CONTRACTED SECURITY OFFICERS VERSUS PROPRIETARY SECURITY OFFICERS

Operational, Financial, Training, Benefits,

and Risk-Management Considerations

A White Paper

Prepared by:

Michelle L. Chace, MSSM
Mitigation Assessor, LLC

July 2026

www.mitigationassessor.com
mchace@mitigationassessor.com
402-312-7955

© 2026 Mitigation Assessor, LLC
All rights reserved.

This publication is provided for educational and informational purposes only. It does not constitute legal, tax, employment, insurance, or regulatory advice. Organizations should consult qualified professionals regarding their specific circumstances.

Executive Summary

Organizations commonly obtain security personnel through one of two staffing models. They may employ security officers directly as proprietary, or “in-house,” employees, or they may contract with a licensed security company that recruits, employs, trains, supervises, and assigns officers to the organization’s property.

Neither model is inherently superior in every situation. Contract security can provide staffing flexibility, recruiting infrastructure, specialized expertise, and predictable billing. A proprietary security program can provide greater organizational control, continuity, institutional knowledge, and direct accountability. The correct decision depends on the organization’s risk profile, operating environment, available management resources, desired level of control, and total cost of ownership.

The comparison should not be limited to hourly wages versus the contractor’s hourly billing rate. Directly employed security officers create additional costs for payroll taxes, workers’ compensation, unemployment insurance, health and retirement benefits, paid leave, uniforms, equipment, recruiting, background investigations, licensing, initial training, continuing education, supervision, overtime, scheduling, and administrative support. Contract security vendors generally incorporate these expenses, as well as overhead and profit, into their billing rates.

Regardless of which staffing model is selected, security effectiveness depends heavily on written policies, post orders, procedures, training standards, documentation systems, supervision, and performance verification. The presence of a uniformed officer does not, by itself, establish an effective security program. Without clear written direction, officers may respond inconsistently, misunderstand their authority, fail to document significant events, or take actions that expose the organization and security provider to avoidable risk and supervision.

This white paper examines the differences between contracted and proprietary security personnel, including the cost of training and employee benefits, and explains why comprehensive policies and procedures are necessary under either model.

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com

Table of Contents

Executive Summary 2
1. Introduction 5
2. Understanding the Two Staffing Models 5
2.1 Contract Security Officers 5
2.2 Proprietary Security Officers 6
3. Contract Security Officers Are Not Necessarily Independent Contractors 6
4. Comparative Advantages and Limitations 7
4.1 Potential Advantages of Contract Security 7
4.2 Potential Limitations of Contract Security 8
4.3 Potential Advantages of Proprietary Security 8
4.4 Potential Limitations of Proprietary Security 9
5. The True Cost of Security Staffing 10
5.1 Hourly Wage Versus Total Labor Cost 10
5.2 Total Cost Comparison Worksheet 11
5.3 Costs Frequently Overlooked in Contract Proposals 12
6. Training as a Material Cost and Risk-Control Measure 12
6.1 Training Is Not a One-Time Expense 12
6.2 Training Costs Under the Contract Model 13
6.3 Training Costs Under the Proprietary Model 14
6.4 Training Must Correspond to Actual Duties 14
7. Employee Benefits and Their Operational Impact 15
8. Why Written Policies and Procedures Are Necessary 16
8.1 Policies Establish Organizational Expectations 16
8.2 Procedures Promote Consistency 16
8.3 Policies Define Authority and Limitations 16
8.4 Procedures Support Training 17
8.5 Policies Support Supervision and Accountability 17
8.6 Documentation Supports Organizational Learning 18
8.7 Policies Demonstrate a Systematic Risk-Management Process 18
9. Essential Security Policies and Procedures 18
10. Policy Requirements for Contract Security 21

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com

11. Contract Provisions That Support an Effective Program 22
12. Performance Measurement.....23
13. Selecting the Appropriate Model 23
14. Options to Consider.....24
Conclusion.....25
References 26

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com

1. Introduction

Security officers are expected to perform functions that may include access control, patrol, alarm response, visitor management, incident reporting, emergency communications, rule enforcement, protection of assets, and observation of suspicious conduct. Depending on the environment, they may also encounter workplace violence, theft, trespassing, medical emergencies, fire conditions, hazardous materials, civil disturbances, or armed individuals.

