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Food services contract raises serious questions

The Saskatchewan government's decision to privatize food services in correctional and young offender facilities is not as simple or sweet a deal as promised, says SGEU, after reviewing the government's contract with Compass Group Canada.

"The fine print of this contract raises a lot of questions," says SGEU president Bob Bymoan. "The government is promising savings, but there's a lot of potential for costs to increase."

The contract specifies that if inmate populations fall below set levels, the province must negotiate a per-meal price increase with Compass to make up the company's lost revenue.

"This is the problem with privatization – the private sector's interests come first," says Bymoan. "If our incarceration rate falls, the province should be able to redirect those savings toward other priorities – not see prices jacked up to guarantee a huge corporation's profits."

Compass is also entitled to increase its prices if food costs rise, if the company experiences "product inefficiencies" or "labour inefficiencies" in the contract's first year, or if the province doesn't supply enough inmate labour.

"This deal was supposed to provide stable prices. But what the contract shows is that any unanticipated costs that would eat into Compass' profits will be passed straight on to taxpayers," says Bymoan.

SGEU also questions whether the government has factored the full costs of privatization into its projected savings.

"The government paid consultants to perform the food services review that recommended privatization. It paid the costs of conducting the request for proposals. And now, it will have to pay to monitor Compass and make sure it complies with the contract," says Bymoan. "These are significant expenses that haven't been addressed."

SGEU is calling for the government to make public a detailed breakdown of the costs of food services privatization. If those full costs don't justify privatization, the province should immediately give the one year's notice required to terminate the contract, and resume public control of food services in corrections.

"Too many times, the public has been told 'trust us' when it comes to privatization, and wound up getting burned," Bymoan says. "They deserve to see the full costs of this deal – and if it doesn't add up, to get out of it as quickly as possible."

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