

SSRO

Single Source
Regulations Office

User Guide for Quarterly Contract Reports

Introduction

1. Introduction

- 1.1 This document is issued by the Single Source Regulations Office (SSRO) and sets out guidance to assist contractors with statutory reporting requirements for qualifying defence contracts and qualifying sub-contracts.
- 1.2 Statutory reporting requirements are set out in the Defence Reform Act 2014 (the “Act”) and the Single Source Contract Regulations 2014 (the “Regulations”).
- 1.3 Regulation 26 defines the need to provide a quarterly contract reports for the qualifying defence contract.
- 1.4 No report is required for a contract if the value of the contract is less than £50,000,000.

2. Reporting Timeline

- 2.1 The Quarterly Contract Report is required within one month of the end of the calendar quarter from the initial reporting date until the contract completion date.
- 2.2 No report is required for the calendar quarter in which the initial reporting date falls.
- 2.3 No report is required for the calendar quarter in which the contract completion date falls.

3. General Guidance for completing report templates

- 3.1 Ensure macros are enabled within Excel for use of the reporting templates¹
- 3.2 On each worksheet **HOME** will redirect you to the home worksheet.
- 3.3 The home worksheet contains the requirements of the reporting template and contains links to each worksheet within the template.
- 3.4 If applicable, the “View all worksheets” cell on the home worksheet will reveal a list of all the reports that are to be completed in that template. Select the appropriate report from the drop down list.
- 3.5 Where applicable, in the top left corner of each worksheet, there will be an option to select only cells which are ‘used’ rather than ‘all cells’.
- 3.6 On each worksheet you will find:

Grey cells	Contain headings
Blue cells	Contain section headings

¹ <https://support.office.com/en-au/article/Enable-or-disable-macros-in-Office-documents-7b4fdd2e-174f-47e2-9611-9efe4f860b12?CorrelationId=2a985251-830b-49db-8389-a112e9b34a14&ui=en-US&rs=en-AU&ad=AU#bm2>

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White cells	Contain instructions
Yellow cells	Are data entry cells and are the only cells into which you input data Select correct option, or input numbers, or monetary amounts (£).
Orange cells	Contain help, definitions or notes to aid completion
Green cells	Indicate when a cell has been completed and passed validation test

3.7 The content of each cell is in the following format:

- (1) Choice List – select the appropriate answer from the drop down list
- (2) Free text – text/numbers
- (3) Date – follow the date format specified
- (4) Number – provide the number rounded to the number of decimal places specified.

3.8 Each worksheet has a sequential number. Where possible, complete worksheets in the prescribed order, with the exception of 01.02 under Report Submission Admin. Some worksheets will drive calculations in subsequent worksheets. This guidance follows the order contained within the templates and as specified in the Regulations.

3.9 **All financial information to be provided in GBP millions unless stated otherwise.**

3.10 Complete all the required information on the template before submission.

3.11 Where references have been given to cells in the reporting templates, those references will be used in the user guide.

3.12 If you encounter any problems, or have any questions regarding the report templates or user guides, contact helpdesk@singlesourceregulationoffice.gov.uk (email address to be set up).

4. User Guide

01. Report Submission Admin

This worksheet shows the basic information required to be submitted for the contract, including relevant dates, individuals, and other general information or comments relating to the contract, as required under Regulations 22(2) and 22(3).

01.01 - Dates

01.01 As prompted, complete in the box the date by which the report is required. Input the date in the format dd/mm/yyyy. Insert any comments relating to the deadline date in the free text comments box.

01.02 Before submitting the report complete the box for the date the report was submitted to MOD and SSRO. If you have any comments relating to the submission date input them in the free text comments box.

01.02 - Individuals

02.01 Insert the name, position, phone number and email address of the individual submitting the report.

02.02 Also include the contact details for the individual to be notified if there are any compliance issues with the submitted report. As above include, name, position, phone number and email address for the individual.

01.03 - Other

03.01 Any other comments relating to the report not already mentioned in the dates section is to be inserted in the comments text box.

02. Contract Reporting Plan

01.01 Basic parameters plan depends upon

01.01 As prompted, include the contract start date

01.02 As prompted, include the contract end date.

01.03 Include the contract value.

01.04 This is a general information requirement for contract reporting purposes. This will identify if the contract value meets the threshold for a quarterly contract report.

02.02 Mandated and Additional Agreed Reporting Dates

Included in this section of the templates are the required reporting dates for all types of contract reports.

The report will detail the required date for each quarterly contract report until contract completion, for each financial year.

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This section allows the agreed dates of the on-demand contract reports, to be included in the contract reporting plan.

- 02.01 Include the agreed date when the additional reports become due and the relevant financial year to which the report relates.
- 02.02 Include the date the report is submitted and the relevant financial year to which the report relates.

03. Supplier

Under Regulation 22 (3) it is a requirement that the quarterly contract report submitted by a contractor, which is a registered company, must contain information detailed below.