These responsibilities require more than placing a person at a post. An effective security program must establish:

- What risks the officer is expected to address;
- What duties the officer is authorized to perform;
- What actions are prohibited;
- How the officer should respond to foreseeable incidents;
- When law enforcement, fire, emergency medical services, management, or other resources must be contacted;
- How incidents are documented and escalated; and
- How the organization verifies that assigned personnel are qualified and performing as required.

The choice between contract and proprietary security affects how these responsibilities are administered. Regardless of the model selected, an organization should use a documented risk-management process to design, implement, and monitor its security program.

2. Understanding the Two Staffing Models

2.1 Contract Security Officers

A contract security officer is ordinarily employed by a security services company and assigned to work at a client's facility under a written services agreement. The security company generally assumes responsibility for recruiting, payroll, licensing, background screening, basic training, scheduling, uniforms, supervision, and replacing absent personnel.

The client purchases a defined service rather than hiring each officer individually. The security company bills the client at an hourly, monthly, or fixed contractual rate.

Although the security company is normally the officer's employer, the client retains significant responsibilities. The client must communicate the facility's risks, establish the intended scope of security services, provide relevant site information, review post orders, monitor performance, and correct known deficiencies.

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com

Contracting does not automatically transfer every risk or legal duty to the vendor. Liability may depend on the contract language, the conduct of the parties, applicable state law, the degree of control exercised by the client, and the particular facts of an incident.

2.2 Proprietary Security Officers

Proprietary security officers are employed directly by the organization they protect. The organization controls their hiring, compensation, benefits, training, supervision, discipline, equipment, work assignments, and advancement.

A proprietary department may be particularly appropriate when security personnel:

- Regularly handle confidential or sensitive business information;
- Require extensive knowledge of complex operations;
- Perform duties closely integrated with the organization's management structure;
- Protect high-risk or high-value assets;
- Need specialized technical or investigative capabilities; or
- Are expected to remain at the organization for extended periods.

The organization, however, must build and maintain the administrative infrastructure that a contract security company would otherwise provide.

3. Contract Security Officers Are Not Necessarily Independent Contractors

State licensing structures vary, but they may require assigned officers to work under a licensed security company, qualified manager, or comparable regulatory framework. An organization should therefore verify both worker-classification and private-security licensing requirements before engaging individual officers directly.

The phrase "contract guard" can create confusion. In most properly structured commercial arrangements, the individual officer is an employee of the security vendor, not an independent contractor. An organization should be cautious when engaging individual officers as purported 1099 independent contractors. Worker classification is determined by the actual working relationship, not merely by the title used in an agreement.

The Internal Revenue Service evaluates behavioral control, financial control, and the nature of the party's relationship (Internal Revenue Service, n.d.)**.** The IRS also explains that a worker is generally a common-law employee when the business has the right to control what will be done and how it will be done.

Security work often involves scheduled shifts, mandatory uniforms, assigned locations, detailed post orders, required reporting procedures, supervisory direction, and work that is central to the

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com

purchaser's security operation. These factors may make independent-contractor treatment difficult to support, depending on the totality of the circumstances.

Misclassification can create exposure involving:

- Unpaid payroll taxes;
- Minimum wage and overtime claims;
- Workers' compensation obligations;
- Unemployment insurance;
- Employee benefits, employer retirement contributions, stock-based compensation where offered, and other organization-wide benefits.;
- Penalties and interest;
- Licensing violations; and
- Joint-employer or co-employment allegations.

As of July 2026, the federal independent-contractor standard remained subject to rulemaking, enforcement guidance, and litigation. Organizations should verify the current federal standard and applicable state requirements before classifying individual security personnel as independent contractors (U.S. Department of Labor, 2026).

Some states apply stricter classification tests or industry-specific licensing requirements. Organizations should verify current federal and state requirements before classifying individual security personnel as independent contractors.

4. Comparative Advantages and Limitations

4.1 Potential Advantages of Contract Security

Contract security may provide:

Recruiting and staffing infrastructure - Established vendors normally maintain recruiting, screening, scheduling, and payroll systems. They may be better positioned to fill openings, cover vacations, and replace officers who resign or fail to report.

Operational flexibility - The client may increase or reduce staffing as business conditions, seasonal demands, special events, construction projects, or threat conditions change.

Reduced internal administration - The vendor generally manages payroll, employment records, uniforms, licensing, routine supervision, and basic training.

Access to specialized resources - Larger firms may offer a designated account manager, mobile supervisors, operations centers, training departments, investigators, emergency-response personnel, technology platforms, and specialized officers.

