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comfort remote site services ltd.

Jimmy Wang wrote this case under the supervision of [Elizabeth M. A. Grasby](https://iveypubs.my.salesforce.com/003A000001T0PHv) solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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On April 29, 2016, Thomas Young, chief executive officer (CEO) and chairman of Comfort Remote Site Services Ltd. (Comfort), received a request for proposal (RFP) for the Gregory Mine, an iron ore mine in Yukon, Canada. Comfort specialized in providing catering, housekeeping, and janitorial services to Canadian mines in the country’s remote regions. Given weak commodity prices and the pressure on the mining industry to cut costs, Young was wondering if this was the right time to bid on this request. With his retirement on the horizon, Young did not want the business to take unnecessary risks. A successful bid would have to reflect a profit for each of the business segments. Young sat down at his office desk, opened a bottle of Perrier, and set about working through the numbers before deciding on whether to bid on the Gregory Mine RFP.

**THE MINING AND EXPLORATION INDUSTRY**

Mining and exploration contributed over CA$153 billion,[[1]](#footnote-1) or 8.3 per cent of gross domestic product (GDP), to the Canadian economy in 2015.[[2]](#footnote-2) The mining industry was highly cyclical because companies typically increased exploration spending during periods of high commodity prices to replenish their depleting reserves. Mining operations included four main categories: iron ore (ferrous), precious metals (non-ferrous), minerals, and oil sands.[[3]](#footnote-3)

**Ferrous Mining**

Ferrous mining was the extraction of iron ore. Iron ore was a primary raw material for steel production; therefore, its price was heavily dependent on global demand for steel. Iron ore was also used by other industries such as cement production, lead refining, and paint manufacturing. Canadian iron ore, due to its high-quality deposits, was in high demand in the international market. Overall ferrous mining revenues were $3.4 billion in 2015, 90 per cent of which was exported.[[4]](#footnote-4) As with other commodities, iron ore was bought and sold in U.S. dollars. The Canadian dollar had fluctuated widely to the U.S. dollar over the past decade and had fallen over 20 per cent since January 2014.[[5]](#footnote-5)

The demand for iron ore and the prices for iron had been volatile throughout the years due to an uncertain global economy. China’s rapid urbanization and demand for steel had been a factor in the demand for iron ore; in fact, China was responsible for 65 per cent of global iron ore imports in 2014.[[6]](#footnote-6) In 2016 and 2017, China’s GDP was projected to grow 6.3 per cent and 6 per cent, respectively, compared to an annualized growth rate of 7.7 per cent the previous four years.[[7]](#footnote-7) During these same four years, iron ore prices had fallen by 63 per cent. The Canadian iron ore industry had contracted 10.7 per cent annually between 2010 and 2015.

**Non-ferrous Mining**

Non-ferrous mining was the extraction of rare earth metals such as gold, silver, copper, and zinc. These materials were processed and used in jewellery, alloys, and other industrial applications. Precious metals prices were also dependent on global demand and economic growth. Due to the country’s rich precious metal deposits, Canada accounted for 18 per cent of global non-ferrous exploration spending in 2012. This industry generated revenues of $15.9 billion in 2015.[[8]](#footnote-8)

Global economic uncertainty, a weak Chinese demand for precious metals, and a strong U.S. dollar had lowered precious metal prices; however, because precious metals like gold and silver were purchased as hedges during uncertainty, their prices had not decreased as much as iron ore prices.[[9]](#footnote-9) The Standard & Poor’s (S&P) Precious Metals index, a benchmark that tracked the price of a basket of precious metals in U.S. dollars, fell by approximately 18 per cent between 2011 and 2016.[[10]](#footnote-10)

**Minerals**

This industry involved the extraction of diamonds, potash, salt, peat, and gypsum. These natural resources had numerous industrial and commercial applications. Despite weakness in other commodity-related industries and the weaker Canadian dollar, increased fertilizer production and downstream manufacturing demand helped to offset weaker mineral prices. As a result, the mineral mining industry grew by 0.9 per cent in 2015. Revenues were $11.3 billion in the same year.[[11]](#footnote-11)

