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Contract

## **The Employer Pays Principle Feasibility Study, within the Horticulture Value Chain.**

DEPARTMENT OF ENVIRONMENT, FOOD AND RURAL AFFAIRS (Defra Network eTendering Portal)

F03: Contract award notice

Notice identifier: 2024/S 000-039426

Procurement identifier (OCID): ocds-h6vhtk-04a3d7

Published 6 December 2024, 12:58pm

### **Section I: Contracting authority**

#### **I.1) Name and addresses**

DEPARTMENT OF ENVIRONMENT, FOOD AND RURAL AFFAIRS (Defra Network eTendering Portal)

Seacole Building, 2 Marsham Street

London

SW1P 4DF

#### **Contact**

Defra

#### **Email**

[dgcenquiries@defra.gov.uk](mailto:dgcenquiries@defra.gov.uk)

#### **Telephone**

+34 59335577

**Country**

United Kingdom

**Region code**

UK - United Kingdom

**Internet address(es)**

Main address

<https://www.gov.uk/government/organisations/department-for-environment-food-rural-affairs>

Buyer's address

<https://defra-family.force.com/s/Welcome>

**I.2) Information about joint procurement**

The contract is awarded by a central purchasing body

**I.4) Type of the contracting authority**

Ministry or any other national or federal authority

**I.5) Main activity**

Environment

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## Section II: Object

### II.1) Scope of the procurement

#### II.1.1) Title

The Employer Pays Principle Feasibility Study, within the Horticulture Value Chain.

Reference number

C27058

#### II.1.2) Main CPV code

- 73200000 - Research and development consultancy services

#### II.1.3) Type of contract

Services

#### II.1.4) Short description

Background to the specific work area relevant to this purchase

Migrants using the Seasonal Worker visa route are at risk of exploitation as reported in the ICIBI report (e.g. para 3.45) and DLME's UK Labour Market Enforcement Strategy 2022-23 which notes agriculture is a 'high risk sector' for seasonal workers. These risks include debt bondage from costs incurred whilst travelling to and working in the UK and costs incurred in migrants' home countries.

Adoption of the Employer Pays Principle (EPP) has been cited by various organisations such as the Institute for Human Rights and Business (IHRB) and many retailers as potentially important to mitigating these risks. IHRB defines the EPP as “No worker should pay for a job – the costs of recruitment should be borne not by the worker but by the employer.” The definition of recruitment fees and related costs in this project will match those of the International Labour Organization's (ILO) definition, i.e. “any fees or costs incurred in the recruitment process in order for workers to secure employment or placement, regardless of the manner, timing or location of their imposition or collection”. Further itemised definitions of recruitment fees and related costs are included in the ILO General principles and operational guidelines for fair recruitment and Definition of recruitment fees and related costs.

Requirement

The objective is to produce a cost analysis and potential models of implementing the EPP for horticulture seasonal workers and to identify the potential economic and welfare implications.

The project, as specified below, will be processed via an open competition and the

intention is to commence in November 2024 for around six months.

The primary goal of this work is to reduce risk for workers whilst reasonably taking into account considerations such as food security, sustainability of the UK horticulture sector, consumers, etc.

#### Scope

- a) Only the horticulture sector.
- b) Only seasonal workers will be considered.
- c) UK-wide (given workers can transfer between farms in different regions of the UK).
- d) All recruitment fees and related costs as defined in the ILO Definition of Recruitment Fees and Related Costs, including those that are legal for workers to pay such as travel costs, should be considered within the economic modelling of the cost of EPP.
- e) Additional illegitimate, unreasonable and undisclosed costs, also defined in the ILO Definition of Recruitment Fees and Related Costs, should not be factored into the economic modelling except in assessments of potential positive or negative consequences. This is a limitation of the study that needs to be managed through effective due diligence in the implementation phase.

#### **II.1.6) Information about lots**

This contract is divided into lots: No

#### **II.1.7) Total value of the procurement (excluding VAT)**

Value excluding VAT: £134,900

### **II.2) Description**

#### **II.2.2) Additional CPV code(s)**

- 73200000 - Research and development consultancy services

#### **II.2.3) Place of performance**

NUTS codes

- UKI44 - Lewisham and Southwark

#### **II.2.4) Description of the procurement**

Background to the specific work area relevant to this purchase

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## Requirement

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The project, as specified below, will be processed via an open competition and the intention is to commence in November 2024 for around six months.

The primary goal of this work is to reduce risk for workers whilst reasonably taking into account considerations such as food security, sustainability of the UK horticulture sector, consumers, etc.

