

Per Diem

Are per diem living out allowances (LOA) negatively impacting your project?

PER DIEM RISK COMPARISON

Offering a per diem or living out allowance (LOA) can be a viable option for short, transactional projects where few skilled workers are required. But when your project schedule depends on access to a sizeable workforce traveling into a logistically remote or rural region while ensuring your people are rested and ready for a productive day on the job site, a per diem program can have its shortcomings.

Let's compare the options.

	Per Diem Option	Civeo Lodging Solution
Location	Lodging limited to the nearest populated area, potentially increasing road traffic and commute times.	Lodging installed on or near the project site, minimizing traffic volume and commute times.
Availability	Lodging supply is unpredictable due to volatility of regional demand over time.	Lodging capacity is guaranteed and scalable to labor needs over time.
Price	Hotel rate volatility causes cost uncertainty.	Term-based contracts lock in room rates for cost certainty.
Lifestyle	Unpredictable based on how a worker chooses to spend their per diem.	Curated lifestyle amenities establish a standard that can assist in recruitment/retention efforts.
Safety & Security	Commute-related traffic volume negatively impacts road safety. Also difficult to enforce worker well-being policies off-site.	Reduced road travel risk for employees. Consistent lodge rules and security support worker well-being.
Productivity	Inability to confirm access to services supporting the physical and mental endurance required to perform optimally.	Workers access amenities that optimize sleep, nutrition, and mental health to sustain safety and productivity at the job site.
Consistency	Inability to ensure a baseline standard of living for workers.	Ensures workforce experiences the same standard of lodging and lifestyle amenities.
Worker Convenience	Stresses related to managing travel, lodging, and lifestyle arrangements on their own.	Peace of mind that all travel, lodging, and lifestyle arrangements are managed on their behalf.