**Oil Sands**

This category included oil and gas extraction. Canada had the third-largest proven oil reserves in the world, after Saudi Arabia and Venezuela. One active region of oil production was Alberta’s oil sands. Crude oil prices peaked around US$106/barrel in June 2014 and fell to a low of approximately US$26/barrel in January 2016.[[12]](#footnote-12) Due to the relatively higher extraction costs of oil sands compared to conventional oil wells, a number of oil-sands projects operated at or close to a loss.[[13]](#footnote-13) Canadian crude oil revenues had fallen by 31.9 per cent in 2015. Revenues were $103.4 billion in this same year. It was projected that revenues would decline by an additional 2.9 per cent in 2016.[[14]](#footnote-14)

In May 2016, a wildfire spread through Fort McMurrary, Alberta, a key oil production town in the province. The wildfire caused over $9 billion in damages and burned through over 400,000 hectares of forest. It also resulted in shutdowns of nearby oil sites and over $1 billion in lost oil production.

**THE REMOTE-SITE FOOD SERVICE INDUSTRY**

**Background**

The vast majority of mines were located in remote regions of Canada. With little infrastructure at these locations, mining companies relied on remote-site food service companies to provide catering, housekeeping, and janitorial services for their employees. These services helped provide mine employees with some semblance of home. Most companies deemed these services essential because happier employees resulted in lower turnover and higher productivity. Most remote-site food service companies dispatched their employees to the various remote site locations on an as-needed basis.

Due to the recent downturn in commodity prices and the resulting decrease in corporate investments in remote sites, the demand for catering services had declined by approximately 30 per cent in 2015. The industry was expected to decrease by a further 7 per cent in 2016; consequently, not only were newer contracts more difficult to obtain but also existing customers were looking for ways to cut costs.

**Customers**

In Canada, food services (and related ancillary services) were requested by Canadian mines in operation and under construction in the mineral-rich regions of northern Ontario, Quebec, Yukon, Northwest Territories, and Nunavut. With the exception of the oil sands, a few multinational mining companies dominated the ferrous, precious metals, and minerals mining industries. In fact, it was estimated that the top two iron ore mining companies generated 90 per cent of the 2015 mining and exploration industry revenues.

Remote-site food service providers were asked to bid on new projects through RFPs.[[15]](#footnote-15) Contracts were typically awarded to the successful bidder for three to five years, with the option for renewal. Mining and exploration companies preferred to renew contracts with existing providers because this eliminated the risk of potential problems during transitional periods between providers. Contracts were sometimes renegotiated, depending on market conditions; for example, the recent economic downturn had forced mining companies to cut costs by reducing the frequency of housekeeping services from daily to once every other day.

When reviewing bids, companies — regardless of their size — considered the bidder’s price, the bidder’s understanding of the marketplace, and the bidder’s quality of management and employees who would be sent to the remote sites. Each site was negotiated individually, although having an established relationship with one mining or exploration company could help the food service provider with future bids at other locations.

**Competition**

Comfort had four major competitors that offered catering and hospitality services to remote site locations: Compass Group PLC (Compass), Aramark Corporation (Aramark), Sodexo SA (Sodexo), and Civeo Corporation (Civeo) (see Exhibit 1).

Compass Group PLC

Founded in 1941, Compass was a British multinational conglomerate based in Chertsey, England. It provided catering, cleaning, and property management services in over 50 countries and had 500,000 employees. In 2015, the conglomerate earned a profit of £877 million[[16]](#footnote-16) ($1.64 billion) on revenues of £17.8 billion ($33.2 billion), wherein approximately 50 per cent of its sales came from the North American market.[[17]](#footnote-17) Compass operated under ESS North America for its Canadian remote-site food service operations, servicing the construction, mining, oil and gas, and defence sectors.[[18]](#footnote-18)

In 2008, Eurest Dining Services, a subsidiary of Compass, served food that tested positive for *Listeria monocytogenes* in Ontario prisons. In February 2013, the company was accused of knowingly selling beef products tainted with horse meat to schools in the United Kingdom and Ireland.[[19]](#footnote-19)