Desired outputs include:

### 1. Stocktaking Report:

#### Essential

a) End-to-end illustration of how supply chains in the sub-sectors of the horticulture sector that use the most seasonal workers are structured.

#### Desirable

b) High-level analysis of implementation of the EPP in different countries.

c) Identification and mapping of workers’ types of employment per crop.

### 2. Assessment of Costs Report:

#### Essential

a) End-to-end process map of where recruitment costs are incurred by migrant workers, how much and where costs would fall.

#### Desirable

b) This should include an average cost for workers ideally per country with confidence limits, depending on data available.

### 3. Economic modelling of the implications of implementing costs associated with EPP based on:

#### Essential

a) Range of implementation models where costs are shared differentially between different actors within the supply chain.

b) Scenarios of partial versus full application of the EPP.

## Desirable

c) Scenarios of a phased approach to implementation over a period of time.

Economic modelling should include the potential positive or negative implications on:

- i. The horticulture sector from applying the EPP, including the sustainability of the sector or the visa route.
- ii. Impacts on other actors within the supply chain, including the economic impact on competitiveness of the UK horticulture sector vs imports, and wholesalers i.e. hospitality and public procurement.
- iii. The workers' welfare, as a consequence of reducing financial risks faced.
- iv. Risks of illegal fee charging to workers.

4. Assessment of potential operational models by which to implement the costs of EPP based on the options as outlined in part 3

To Note:

The successful bidder will be expected to outline a robust methodology to achieve this which may include conducting, among others:

- Early project scoping including desk-based review of existing data sources and research.
- Kick-off meeting for further input from Defra, the SWS Taskforce and a multistakeholder advisory group to refine project design.
- Confidential interviews with relevant supply chain actors to look at current commercial modelling for recruitment and labour costing at different tiers in the supply chain.
- Confidential interviews with operators of seasonal labour schemes in other countries that implement the EPP.
- Engagement and interviews with wider advisory stakeholders, including worker representative organisations.
- Worker-centred interviews with a broad range of migrant workers from different countries represented in the analysis.
- Regular engagement and reporting to the multi-stakeholder advisory group at key project milestones.
- Consultation with devolved governments to understand the implications for them of applying the EPP to the UK's horticulture sector.

## Scope

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- b) Only seasonal workers will be considered.
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- d) All recruitment fees and related costs as defined in the ILO Definition of Recruitment Fees and Related Costs, including those that are legal for workers to pay such as travel costs, should be considered within the economic modelling of the cost of EPP.
- e) Additional illegitimate, unreasonable and undisclosed costs, also defined in the ILO Definition of Recruitment Fees and Related Costs, should not be factored into the economic modelling except in assessments of potential positive or negative consequences. This is a limitation of the study that needs to be managed through

effective due diligence in the implementation phase.

#### **II.2.5) Award criteria**

Quality criterion - Name: Technical / Weighting: 70

Cost criterion - Name: Cost / Weighting: 30

#### **II.2.11) Information about options**

Options: No

#### **II.2.13) Information about European Union Funds**

The procurement is related to a project and/or programme financed by European Union funds: No

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## **Section IV. Procedure**

### **IV.1) Description**

#### **IV.1.1) Type of procedure**

Open procedure

#### **IV.1.8) Information about the Government Procurement Agreement (GPA)**

The procurement is covered by the Government Procurement Agreement: No

### **IV.2) Administrative information**

#### **IV.2.1) Previous publication concerning this procedure**

Notice number: [2024/S 000-031076](#)

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## **Section V. Award of contract**

A contract/lot is awarded: Yes

### **V.2) Award of contract**

#### **V.2.1) Date of conclusion of the contract**

5 December 2024

#### **V.2.2) Information about tenders**

Number of tenders received: 1

The contract has been awarded to a group of economic operators: No

#### **V.2.3) Name and address of the contractor**

Alma Economics

43 Tanner Street

London

SE1 3PL

Telephone

+44 2081333192

Country

United Kingdom

NUTS code

- UKI44 - Lewisham and Southwark

National registration number

09391354

Internet address

<https://www.almaeconomics.com/>



The contractor is an SME

Yes

#### **V.2.4) Information on value of contract/lot (excluding VAT)**

Initial estimated total value of the contract/lot: £134,900

Total value of the contract/lot: £134,900

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## **Section VI. Complementary information**

### **VI.4) Procedures for review**

#### **VI.4.1) Review body**

DEPARTMENT OF ENVIRONMENT, FOOD AND RURAL AFFAIRS (Defra Network eTendering Portal)

Seacole Building, 2 Marsham Street

London

SW1P 4DF

Country

United Kingdom

Internet address

<https://www.gov.uk/government/organisations/department-for-environment-food-rural-affairs>