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com

Defined contractual pricing - A billing rate can make routine security expenditures easier to budget, provided the organization understands overtime, holiday, equipment, supervisory, and special-service charges.

Replacement capability - A vendor may provide substitute personnel when the regular officer is unavailable.

The nature and extent of any exposure will depend on the applicable federal and state laws and the facts of the working relationship (Internal Revenue Service, 2022).

4.2 Potential Limitations of Contract Security

Potential limitations include:

Turnover and inconsistency - Frequent officer changes can reduce institutional knowledge and familiarity with employees, operations, recurring problems, and site-specific risks.

Split accountability - The client directs the desired security outcome, while the vendor employs and disciplines the officers. Poorly defined authority can create gaps in supervision and accountability.

Variable training quality - Regulatory minimum training may be insufficient for the actual duties and risks at a particular site.

Contractor margin and overhead - The billing rate includes more than officer wages. It may include payroll costs, benefits, recruiting, training, supervision, insurance, administrative overhead, and profit.

Limited client control over personnel decisions - The client may request removal of an officer but ordinarily should not directly hire, discipline, compensate, or manage vendor employees in the same manner as their own employees.

Knowledge-transfer problems - Site knowledge may be lost when officers or vendors change unless the organization maintains its own security documentation.

4.3 Potential Advantages of Proprietary Security

A proprietary program may offer:

Direct control - The organization controls selection, compensation, training, work rules, supervision, discipline, and promotion.

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com

Greater organizational integration - Officers may develop stronger relationships with managers, employees, tenants, and public-safety agencies. Direct employment may also simplify integration into emergency operations plans, evacuation routes, reunification procedures, and other organization-wide safety systems.

Institutional knowledge - Long-term personnel may better understand normal activity, unusual behavior, facility vulnerabilities, and operational priorities.

Program customization - Training, career paths, performance standards, equipment, and procedures can be designed specifically for the organization. This may include onboarding, human-resources policies, mission and values, first-aid expectations, and clearly defined authority to detain or remove persons when permitted by law and organizational policy.

Employee identification and loyalty - Direct employees may have a stronger sense of connection to the organization's mission and culture.

4.4 Potential Limitations of Proprietary Security

A proprietary program requires the organization to assume responsibility for:

- Recruiting and applicant screening;
- Background investigations;
- Licensing and regulatory compliance;
- Payroll administration;
- Employment taxes;
- Workers' compensation;
- Unemployment insurance;
- Employee benefits;
- Paid leave;
- Scheduling and overtime;
- Uniforms and equipment;
- Training development and delivery;
- Supervisory staffing;
- Performance management;
- Employee relations;
- Termination and replacement;
- Recordkeeping;
- Licensing, regulatory compliance, required record retention, and maintenance of any organizational or manager-level security licenses;
- Workers' compensation and any additional insurance appropriate to security operations; and
- Termination, replacement, and filling vacancies.

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com

A proprietary program can therefore be more demanding than expected, particularly for an organization without experienced security leadership.

5. The True Cost of Security Staffing

5.1 Hourly Wage Versus Total Labor Cost

A direct comparison between an employee's hourly wage and a contractor's billing rate is misleading.

An employer's actual cost includes wages plus mandatory and discretionary benefits. According to the U.S. Bureau of Labor Statistics, private-industry employer compensation costs averaged $46.60 per hour in March 2026. Wages and salaries accounted for $32.60, while benefits accounted for $14.01, or approximately 30.1% of total compensation costs. These figures cover private industry generally and should not be treated as security-industry-specific rates, but they demonstrate the financial significance of benefits in evaluating direct employment. (U.S. Bureau of Labor Statistics, 2026)

For a proprietary officer, the organization may incur costs for:

- Employer Social Security and Medicare contributions;
- Federal and state unemployment taxes;
- Workers' compensation insurance;
- Health, dental, vision, and life insurance;
- Retirement contributions;
- Paid vacation;
- Sick leave;
- Holiday pay;
- Jury duty and other paid absences;
- Overtime premiums;
- Recruiting and onboarding;
- Background investigations;
- Licensing and registration;
- Uniforms and equipment;
- Training time;
- Training materials and instructors;
- Supervisory labor;
- Human-resources administration;
- Payroll processing; and
- Legal and compliance support.

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com

The IRS confirms that employers generally must withhold employment taxes from employee wages, pay the employer share of Social Security and Medicare taxes, and pay unemployment taxes. These obligations generally do not apply in the same way to payments made to legitimate independent contractors (Internal Revenue Service, 2022).