Aramark Corporation

Aramark, founded in 1959, was based in Philadelphia, United States. It offered food and support services to the education, health care, business, sports, and correctional industries in 21 countries. In 2015, Aramark generated US$237 million ($303 million) in profits from US$14.3 billion ($18.4 billion) in sales. Approximately 70 per cent of these sales came from its North American operations.[[20]](#footnote-20)

In 2013, maggots were found in the food served at correctional facilities in Ohio and Michigan serviced by Aramark, and numerous prisoners became sick.[[21]](#footnote-21) Aramark had since been cleared by the Michigan Department of Corrections of any wrongdoing.[[22]](#footnote-22)

Sodexo SA

Sodexo was based in Paris, France. Founded in 1966, it specialized in serving local schools, hospitals, and restaurants. Sodexo currently operated in 80 countries. In 2015, Sodexo earned €700 million[[23]](#footnote-23) ($1 billion) in profits on €19.8 billion ($28.9 billion) in sales. Of total sales, approximately 41 per cent originated from its North American operations and 9 per cent originated from its remote site services.[[24]](#footnote-24)

The beef products Sodexo had served in 2,300 institutions across the United Kingdom and Ireland were also implicated in the 2013 horse meat scandal.[[25]](#footnote-25)

Civeo Corporation[[26]](#footnote-26)

Civeo was based in Edmonton, Canada, and had operations in Canada, the United States, and Australia, representing 67 per cent, 7 per cent, and 26 per cent of revenues, respectively. Civeo serviced primarily oil sites in North America and coal mine sites in Australia with lodging, catering, housekeeping, and janitorial services. In addition to providing remote-site food services, Civeo also leased heavy equipment used in the mining and oil extraction process to its customers. In 2015, Civeo was affected by low commodity prices, reporting a net loss of $172.6 million on revenues of $679 million.

**Comfort Remote Site Services**

**Background**

Comfort was founded in 1953 and based in Oakville, Ontario. It currently had over 700 employees. The company initially had specialized in the remote mining and highway restaurant industries. In 1991, Comfort exited the highway restaurant business and entered the education cafeteria services sector. In 2005, it refocused its efforts on catering, housekeeping, and janitorial services at remote mine sites, dedicating all of its resources to building relationships and expertise in the remote mining sector. Rather than using a dispatch system for its employees, Comfort harnessed local remote communities in joint ventures to staff its remote site operations. These ventures included partnerships with Aboriginal communities that helped to create local jobs. The average manager at Comfort had over 20 years of experience in the food service industry, and Comfort’s financial controller had been with the company for over 15 years.

Presently, Comfort had operations in over 25 remote locations across four Canadian provinces and territories. It operated in a number of different mining and exploration sectors (iron ore, diamond, gold, and copper). Comfort had satellite offices in Edmonton, Alberta; Montreal, Quebec; and Victoria, British Columbia, to help oversee operations across the country. See Exhibits 2 and 3 for the company’s statement of earnings and statement of financial position for 2014 and 2015 fiscal years.

**Thomas Young**

Young joined Comfort in 1976 as the corporate controller after completing his master of business administration at the Ivey Business School in London, Ontario. He became the company’s chairman and CEO after purchasing a controlling share of the business in 1983. As Comfort was a relatively small company, Young had had time to come to understand the needs of the company’s customers, and he had built strong working relationships with its client base. This knowledge and experience were evidenced by Comfort’s contract renewal rate of over 95 per cent under Young’s management.

Young’s retirement plans were on the horizon. Although no concrete plans had been made, he was content with Comfort’s current performance and did not have plans to aggressively expand the business.

