D" student, if the "A" student's bid is more than the a "D" student's bid, the agency must go with the "D" student.

And while MDOT claims that in security contracts the "scope of work and contract requirements" are clear;" MDOT seemingly ignores that there are significant qualitative differences in how security companies and their officers will perform such work based on factors such as employee hiring, training, management, etc. Unlike other service jobs such as a janitor, cleaner, cafeteria worker, there are many situations, often dangerous, that can arise while working as a security officer and it is not "clear" that all officers and security companies will act and respond the same.

In contrast, with Competitive Sealed Proposals (CSP), MD Procurement Law states, “(CSP) is the procurement method used where a contract is awarded based upon the best value to the State. A contract procured by the CSP method is awarded to the responsible offeror whose proposal is determined to be the most advantageous to the State, considering the price and the evaluation factors set forth in the request for proposals.” Security services are services that protect lives and property, deter criminal activity, and support law enforcement. There is no doubt it will be most advantageous to the State (and its employees and citizens) if a State agency can award a security contract to the bidder evaluated to be the most capable, as opposed to having to award the contract to the lowest cost bidder, or the lowest cost “technically acceptable” bidder.

As stated by the SEIU in support of the bill, “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.”

Considering those factors in a contract for security services, can make a real public safety difference, even save lives, and that is most advantageous to the State and its employees and citizens. Going back to the student grade analogy, MD law allows (“prefers”) that State agencies be able to contract teachers and social workers that are evaluated as “A” students but may cost more. They are not being forced to hire “D” evaluated teachers and social workers. Why should this not also be the case for contracting security officers?

MDOT also states that “The Competitive Sealed Proposals process could have the effect of limiting competition, specifically pertaining to small businesses. Depending on the RFP’s requirements, small businesses may not have the resources to submit proposals.” However, if the only security services contract proposals where CSP will be the “preferred method” are those above \$1,000,000 dollars, small businesses will not likely be bidding on such contracts.

MDOT also alleges that the “Requiring the Competitive Sealed Proposals method would prolong the procurement process by four to twelve months.” First, the CSP method will not be “required” for security contracts, it will be the “preferred method,” and then only for contracts over \$1,000,000, of which there are not many among State agencies. Second, if MDOT is serious that using the CSP method can add “twelve months” to a procurement, one should be more concerned about how MDOT conducts procurements.

DGS too talks about the added time and additional resources that will be needed to use the CSP method for security service contracts. However, as stated, the contracts that will be impacted are only those few that are over \$1,000,000. More so, when it comes to services that protect MD State employees and visitors at MD State locations, bureaucratic desires to save time and money should be overruled by the desire to provide a safer environment for employees and visitors to State secured locations.