Contract security vendors bear many of these employee-related expenses for their personnel, but the expenses are not eliminated. They are incorporated into the vendor's billing rate together with insurance, management overhead, recruiting costs, unbillable time, corporate expenses, and profit.

5.2 Total Cost Comparison Worksheet

Assume a proprietary security officer earns $20 per hour. The officer's wage alone is not the organization's total cost.

Use the worksheet below to estimate the organization-specific hourly cost of employing a proprietary security officer.

Cost Component	Organization-Specific Hourly Cost
Base wage	$
Payroll taxes and unemployment costs	$
Workers' compensation	$
Health and other benefits	$
Paid leave and holidays	$
Recruiting and background screening	$
Training and licensing	$
Uniforms and equipment	$
Supervision and administration	$
Illustrative total	**$**

The categories shown are illustrative and may not include every cost incurred by a particular organization. Actual costs vary substantially according to jurisdiction, benefit design, turnover, insurance rates, training requirements, overtime, and organizational structure. The organization must determine what the vendor rate includes and whether it provides equivalent staffing quality, supervision, benefits, training, equipment, and contractual risk allocation.

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com

5.3 Costs Frequently Overlooked in Contract Proposals

When reviewing a contract-security proposal, the client should identify:

- The officer's actual wage rate;
- The difference between the wage rate and billing rate;
- Whether wages are sufficient to recruit and retain qualified personnel;
- Overtime and holiday billing multipliers;
- Charges for additional training;
- Uniform and equipment charges;
- Vehicle, radio, software, or technology charges;
- Supervisory and account-management fees;
- Minimum staffing commitments;
- Price-escalation provisions;
- Paid sick leave or other statutory surcharges;
- Transition and termination expenses; and
- Whether replacement or call-off coverage is included
- Local account-management or resident-office requirements; and
- Meal period, rest-break, overtime, and scheduling-compliance costs.

A low billing rate may reflect lower wages, limited benefits, reduced training expenditures, limited supervisory resources, or narrow operating margins. During vendor evaluation, the client should determine whether the proposed pricing structure can support the staffing quality, training, supervision, continuity, and service levels required for the assignment.

6. Training as a Material Cost and Risk-Control Measure

6.1 Training Is Not a One-Time Expense

Security training should be viewed as an ongoing operational requirement rather than a one-time orientation. The Bureau of Labor Statistics reported that on-the-job training was required for greater than 99.5% of security guards in 2025 (U.S. Bureau of Labor Statistics, 2025b).

Training expenses may include:

- State-mandated pre-assignment instruction;
- Licensing or registration courses;
- Site orientation;
- Post-specific instruction;
- Emergency procedures;
- Report writing;
- Access-control technology;

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com

- Radio and communications procedures;
- Interpersonal communication and conflict management;
- De-escalation;
- Workplace-violence response;
- Fire and life-safety procedures;
- Medical emergency response;
- Use-of-force limitations;
- Legal authority and detention;
- Evidence preservation;
- Customer service;
- Cybersecurity awareness;
- Privacy and confidentiality;
- Anti-harassment and workplace-conduct training;
- Hazard communication;
- Defensive tactics;
- Firearms qualification, when applicable;
- Refresher training;
- Remedial instruction; and
- Drills and exercises.

The organization must account for both direct and indirect training costs. Direct costs include instructors, course fees, materials, facilities, certifications, and equipment. Indirect costs include the officer's paid training time, overtime, replacement staffing, administrative coordination, recordkeeping, and the loss of productive hours while the officer attends training.

6.2 Training Costs Under the Contract Model

A vendor may include basic regulatory training in its standard rate. Site-specific or advanced training, however, may be billed separately or may require the client to provide the training.

The contract should identify:

- Who develops the training;
- Who pays for the training;
- Whether training time is billable;
- Which courses are required before assignment;
- Which certifications must remain current;
- How training completion is documented;
- Whether substitute officers receive the same instruction;
- How frequently refresher training occurs;
- Who evaluates competency; and
- What happens when an officer fails training.

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com

A contract provision stating merely that officers will be “trained” is inadequate. The agreement or its exhibits should identify measurable training subjects, minimum hours where appropriate, qualification criteria, documentation requirements, and curriculum review and approval. The agreement or its exhibits should identify measurable training subjects, minimum hours where appropriate, qualification criteria, documentation requirements, and curriculum review/approval.

An organization may also use a qualified third-party training provider to deliver site-specific courses, exercises, equipment, competency assessments, and after-action reports. This approach can provide specialized expertise without requiring the organization to maintain a full internal training function.