**the Gregory Mine Bid**

**The RFP**

The Gregory Mine, owned by Yellowstone Mining (Yellowstone), was an iron ore mine under construction, located approximately 320 kilometres north of Whitehorse, Yukon. Yellowstone was an iron ore producer with operations in over 30 countries. Due to its remote location and the lack of infrastructure at the Gregory Mine, Yellowstone was soliciting bids (through an RFP) for a two-year contract for catering, housekeeping, and janitorial services. Since it was a closed bidding process, Young did not know which competitors were also interested in bidding on this work. Mine construction was to be completed December 2016, with operations commencing in May of the following calendar year. The RFP stated that there would be between 400 and 520 employees working at the mine once it was under operation. According to estimates, the facility, once completed, would be 100,000 square feet. Yellowstone was not one of Comfort’s existing customers.

**Projected Costs**

The bid consisted of three components: catering, housekeeping, and facilities management. Based on his experience, Young planned to charge $40 per person per day for 400 employees for catering and housekeeping.[[27]](#footnote-27) This would decrease to $37.50 per person per day if the residents increased to 520 employees, since on-site management costs were fixed. Facilities management, including janitorial services, would be priced at a rate of $0.05 per square foot. Yellowstone would be offered credit terms of net 30 days.[[28]](#footnote-28) A camp manager would oversee all operations and would earn $100,000 annually. The manager would allocate his time evenly among catering, housekeeping, and janitorial services.

Food was projected at a cost of $18.42 per person per day, regardless of the number of employees. Wait staff in the dining area would be negligible because food would be served buffet-style. Comfort would employ two chefs to oversee kitchen operations and menu planning. They would work on a rotating basis, and each would be paid an annual salary of $80,000. The kitchen would also need two cross-shift bakers, each at $75,500 annually, and 12 line cooks. The line cooks included two first cooks, four second cooks, and six third cooks. The first and second cooks would each earn annual salaries of $75,500 and $62,000, respectively. The third cooks would be on call and would work as needed. They would earn $15 per hour for the first eight hours of their shift. After eight hours, they would earn an overtime rate of $20 per hour. In the 400-employee scenario, four third cooks would be working every day on 10-hour shifts. Five third cooks would be working on 10-hour shifts in the 520-employee scenario. Sixteen and 21 housekeeping employees each earning $51,000 per year would be employed in the 400- and 520-employee scenarios, respectively. In addition, 20 janitorial employees earning $50,000 per year would be needed for daily cleaning of the facility. Cleaning supplies used would total $115,000 every six months. Except for the camp manager, head chefs, and first chefs, all employees would be recruited and employed through Comfort’s local joint ventures. All employees would also be covered by a benefits package costing 15 per cent of their earnings. Employees would be paid at the end of the month for the current month’s work.

A supervisor would be flown from the company’s Edmonton regional office to the Gregory Mine seven times a year to conduct performance audits and to ensure that all operations were running smoothly. In addition, the camp manager, head chefs, and first cooks were each allowed 16 round trips per year to visit their families. The flights, paid for by Comfort, would be $1,250 per round trip. It would also cost $4,500 to transport all Comfort employees at once to the Gregory Mine at the beginning of operations.

Due to the Gregory Mine’s remote location, Young projected that Comfort would spend $365,000 annually to transport the supplies needed for catering and facilities management operations.[[29]](#footnote-29) Young also budgeted an additional $15,150 for administrative expenses. As a result of past projects that often ran over budget, he decided to budget for an additional 2 per cent of all recurring cash expenses as a contingency.

Uniforms would be purchased for all Comfort employees working at the Gregory Mine. Uniforms would cost $50 and have a useful life of two years.[[30]](#footnote-30) New linens would be purchased for Yellowstone employees at $250 per set.[[31]](#footnote-31) Smallwares and cleaning equipment, with an estimated useful life of five years, would be purchased for $38,000.

Young anticipated that the age of accounts payable would remain unchanged from fiscal 2015. Comfort would keep 100 days of inventory on hand at all times at the Gregory Mine. [[32]](#footnote-32)

Financial Evaluation of Services

Because the Gregory Mine bid consisted of three services (catering, housekeeping, and janitorial), Young wanted to analyze the operating profits and margins for each service (within the company, each of these services were treated as business units). To do this, he estimated that 30 per cent, 20 per cent, and 50 per cent of cleaning supplies should be allocated to catering, housekeeping, and janitorial services, respectively. The cleaning equipment would be used equally between housekeeping and janitorial services. Also, all employee transportation expenses would be split evenly among the business segments. Unless otherwise identified, all general operating overhead expenses would be allocated evenly among the three services. Young hoped all three business units would be profitable under his proposed bid.

