



Written Testimony in Support of House Bill 1499 - State Procurement - Construction and Services - Contract Modification , with Amendments

Hearing before the House Health and Government Operations Committee
March 13, 2025

Chair, Vice Chair, and Members of the Committee,

On behalf of Allied Universal Security Services, I am submitting this testimony in strong support of HB 1499, with the proposed amendments. As one of the largest private security firms in Maryland and the nation, Allied Universal employs thousands of licensed and trained security professionals who are responsible for safeguarding state government employees, visitors, and critical facilities through state procurement contracts.

This legislation is an important step toward ensuring contract fairness and sustaining a qualified, experienced security workforce that can continue to meet Maryland's public safety needs.

Security officers play a vital role in protecting government buildings and personnel, serving as the first point of response in emergencies and assisting law enforcement when necessary. To maintain a stable, high-quality workforce, security providers must be able to offer competitive wages and benefits that reflect both the cost of living and industry standards.

However, under current procurement rules, multi-year state security contracts do not allow for cost adjustments when legislative changes or collective bargaining agreements (CBAs) increase employee compensation and benefits. This creates financial uncertainty for security contractors, who may be forced to absorb rising costs or cut essential resources, potentially affecting security service quality.

HB 1499 addresses this issue by requiring equitable contract modifications to reflect increases in labor costs due to new legal mandates or CBAs. Many other states, as well as federal service contracts under the Service Contract Act, already allow for such adjustments, ensuring that security providers can continue to operate efficiently and fairly compensate their employees.

In the private sector, contract flexibility is commonplace—businesses recognize that workforce compensation evolves due to external economic and legal factors. Maryland should align its procurement policies with these industry standards by implementing a system that recognizes and accommodates wage and benefit increases over the course of a contract's duration.

At the same time, we understand the fiscal realities the State must consider. For this reason, we support the proposed amendments to HB 1499, which ensure that contract modifications are applied responsibly and efficiently to balance cost management with workforce sustainability.

Passing HB 1499 is a reasonable and necessary measure to modernize Maryland's procurement process and ensure that security contractors can continue providing high-quality protection for



state assets and personnel. Allied Universal Security Services urges the Committee to support HB 1499 with the proposed amendments, reinforcing fair labor practices while maintaining Maryland's high standards for security services.

Thank you for your time and consideration.

Nicholas Paros
Regional Vice President
Allied Universal Security Services
Email: Nicholas.paros@aus.com
Phone: 302-438-0841