03 – Contracting Company – Basic Reference Date

- 03.01 As prompted, include the registered name of the company.
- 03.02 Include the company number of the contractor.
- 03.03 Include the trading name of the company if that is different from the registered name.
- 03.04 Include the registered address – start with name/number & Street/Road
- 03.05 Include town/city of the company's registered address.
- 03.06 Include the county/region of the company's registered address.
- 03.07 Include the country of the company's registered address.
- 03.08 Include the post code or zip code of the company's registered address.
- 03.09 Indicate whether the company is a SME by choosing SME / not SME from the drop down.
- 03.10 Include the date of the last day of the most recently completed financial year for the company. This date must be expressed in the format dd/mm/yy. State the name of registered name of any immediate parent undertaking of the company.
- 03.11 State the registered company number of the immediate parent undertaking of the company.
- 03.12 Include the registered address of the immediate parent company.
- 03.13 Include any additional immediate parent companies' name, registration number and address in the lines provided.
- 03.14 Provide any other relevant information relating to the information included above.

04 Contracts

Regulations 22(2)(d) – (l) require that all reports under Part 5 of the Regulations contain certain information on the contract, including the regulated pricing method(s) used, and any business unit in relation to which a cost recovery rate has been used in determining the price payable under the contract. For further details, please see Regulation 22(2)(d)-(l).

01 - Basic Parameters

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- 01.01 Enter the contract title in the value box and make sure it aligns with the title on face of the contract document.
- 01.02 Enter a brief description of the goods, works or services that are to be provided under the contract.
- 01.03 Enter the unique identifying number you have allocated to the contract.
- 01.04 Enter the unique identifying number allocated to the contract by the Secretary of State.
- 01.05 The contract start date auto populates from your previous input.
- 01.06 The contract completion date auto populates from your previous input.
- 01.07 Enter the date of the most recent amendment which affects the price payable under the contract, if applicable.
- 01.08 Enter the identifying number you have allocated to the amendment.
- 01.09 Enter the identifying number the MOD has allocated to the amendment.

02 – Pricing Analysis – Currencies and Commercial Constructs

- 02.01 Input the price breakdown in £ millions to three decimal places resulting from each regulated pricing method. Use the appropriate contract currency for each pricing method.

03 – Business Unit Involvement

- 03.01 Include any business unit in relation to which a cost recovery rate has been used in determining the price payable under the contract. Include the name of each business unit in the value section.

08. Price

In accordance with Regulation 26 (6) (a), the quarterly contract report requires an annual profile of the following matters which have been, or are expected to be, part of the contract price. These items have been included in this section and detailed below.

In this section all financials are to be stated in GBP (Million) to 1 decimal point unless stated otherwise.

01 Summary Analysis of price

An annual profile of each of the following is required. The subtotal planned costs of components will be auto populated based on the completion of section 02 below. The subtotal cost, the total contract price (excluding incentive adjustment) and the total contract price (including incentive adjustment) will also be auto populated.

- 1) For each financial year, include the any risk contingency included in the allowable costs.
- 2) For each financial year include the planned amount of profit (excluding incentive adjustment). The incentive adjustment is any amount resulting from an adjustment under step 5 of Regulation 11.

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- 3) For each financial year include any additional profit arising from the incentive adjustment, if met. This is the maximum amount of profit resulting from an adjustment determined under step 5 of regulation 11.
- 4) In column AP include the amount that has not been included in the annual profile, for each of the above 3 requirements.
- 5) Include any additional comments.

02 QCR Template Only – Analysis of Costs by Supplier’s Own Reporting Structure (as used for internal contract management)

Regulation 26 (6) (b) requires an annual profile of any estimated costs (split by the contractor reporting structure) at the time of agreement is provided.

This is to be the suppliers own reporting structure used for internal contract management.

09. Actual-Forecast

In accordance with Regulation 26 (6) (c), the quarterly contract report requires an annual profile of the following matters which reflect the costs already incurred and the forecast costs which are expected to be incurred, indicating for each year whether those costs have been incurred, are forecast, or a combination of both.

These items have been included in this section and detailed below.

In this section all financials are stated in GBP (Million) to one decimal point unless stated otherwise.

01 Summary Analysis of price

An annual profile of each of the following is required. The subtotal planned costs of components will be auto populated based on the completion of section 02 below. The subtotal cost, the total contract price (excluding incentive adjustment) and the total contract price (including incentive adjustment) will also be auto populated.

Under the data status flag, for each financial year, select whether the cost is a final actual cost, provisional actual cost, a forecast cost or a combination of forecast and actual costs

- 1) For each financial year, include the any risk contingency element for current/future year only
- 2) For each financial year include the planned amount of profit (excluding incentive adjustment). The incentive adjustment is any amount resulting from an adjustment under step 5 of Regulation 11.
- 3) For each financial year include any additional profit arising from the incentive adjustment, if met. This is the maximum amount of profit resulting from an adjustment determined under step 5 of regulation 11.
- 4) In column AP include the amount that has not been included in the annual profile, for each of the above 3 requirements.
- 5) Include any additional comments.

02 QCR Template Only – Analysis of Costs by Supplier’s Own Reporting Structure (as used for internal contract management)

Regulation 26 (6) (d) requires an annual profile of the costs already incurred and the forecast costs which are expected to be incurred, split by the contractor reporting structure and indication for each year whether those costs have been incurred, are forecast or a combination of both.