**Conclusion**

Young wondered if he should pursue the Gregory Mine opportunity. Given the weak commodity prices and customers’ need to cut costs, he knew that any additional business would be helpful to the company’s bottom line; however, he did not want to pursue a business opportunity that did not improve Comfort’s financial performance.

**Exhibit 1: Select Competitor Fiscal 2015 Ratios**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Compass** | **Aramark** | **Sodexo** | **Civeo** |
| Current ratio | 0.74 | 1.09 | 0.37 | 1.37 |
| Acid test | 0.67 | 0.83 | N/A | 1.29 |
| Debt/equity | 3.72 | 3.27 | 0.96 | 0.90 |
| Interest coverage | 11.83 | 2.20 | 10.75 | - |
| Return on assets | 10.00% | 2.30% | 11.20% | (12.30%) |
| Return on equity | 45.00% | 12.50% | 22.00% | (23.40%) |
| Days of accounts receivable | 42.67 | 36.29 | 0.80 | 42.72 |
| Days of accounts payable | 69.44 | 23.76 | N/A | 13.36 |
| Days in inventory | 6.20 | 16.08 | N/A | 3.06 |
| Operating profit | 7.07% | 4.38% | 5.77% | (29.60%) |
| Net profit | 4.92% | 1.65% | 3.65% | (26.90%) |
| Sales growth | 4.60% | (3.40%) | 10.00% | (45.10%) |
| Profit growth | 0.69% | 58.40% | 42.00% | 30.30% |

Note: Compass = Compass Group PLC; Aramark = Aramark Corporation; Sodexo = Sodexo SA; Civeo = Civeo Corporation; N/A = Not available.

Source: Compass Group PLC, *Annual Report 2015*, accessed May 17, 2016, www.compass-group.com/en/investors/annual-reports.category1.year2015.html; Aramark, *Annual Report 2015*, accessed May 17, 2016. http://www.annualreports.com/HostedData/AnnualReportArchive/A/NYSE\_ARMK\_2015.pdf; Sodexo*, Sodexo Digest: Fiscal 2015*, accessed May 17, 2016, www.sodexo.com/home/media/publications/annual-publications.html; Civeo Corporation, *Inside Civeo: Under the Roof – 2015 Annual Report*, accessed May 17, 2016, http://ir.civeo.com/static-files/5608773d-608b-48f6-ac5d-35ecfbaec8b9.

**Exhibit 2: COMFORT Statement of Earnings, YEARS ENDING DECEMBER 31 (IN CA$000s)**

|  |  |  |
| --- | --- | --- |
|  | **2015** | **2014** |
| Net sales | 52,108 | 56,917 |
| Cost of sales | 37,469 | 39,902 |
| Gross profit | 14,639 | 17,015 |
| General overhead expenses | 5,245 | 4,536 |
| Other expenses: |  |  |
| Loss on investment/disposal of assets | 549 | 314 |
| Owners’ compensation | 1,979 | 1,265 |
| Management fees to non-affiliated entity | 0 | 0 |
| Extraordinary items | (2,881) | 1,770 |
| Depreciation and amortization | 331 | 260 |
| Interest expense (income) | (204) | (227) |
| Total expenses | 5,019 | 7,918 |
| Earnings before taxes | 9,620 | 9,097 |
| Income taxes | 1,801 | 2,553 |
| Net income | 7,819 | 6,544 |

Source: Company files.