6.3 Training Costs Under the Proprietary Model

A proprietary department has greater control over training content, but it bears the entire cost of program development and administration. The organization may need:

- A security training manager or qualified instructor;
- A learning-management system;
- Written lesson plans;
- Training facilities;
- Scenario exercises;
- Testing and evaluation materials;
- Continuing education tracking;
- Certification management; and
- Audit-ready training records.

An internal program may justify these costs when the organization requires highly specialized skills, expects long employee tenure, or needs training closely integrated with its operations.

6.4 Training Must Correspond to Actual Duties

Training should be based on the duties officers are expected to perform and the hazards they may encounter. Assigning a responsibility in a post order without providing the knowledge, authority, equipment, and training required to perform that responsibility creates an operational gap.

Policy explains why the organization requires a particular practice, procedure explains how personnel carry it out, and training supports both by developing competency, skills, and confidence. For example, a policy directing officers to respond to workplace violence is incomplete unless it explains:

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com

- What “respond” means;
- Whether the officer observes and reports, intervenes, evacuates others, locks down an area, or contacts law enforcement;
- What equipment the officer has;
- What authority the officer possess;
- How communications will be maintained; and
- What training and exercises the officer has completed.

7. Employee Benefits and Their Operational Impact

Benefits are often evaluated primarily as a financial expense. From an operational planning perspective, however, organizations should also consider how compensation and benefits may affect workforce quality, stability, attendance, training participation, and performance.

Frequent turnover may create additional recruiting, screening, uniform, licensing, training, and supervision expenses and may result in less experienced personnel being assigned to sensitive posts.

Competitive wages and benefits may contribute to:

- Applicant quality;
- Employee retention;
- Attendance;
- Morale;
- Professionalism;
- Willingness to complete training;
- Reduced reliance on excessive overtime;
- Greater institutional knowledge; and
- More stable client relationships.

Conversely, low wages, limited benefits, unpredictable schedules, and minimal paid leave may contribute to turnover and absenteeism. Frequent turnover may create additional recruiting, screening, uniform, licensing, training, and supervision expenses and may result in less experienced personnel being assigned to sensitive posts.

A contract security vendor may offer limited benefits to keep its billing rate competitive. The client should therefore consider whether the proposed compensation structure can reasonably support the quality and continuity of personnel required for the assignment.

A proprietary employer may offer more comprehensive benefits than a security contractor, particularly when security employees participate in the organization’s broader employee-benefit program. This may support retention, but it can also make the proprietary model more expensive.

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com

The cost analysis should therefore consider both:

1. The direct cost of benefits; and
2. The potential operational effects are associated with the compensation structure, including turnover, absenteeism, vacancies, overtime, repeated training, and diminished performance.

8. Why Written Policies and Procedures Are Necessary

8.1 Policies Establish Organizational Expectations

A policy establishes management's position, purpose, authority, and expectations. A procedure describes how personnel are to carry out the policy.

For example:

- A policy may require controlled access to restricted areas.
- A procedure identifies who is authorized, what credentials are accepted, how exceptions are approved, what records are created, and what officers do when someone refuses to comply.

Written policies reduce reliance on memory, informal custom, and inconsistent verbal direction.

8.2 Procedures Promote Consistency

Security officers regularly make decisions under time pressure. Written procedures provide a repeatable framework for dealing with foreseeable events.

Without procedures, different officers may respond differently to the same situation. One officer may call law enforcement immediately, another may contact a supervisor, and another may take no action. Inconsistent responses can increase injury, loss, business interruption, and liability.

8.3 Policies Define Authority and Limitations

Security personnel must understand both what they may do and what they may not do.

Written direction should address:

- The officer's authority to enforce organizational rules;
- Limits on searches;
- Limits on detention;
- Use-of-force restrictions;

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com

- Weapons restrictions;
- Removal of trespassers;
- Handling of confidential information;
- Interaction with employees and visitors;
- Law-enforcement notification;
- Emergency authority; and
- Prohibited conduct.

Clearly stated limitations are particularly important when officers are not sworn law-enforcement officers.

8.4 Procedures Support Training

Training cannot be standardized unless the expected practices are documented. Written procedures provide the basis for:

- Lesson plans;
- Scenario training;
- Competency testing;
- Refresher instruction;
- Coaching;
- Corrective action; and
- Performance evaluations.

When a procedure changes, the organization can identify affected personnel, distribute the revision, conduct training, and document acknowledgment.