The suppliers reporting structure must be the suppliers own reporting structure used for internal contract management.

10. Quarterly Analysis of Actuals/Forecasts

Regulation 26 (6) (e) requires a breakdown of costs already incurred and the forecast costs by reference to the calendar quarters of each of:

- The financial year in which the calendar quarter to which the report relates falls
- The previous financial year
- The next financial year

These costs are to be split by the contractor’s reporting structure. This is the breakdown of contract costs into categories used by the contractor for its own internal contract management purposes.

- 1) In column T8 and T9, select the Government financial year and calendar quarter. The relevant quarter will be highlighted in orange.
- 2) Under the cost data, for each relevant financial years, select whether the cost is a final actual cost, provisional actual cost, a forecast cost or a combination of forecast and actual costs
- 3) Provide, using the contractors reporting structure, the breakdown of actual and forecast costs for the previous year, the current year and next year.

11. Variance Analysis and Commentary

Regulation 26 (6) (f) requires a quantified analysis of the causes of variance (explaining not less than 90% of the total variance) between any estimated cost used to determine the contract price and the actual and forecast costs

- 1) Provide a brief description of all material reasons for variance in forecast total cost to completion. The reasons must be recognisable and understandable by the SSRO and MOD.
- 2) Provide the quantitative amount of variance in £m (to 1 decimal point)
- 3) The worksheet will calculate the % of total variance and the % of planned cost

12. Risk

Regulation 26 (6) (h) requires a description of any event that has occurred, or circumstances which have arisen, since the contract was entered into, that have had or are likely to have a material effect in relation to the contract.

- 1) As prompted, include a name/title for each risk/opportunity.
- 2) Include a list of all risks/opportunity along with a brief description
- 3) Include whether the event or circumstances are covered by any contingency element of the contract price. Select from the drop down list if this item is allowed for in priced risk contingency.
- 4) State the anticipated cost/saving to date to 3 decimal points GBP £m. This should be the forecast effect that the event or circumstance will have on forecast cost which it is expected will be incurred.
- 5) State the total costs saving to 3 decimal points GBP £m. This should be the effect that the event or circumstances have had on the costs already incurred.
- 6) Include the date this was recognised. This should be the date on which the contract or became aware of the event or circumstances.
- 7) Provide any other comments. Include the currency used if it is not sterling.

14. Final Payments

The quarterly contract report must also contain, in accordance with Regulation 26 (6) (g), a forecast TCIF adjustment or any final price adjustment (regulation 16) which the contractor expects will be made.

- 1) Where applicable, or each final payment type: final price adjustments, protection from excess profits or losses, TCIF, incentive adjustment or other KPI, select the currency in which the adjustment will be made.
- 2) Enter the amount of adjustment. Positive if due to industry, or negative if due to MOD
- 3) Add any comments as required.

15. Contract Delivery Milestones

The quarterly contract report must also contain, in accordance with Regulation 26 (6) (i), a list of all delivery milestones set out in the contract. Where the contract sets an expected date for a delivery milestone to be completed, include that date.

- 1) Include the milestone short name and milestone description.
- 2) Include the contracted target date as well as the actual or forecast completion date. Dates must be provided in the format dd/mm/yyyy.

- 3) Provide any additional comments as required. Additional comments are to be used to explain any material date variance.

16. Sub-contracts

The quarterly contract report must also contain, in accordance with Regulation 26 (6) (j) and (k), a description of actual or intended sub-contracts which the primary contractor has entered into, or intends to enter into, for the purpose of enabling it to perform its obligations under the qualifying defence contract (including the total proportion of the value of the qualifying defence contract which the primary contractor expects to sub-contract)

Each qualifying sub-contract required in this section must have a value not less than £1m (or if there are more than 20 such sub-contracts, each of the 20 which have or are expected to have the highest value)

01 - General description of use of sub-contracts

As noted above, in this section, include a description of actual or intended sub-contracts which the primary contractor has entered into, or intends to enter into, for the purpose of enabling it to perform its obligations under the qualifying defence contract.

02 – Sub-contracts entered into or expected.

- 1) For each sub-contract which meets the criteria detailed above, include the name of the sub-contractor.
- 2) If the sub-contractor is a registered company, include the registered name, company number and the address of its registered office.
- 3) Select from the drop down list, if the sub-contractor is associated with the primary contractor or not
- 4) Select from the dropdown list of the sub-contractor is an SME or not
- 5) In the free text box, provide a brief description of the goods, works or services that will be provided under the sub-contract.
- 6) Enter the date the sub-contract was, or is expected to be, entered into. Enter the date in the format dd/mm/yy.
- 7) Enter the contract completion date, or expected completion date. Enter the date in the format dd/mm/yy.
- 8) Enter the sub-contract currency (this is not a requirement of the Regulations)
- 9) Enter the actual (or estimated) price payable under the sub-contract in £m to 3 decimal points
- 10) Select form the dropdown list if the contract has been assessed as a qualifying sub-contract. This is the assessment made under Regulation 61(1) or (4). Enter Yes, No, or not yet assessed.