**Exhibit 3: comfort Statement of Financial Position, YEARS ENDING DECEMBER 31**

**(IN CA$ THOUSAND)**

|  |  |  |
| --- | --- | --- |
| **ASSETS** | **2015** | **2014** |
| **Current assets:** | | |
| Cash | 25,321 | 24,390 |
| Marketable securities | 2,902 | 3,433 |
| Accounts receivable | 9,891 | 8,974 |
| Loan receivable | 0 | 127 |
| Inventory | 1,588 | 1,401 |
| Pre-paid | 236 | 428 |
| Total current assets | 39,938 | 38,753 |
| **Fixed assets:** | | |
| Equipment | 262 | 3,701 |
| Furniture & fixtures | 108 | 133 |
| Computer & software | 19 | 18 |
| Vehicles | 380 | 353 |
| Smallwares | 36 | 19 |
| Leasehold improvements | 472 | 575 |
| **Other long-term assets:** | | |
| Due from related parties | 1,910 | 3,567 |
| Investment in subsidiary | 1,765 | 534 |
| Investment in non-associated company | 0 | 13 |
| Total long-term assets | 4,952 | 8,913 |
| Total assets | 44,890 | 47,666 |
| **Liabilities and shareholders’ equity** | | |
| **Current liabilities:** | | |
| Accounts payable & accrued liabilities | 3,094 | 4,839 |
| Due to partnership/inter-company | 1,020 | 1,962 |
| Total current liabilities | 4,114 | 6,801 |
| Long-term liabilities: |  |  |
| Loan payable | 0 | 63 |
| Total long-term liabilities | 0 | 63 |
| Total liabilities | 4,114 | 6,864 |
| Shareholders’ equity: |  |  |
| Common stock | 1,233 | 963 |
| Retained earnings | 39,543 | 39,839 |
| Total shareholders’ equity | 40,776 | 40,802 |
| Total liabilities & shareholders’ equity | 44,890 | 47,666 |

Source: Company files.

