

SSRO

Single Source
Regulations Office

Appendix 3 – Contract Completion Report guidance

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1. Chapter 8 – Completion of a contract (Contract Completion Report)

- 1.1 Before completing the Contract Completion Report (CCR) for the first time, contractors should familiarise themselves with Regulation 22 (General Requirements) and Regulation 28 (Contract Completion Report). Contractors should also read and familiarise themselves with paragraphs 1.3 and 1.4, which deals with auto-population of the CCR.
- 1.2 A CCR must be submitted within six months after the contract completion date of the qualifying defence contract. Regulation 4 specifies that the 'contract completion date' is:
 - (a) the date described in the contract as the contract completion date; or
 - (b) if no such date is described in the contract, the date on which the contractor completes all obligations which entitle it to final payment under the contract;
 - (c) if the contract is terminated before the date described in subparagraphs (a) or (b), the date on which the contract is terminated.
- 1.3 DefCARS seeks to facilitate the submission of CCRs by auto-populating the relevant data from the information provided in the latest submitted Interim Contract Report (ICR) or Quarterly Contract Report (QCR). The data auto-populated will vary depending on whether the most recent report was an ICR or a QCR, as those reports contain different information. The QCR does not require information on key deliverables, payments or cost recovery bases and does not require costs to be reported by DPS structure.
- 1.4 The contractor must review all fields which have been auto-populated, making relevant amendments or updates to the information to ensure that it is accurate for that submission. In the remainder of this section we explain which parts of the report are auto-populated.

Report Home Page

- 1.5 The Report Home page is similar to the Report Home page in other reports. For guidance see section 5 of this document (Contract Initiation Report).

Supplier

- 1.6 The supplier details are auto-populated from master data previously entered by the contractor in the Contract Administration page of DefCARS. The contractor should check the data which is auto-populated in the Supplier page for accuracy. The supplier details fields in the CCR are not read-only and can be amended in the report.
- 1.7 The individual completing the report should discuss any changes they make to supplier details in the CCR with their Administration User. This is so that the Administration User can make the same changes to the master data record to keep both sets of data consistent. The contractor's Administration User will have access to the master data and can update this record in the Contract Administration page at any time.

Report Submission Administration

- 1.8 The contact details of contractor and MOD staff involved in the contract are shown on this page and are auto-populated from the latest contract report submitted prior to the CCR and should be checked for accuracy. If there has been a change in staff from those identified in an earlier report, then the new staff details should be reported.
- 1.9 The contractor must enter the date the report is due in the 'Date this report is due' field. This date should be the same as the CCR due date that was auto-calculated by DefCARS within

the Contract Reporting Plan (CRP) unless the completion date has since changed and has not been reflected in an update to the CRP (see paragraph 1.12). If a different date is entered without explanation, then this is likely to result in a query from the SSRO or the MOD. DefCARS will automatically record the date that the report is submitted as well as the details of the individual that submitted the report.

Contract

- 1.10 All contract details are auto-populated from the latest previously submitted report and should be checked for accuracy. Details should be updated where necessary and guidance relating to some specific fields on the contract page is explained in paragraphs 1.11 – 1.13.
- 1.11 The 'Date contract became a QDC/QSC' field is populated by DefCARS in the initial reports and carried forward in future reports. The date is read-only in the CCR and cannot be changed in this report. If the contractor considers this data to be incorrect, they should contact the SSRO to discuss how this should be reflected in the report.
- 1.12 If the contract has not completed (see paragraph 1.2), then the CCR is not due. The Contract page includes the Contract Completion Date, which is auto-populated by DefCARS from the latest submitted report. The contractor should ensure that the Contract Completion Date is correct. If the Contract Completion Date has changed from the auto-populated date, DefCARS provides the facility to amend the Contract Completion Date in the CCR but the Reporting Plan will not be updated to reflect this. The contractor may amend the Reporting Plan, either where they have received a written direction from the MOD to submit an on-demand CRP or where they have agreed to do this by agreement, with a new Contract Completion Date and add the due dates of any new reports resulting from this change. To amend the Reporting Plan, the contractor can select the 'On-Demand Report' option in the CIR and update this information in the Reporting Plan page.
- 1.13 The contractor should update the 'Latest Pricing Amendment' fields if there has been an amendment during the reporting period (between the last submitted report and the completion of the contract) which resulted in a change to the contract price. If there has been more than one amendment during the period covered by the report, contractors should enter details for the latest time of agreement.