8.5 Policies Support Supervision and Accountability

A supervisor cannot fairly evaluate performance when expectations are undefined.

Written standards make it possible to determine whether an officer:

- Conducted required patrols;
- Properly controlled access;
- Completed reports;
- Made required notifications;
- Remained at the assigned post;
- Used equipment correctly;
- Followed escalation requirements; and
- Complied with professional conduct standards.

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com

Policies also allow the client to evaluate whether the security vendor is delivering the contracted service.

8.6 Documentation Supports Organizational Learning

Incident reports, patrol records, dispatch logs, access records, training documents, and supervisory inspections allow the organization to identify recurring problems.

Documented information can reveal:

- Repeat trespassing locations;
- Doors that are frequently left unsecured;
- Recurring alarm conditions;
- Times when staffing is inadequate;
- Areas in which patrols are missed;
- Deficiencies in lighting or surveillance;
- Patterns of theft or violence; and
- Training subjects requiring reinforcement.

Without reliable documentation, management may not recognize a pattern until a serious event occurs.

8.7 Policies Demonstrate a Systematic Risk-Management Process

OSHA's recommended safety and health practices emphasize management leadership, worker participation, hazard identification, prevention and control, education and training, program evaluation, and coordination with contractors. OSHA also recommends communicating safety policies to workers and relevant parties.

Although OSHA's recommended practices are not a mandatory private-security operations standard, they provide relevant management-system principles, including hazard identification, assignment of responsibility, worker training, contractor coordination, performance evaluation, and program improvement (Occupational Safety and Health Administration, 2016).

9. Essential Security Policies and Procedures

The policies and procedures appropriate for a particular organization will depend on its operations, identified hazards, applicable laws and licensing requirements, contractual obligations, industry standards, and risk profile. As a recommended framework, organizations should consider the following subjects.

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com

Governance and Administration

- Security mission and objectives;
- Organizational authority;
- Roles and responsibilities;
- Chain of command;
- Code of conduct;
- Confidentiality;
- Conflicts of interest;
- Licensing requirements;
- Record retention;
- Quality assurance; and
- Policy review and approval.

Personnel and Training

- Minimum qualifications;
- Written job descriptions that distinguish core security duties from emergency, safety, medical-support, ambassador, greeter, liaison, or other supplemental functions;
- Background screening;
- Drug-testing requirements where lawful;
- Licensing and certification;
- Orientation;
- Post training;
- Refresher training;
- Competency testing;
- Supervisor qualifications;
- Uniform and appearance;
- Personal-device and mobile-phone use;
- Fitness for duty;
- Attendance and call-off procedures; and
- Removal from assignment.

Post Operations

- Post orders;
- Shift changes;
- Key and credential control;
- Patrol procedures;
- Access control;
- Visitor management;
- Package and delivery handling;

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com

- Contractor access;
- Restricted areas;
- Control-room operations;
- Alarm response;
- CCTV monitoring;
- Equipment inspection; and
- End-of-shift reporting.

Incident and Emergency Response

- Emergency communications;
- Police, fire, and medical notification;
- Workplace violence;
- Active assailant situations;
- Bomb threats and suspicious packages;
- Fire and evacuation;
- Medical emergencies;
- Hazardous-material incidents;
- Severe weather;
- Utility failures;
- Civil disturbances;
- Missing persons;
- Theft and property loss;
- Trespassing;
- Evidence preservation; and
- Business-continuity coordination.

Reporting and Escalation

- Incident-report standards;
- Immediate-notification criteria;
- Reportable events;
- Daily activity reports;
- Patrol documentation;
- Supervisor review;
- Management escalation;
- Preservation of photographs and video;
- Correction of inaccurate reports; and
- Legal or insurance notification.

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com

10. Policy Requirements for Contract Security

When officers are supplied by a vendor, responsibilities should be divided clearly between the client and contractor.

The Client Should Generally Retain Responsibility For:

- Identifying the assets and operations to be protected;
- Communicating site-specific hazards;
- Establishing the intended security objectives;
- Determining acceptable risk;
- Providing applicable organizational policies;
- Approving post orders;
- Providing access to necessary facilities and information;
- Reviewing significant incidents;
- Monitoring contractor performance; and
- Correcting physical or operational deficiencies within the client's control.