1. All dollar amounts are in Canadian dollars unless specified otherwise. [↑](#footnote-ref-1)
2. Statistics Canada, “Gross Domestic Product (GDP) at Basic Prices, by Industry, Monthly, Growth Rates (x 1,000,000),” Government of Canada, accessed January 16, 2017, [www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/gdps04a-eng.htm](http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/gdps04a-eng.htm); Statistics Canada, “Implicit Chain Price Indexes, Gross Domestic Product,” Government of Canada, accessed January 16, 2017, www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/econ06-eng.htm. [↑](#footnote-ref-2)
3. The average mine in Canada had a lifespan of between 15 and 20 years. [↑](#footnote-ref-3)
4. IBISWorld, “Iron Ore Mining – Canada Market Research Report,” Canada Industry Report 21221CA, accessed May 15, 2016. [↑](#footnote-ref-4)
5. “XE Currency Charts: USD to CAD,” XE, accessed January 17, 2017, www.xe.com/currencycharts/?from=USD&to=CAD&view=10Y. [↑](#footnote-ref-5)
6. “Distribution of Global Iron Ore Imports in 2016, by Major Country,” Statista, accessed January 17, 2017, www.statista.com/statistics/270008/top-importing-countries-of-iron-ore/. [↑](#footnote-ref-6)
7. “GDP Growth (Annual %),” The World Bank, 2016, accessed January 17, 2017, http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG. [↑](#footnote-ref-7)
8. Ibid; this included gold, silver, copper, nickel, lead, and zinc mining. [↑](#footnote-ref-8)
9. IBISWorld, “Gold & Silver Ore Mining – Canada Market Research Report,” Canada Industry Report 21222CA, accessed May 15, 2016. [↑](#footnote-ref-9)
10. “S&P GSCI Precious Metals,” S&P Dow Jones Indices, accessed May 15, 2016, http://ca.spindices.com/indices/commodities/sp-gsci-precious-metals. [↑](#footnote-ref-10)
11. IBISWorld, “Mineral & Phosphate Mining – Canada Market Research Report,” Canada Industry Report 21239CA, accessed May 25, 2016. [↑](#footnote-ref-11)
12. “Crude Oil: WTI (NYMEX) Price,” Nasdaq, accessed January 1, 2017, www.nasdaq.com/markets/crude-oil.aspx?timeframe=3y. [↑](#footnote-ref-12)
13. Reuters, “At $22, Three Quarters of Oilsands Production Is Underwater and Losing up to $3 on Every Barrel,” *Financial Post*, December 17, 2015, accessed January 17, 2017, http://business.financialpost.com/news/energy/at-22-three-quarters-of-oilsands-producers-are-underwater-and-losing-3-on-every-barrel?\_\_lsa=5ae9-53ea. [↑](#footnote-ref-13)
14. IBISWorld, “Oil Drilling & Gas Extraction – Canada Market Research Report,” Canada Industry Report 21111CA, accessed May 19, 2016. [↑](#footnote-ref-14)
15. An RFP (Request for Proposal) was a document that solicited for the procurement of a product or service typically through a bidding process. [↑](#footnote-ref-15)
16. £ = GBP = British pound. [↑](#footnote-ref-16)
17. Compass Group PLC, *Annual Report 2015*, accessed May 17, 2016, www.compass-group.com/en/investors/annual-reports.category1.year2015.html [↑](#footnote-ref-17)
18. “We Are Compass Group Canada,” Compass Group, accessed January 17, 2017, www.compass-canada.com/Pages/Content.aspx?ItemID=52. [↑](#footnote-ref-18)
19. BBC, “Horsemeat Scandal: Supermarkets ‘Share Anger and Outrage,’” February 15, 2013, accessed January 17, 2017, www.bbc.com/news/uk-21468699. [↑](#footnote-ref-19)
20. Aramark, *Annual Report 2015*, accessed May 17, 2016. http://www.annualreports.com/HostedData/AnnualReportArchive/A/NYSE\_ARMK\_2015.pdf. [↑](#footnote-ref-20)
21. Jonathan Oosting, “Maggots Found near Food in Jackson Prison ‘Unacceptable,’ Says Gov. Snyder,” MLive, July 1, 2014, accessed January 17, 2017, www.mlive.com/lansing-news/index.ssf/2014/07/prison\_food\_safety\_unacceptabl.html; Alan Johnson, “Maggots Found in Food at Two Ohio Prisons,” *The Columbus Dispatch*, July 7, 2014, accessed January 17, 2017, www.dispatch.com/content/stories/local/2014/07/07/prison-food.html#. [↑](#footnote-ref-21)
22. “Michigan Department of Corrections Statement on Aramark Correctional Services,” Michigan Department of Corrections, accessed January 17, 2017, www.michigan.gov/corrections/0,4551,7-119-1441\_26969-335195--,00.html. [↑](#footnote-ref-22)
23. € = EUR = euro. [↑](#footnote-ref-23)
24. Sodexo*, Sodexo Digest: Fiscal 2015*, accessed May 17, 2016, www.sodexo.com/home/media/publications/annual-publications.html. [↑](#footnote-ref-24)
25. James Meikle and Peter Newlands, “Horsemeat Scandal: Schools Caterer Suspends All Frozen Beef Products,” *The Guardian*, February 22, 2013, accessed January 17, 2017, www.theguardian.com/uk/2013/feb/22/horsemeat-scandal-schools-frozen-beef. [↑](#footnote-ref-25)
26. Civeo Corporation, *Inside Civeo: Under the Roof – 2015 Annual Report*, accessed May 17, 2016, http://ir.civeo.com/static-files/5608773d-608b-48f6-ac5d-35ecfbaec8b9. [↑](#footnote-ref-26)
27. Of this charge, $7.50 was for housekeeping. [↑](#footnote-ref-27)
28. Collections were due 30 days after the sale had been completed. [↑](#footnote-ref-28)
29. Ninety per cent was allocated to shipping food supplies to the site. The rest was distributed evenly between housekeeping and janitorial supplies. It would be paid on credit. [↑](#footnote-ref-29)
30. Uniform depreciation was allocated based on the number of employees in each business unit. [↑](#footnote-ref-30)
31. Linens were used exclusively for housekeeping and had an estimated useful life of five years. [↑](#footnote-ref-31)
32. Inventory consisted of food and cleaning supplies and was paid on credit. [↑](#footnote-ref-32)