

Written Testimony Submitted to the
Maryland Senate Budget and Taxation Committee
By Leon A. Beresford, CPP, PSP, PCI, Executive Vice President
MD SB 0403
State Procurement - Construction and Services - Contract Modification
February 3, 2025
Favorable

Chairperson Guzzone and Members of the Budget and Taxation Committee,

I am employed by Admiral Security Services as the Executive Vice President, in-charge of company operations throughout the United States. Admiral Security Services is one of the largest security companies in the USA. We are a private family-owned business headquartered in Bethesda, Maryland with our Mid-Atlantic Division office in Baltimore, Maryland.

In addition to my position at Admiral Security Services, I represent the security industry as a Board Member of the National Association of Security Companies (NASCO). I am also the Chairperson Emeritus for the ASIS International Security Services Community which focuses on issues related to security services providers, particularly security guard companies.

I appreciate the opportunity to submit written testimony in support of Maryland Senate Bill 403, which seeks to amend current procurement law to ensure fair and adequate compensation for service contract workers in the face of statutory changes and collective bargaining agreements.

I support this unambiguous but important legislation to create an equitable process for amending contracts when contract services provided to the State of Maryland are affected by new laws or collective bargaining agreements that increase compensation or benefits for workers.

Key examples that emphasize the necessity of this legislation are the Maryland Healthy Working Families Act (MHWFA) which required covered employers to provide paid sick and safe leave to employees and the newly passed law requiring employers to contribute to the Family Medical Leave Insurance Program. These statutory changes undoubtedly increase the financial responsibilities of employers and service contractors in Maryland. However, under the current procurement framework, service contracts do not have a built-in mechanism for addressing such increases in compensation or benefits. This leaves contractors, particularly those engaged in government services, in a difficult position, often forced to absorb additional costs or renegotiate terms in a burdensome, case-by-case manner.

Senate Bill 403 would amend the existing procurement law to ensure that service contracts, like construction contracts, are eligible for modifications when two specific circumstances arise:

1. Statutory changes that require increased compensation or benefits.
2. Collective bargaining agreements that result in increases in compensation or benefits.

This proposed amendment to Maryland's procurement law is essential to ensure that public service contractors are not unfairly penalized for compliance with new laws or agreements that benefit workers. The State of Maryland has championed its commitment to fair wages and benefits for workers. It is antithetical to these values to mandate increase in costs related to compliance with governmental mandates or collective bargaining agreements but leave in place barriers that prohibit government contractors from possessing the necessary tools to manage costs fairly and transparently.

I urge the committee to support SB 403 and ensure that Maryland's procurement laws reflect the realities of the modern workforce, where changes in compensation and benefits are not just possible but increasingly common. This bill will provide much-needed clarity and fairness, helping to protect both workers and contractors.

Thank you for your time and consideration.

Sincerely,

Leon A. Beresford, CPP, PSP, PCI
Executive Vice President
Admiral Security Services