The Security Contractor Should Generally Be Responsible For:

- Recruiting and screening personnel;
- Verifying licensing and qualifications;
- Paying assigned employees;
- Providing required uniforms and basic equipment;
- Conducting required employer training;
- Scheduling personnel;
- Providing supervision;
- Maintaining personnel and training records;
- Investigating employee misconduct;
- Replacing unsuitable or absent officers; and
- Complying with employment laws applicable to its workforce.

Responsibilities That Require Joint Coordination Include:

- Developing post orders;
- Site-specific training;
- Emergency drills;
- Incident notification;
- Performance measurement;
- Corrective-action plans;
- Changes in threat conditions;
- Use of client systems and equipment; and

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com

- Transition planning.

The contract, scope of work, post orders, training matrix, and responsibility assignment should be consistent. Conflicting documents can create uncertainty regarding which party was expected to perform a particular duty.

11. Contract Provisions That Support an Effective Program

A security services agreement should address more than hourly rates and staffing schedules. Important provisions include:

- Detailed scope of services;
- Required staffing levels;
- Minimum officer qualifications;
- Background-screening standards;
- Licensing requirements;
- Training requirements;
- Wage and benefit assumptions where appropriate;
- Overtime and holiday rates;
- Supervision requirements;
- Designated account manager responsibilities and escalation authority;
- Required insurance;
- Additional-insured status, primary and noncontributory wording, and the order in which insurance coverage applies;
- Indemnification;
- Limitation-of-liability provisions;
- Incident-reporting requirements;
- Report review, approval, submission, and correction timelines;
- Access to training and personnel records;
- Audit and inspection rights;
- Key performance indicators;
- Corrective-action procedures;
- Removal and replacement of officers;
- Subcontracting restrictions;
- Confidentiality and data security;
- Ownership and retention of records;
- Compliance with laws;
- Business-continuity obligations;
- Price adjustments;
- Transition assistance; and
- Termination rights.

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com

The parties should address which coverage is primary, which coverage is excess, how defense and indemnity obligations are allocated, and whether reciprocal indemnification is appropriate. Insurance, indemnification, limitation-of-liability, waiver, and additional-insured provisions should be reviewed by qualified legal counsel and insurance professionals. Their enforceability and effect may depend on applicable state law, policy limits, exclusions, notice requirements, the nature of the loss, and the precise contractual language.

12. Performance Measurement

Whether security personnel are contracted or proprietary, performance should be measured through objective indicators.

Possible measures include:

- Percentage of scheduled posts filled;
- Late arrivals and call-offs;
- Officer turnover;
- Training completion;
- License and certification compliance;
- Patrol completion;
- Alarm-response times;
- Incident report timeliness;
- Report quality;
- Supervisor inspection frequency;
- Policy violations;
- Complaint frequency;
- Corrective-action closure;
- Emergency-drill performance; and
- Trends in losses and security incidents.

Performance measures should not reward activity that is disconnected from risk reduction. For example, counting the number of patrols is less meaningful if patrol routes, timing, documentation, and corrective actions are not evaluated.

13. Selecting the Appropriate Model

An organization should consider the following questions:

1. How critical is security to the organization's core operation?
2. What degree of control is required over personnel?
3. How specialized are the duties?
4. How much institutional knowledge is necessary?

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com

5. What licensing and training requirements apply?
6. Does the organization have qualified security management?
7. Can the organization recruit and retain suitable employees?
8. How variable are staffing needs?
9. What benefits must be offered to remain competitive?
10. What is the complete cost of each model?
11. What liability can realistically be transferred?
12. How will performance be monitored?
13. What happens during staffing shortages or emergencies?
14. How will the organization maintain continuity if the vendor changes?
15. Which model best supports the organization's risk tolerance and culture?

Some organizations may benefit from a hybrid model. For example, proprietary managers and investigators may direct a larger contract officer force. This structure can preserve institutional knowledge and organizational control while using a vendor for recruiting, scheduling, and routine post coverage.

14. Options to Consider

Organizations evaluating contract and proprietary security models should consider the following actions:

1. Conduct a documented security risk assessment - Staffing decisions should be based on identified threats, vulnerabilities, assets, and foreseeable consequences.
2. Prepare a total-cost analysis - Include wages, payroll taxes, benefits, training, recruiting, turnover, supervision, equipment, administration, overtime, insurance, and vendor overhead.
3. Evaluate compensation quality - Determine whether wages and benefits are likely to attract and retain personnel capable of meeting the organization's requirements.
4. Define the required competencies - Establish qualifications, training subjects, experience, certifications, and performance expectations for each security position.
5. Define the security function—Document whether officers are expected primarily to protect people and property, support emergency and safety operations, provide customer-service or ambassador functions, or perform a combination of these roles. Align staffing, authority, training, equipment, and performance measures with the defined function.
6. Develop written policies and post orders - Procedures should address foreseeable incidents, authority, limitations, notification, documentation, and escalation.
7. Assign responsibilities clearly - Identify which duties belong to the client, the contractor, and both parties jointly.
8. Verify training rather than assuming it occurred - Review course content, attendance records, testing, certifications, and site-specific instruction.

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com

9. Monitor performance continuously - Use inspections, report reviews, audits, incident analysis, employee feedback, and measurable service standards.
10. Review the program after significant events - Incidents, near misses, organizational changes, facility modifications, and new threats should trigger reassessment.
11. Obtain legal and insurance review - Employment classification, licensing, indemnification, insurance, use of force, privacy, and premises-liability obligations vary by jurisdiction.

Conclusion

The decision to use contracted security officers or proprietary security officers should not be based solely on the apparent hourly cost.

A proprietary program provides direct control and may produce stronger continuity and institutional knowledge, but the organization assumes substantial costs for benefits, payroll obligations, recruiting, training, supervision, administration, equipment, and regulatory compliance.

Contract security can provide flexibility, staffing infrastructure, and reduced administrative burden. However, the contractor's rate incorporates labor costs, benefits, training, insurance, overhead, and profit. The client must also guard against low-price arrangements that produce inadequate wages, high turnover, minimal training, weak supervision, or inconsistent service. It may also support contractual risk allocation for organizations that do not want to assume every employment, licensing, training, and supervisory function internally. The client should examine whether a low-price arrangement can support the wages, training, supervision, staffing continuity, and service levels required for the assignment.

Training and benefits are not incidental expenses. They directly affect the total cost of the security program and may influence recruitment, retention, attendance, competency, and operational reliability.

Most importantly, neither employment model can compensate for the absence of a properly designed security program. Written policies, procedures, post orders, training requirements, reporting protocols, supervisory controls, and performance measures are necessary to translate management's security objectives into consistent action.

A security program is most effective when the organization has clearly defined the role of security; personnel understand their duties; officers possess the training, authority, equipment, and resources necessary to perform them; and performance is documented and evaluated through an active system of supervision and review.

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com

References

Internal Revenue Service. (2022, October 5). *Worker classification 101: Employee or independent contractor.* https://www.irs.gov/newsroom/worker-classification-101-employee-or-independent-contractor

Internal Revenue Service. (n.d.). *Topic no. 762: Independent contractor vs. employee.* Retrieved July 23, 2026, from https://www.irs.gov/taxtopics/tc762

Occupational Safety and Health Administration. (2016). *Recommended practices for safety and health programs* (OSHA Publication No. 3885). U.S. Department of Labor. https://www.osha.gov/sites/default/files/publications/OSHA3885.pdf

U.S. Bureau of Labor Statistics. (2025). *Security guards: Occupational requirements survey.* U.S. Department of Labor. https://www.bls.gov/ors/factsheet/security-guards.htm

U.S. Bureau of Labor Statistics. (2026, June). *Employer costs for employee compensation—March 2026.* U.S. Department of Labor. https://www.bls.gov/news.release/pdf/ecec.pdf

U.S. Department of Labor. (2026, February 26). *U.S. Department of Labor proposes rule clarifying employee, independent contractor status under federal wage and hour laws.* https://www.dol.gov/newsroom/releases/whd/whd20260226

Professional Review

Professional Review and Acknowledgment

The author acknowledges Jeffey C. Kearnan, CEO, Kearnan Counsulting Group, LLC and Dr. James F. Pastor, Ph. D., JD, CPP, Principal at SecureLaw LLC, for providing an independent subject-matter review of this white paper. The review included comments concerning security staffing, operational responsibilities, training, insurance, contract administration, and risk management. The author evaluated and incorporated appropriate recommendations and retains sole responsibility for the final content, interpretations, and conclusions.

Disclaimer

This white paper provides general security-management and risk-management information. It is not legal, tax, insurance, or employment advice. Requirements governing security licensing, worker classification, wages, benefits, training, use of force, premises liability, and contractual risk transfer vary by jurisdiction. Organizations should consult qualified legal counsel, insurance

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com

professionals, human-resources specialists, and security professionals regarding their specific circumstances.

© 2026 - Mitigation Assessor, LLC | www.mitigationassessor.com