Pricing Method Breakdown

- 1.14 Information on this page is auto-populated from the latest previously submitted report and the contractor should check this for accuracy. A pricing amendment may mean that the contract price has changed. Where this is the case, the contract price should be allocated to the relevant pricing methods which now apply to the contract if the amount of the price resulting from each method is known. If the price associated with each pricing method is unknown, this should be explained using the comments functionality. The contractor should ensure that the price reflected on this page matches that reported on the Contract page.

DPS Inputs (Total Allowable Costs, excluding risk contingency, at the latest time of agreement)

- 1.15 If the latest submitted contract report is an ICR, then the DPS lines will be carried forward from this report into the CCR. If the last submitted report is a QCR, as the QCR does not contain information on the DPS, no information will be populated on this page. In this case, the contractor should select the DPS lines provided at the time of completing the CRP or the last ICR.
- 1.16 The contractor should not change the DPS lines from those previously reported unless there is a clear reason to do so, as it is important to maintain comparability. A situation in which the

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contractor may need to add DPS lines is where there has been an amendment that changes the requirement in some way. The contractor can add the new lines in DefCARS by ticking the required lines on this page. Any change in DPS should be agreed with the MOD before being reported.

- 1.17 If the DPS originally submitted in the CRP and/or ICR was incorrect, then the DPS in the CCR may be corrected in one of two ways depending on which report the contractor last submitted:
- If the DPS has been auto-populated from the most recent ICR, the CRP should be corrected and re-submitted to amend the DPS before the CCR is started so that the changes will flow through to the CCR.
 - If the last submission was a QCR there will be no DPS structure auto-populated in the CCR, this structure should be added in the CCR by the contractor.
- 1.18 There is more detailed guidance on the DPS in Section 5 (Contract Initiation Report).

DPS Input Values (Total Allowable Costs, excluding risk contingency, at the latest time of agreement)

- 1.19 The contractor is required by Regulation 28(2)(d)-(e) to provide an annual profile of estimated costs split by DPS, including the total amount of those costs which are non-recurring. This page is intended to assist contractors to provide the required annual profile of costs.
- 1.20 The information on this page is auto-populated from the latest previously submitted contract report if this was an ICR. If the latest previously submitted report is a QCR then this page will be blank in the CCR due to the QCR not containing DPS information and should be completed. The contractor should check any auto-populated information for accuracy.
- 1.21 The page will display the DPS lines which have been selected on the DPS Inputs page. Those cells which require costs to be entered will be white. Grey cells are calculated and will auto-populate based on data entered in the white cells. Costs should be entered in £ million to three decimal places.
- 1.22 When there has been a pricing amendment since the latest previously submitted report, the analysis needs to be updated to reflect the estimate of Allowable Costs excluding risk contingency at the latest time of agreement. The latest time of agreement will either be when the contract was entered into or the date it was amended (if the contract became a QDC by amendment), or the date of the most recent price re-determination following a pricing amendment.
- 1.23 DefCARS does not facilitate, via standard fields, the reporting of an annual profile for any years prior to the contract becoming a QDC or QSC. In circumstances where there are costs prior to the date a contract became a QDC or QSC (see definition in last sentence of paragraph 1.22) then the contractor should:
- add the costs as total amounts in the 'not profiled' column; and
 - provide a supporting spreadsheet setting out the annual profile for the earlier period.
- 1.24 The not-profiled amounts can be reported by DPS line or through the addition of an 'Other' line on the DPS Input page. The contractor should also reflect in the final column any of the total amount which is non-recurring expenditure included in the Allowable Costs. The sum of each column will be displayed in the top row as the cost lines are populated.

Summary Analysis of Price (price at the latest time of agreement)

- 1.25 The contractor is required by Regulation 28(2)(c)(i), (iii) and (v) to provide information about the contract price. This page enables the contractor to provide the required information about any risk contingency element included in the Allowable Costs, the maximum profit that could have resulted from the incentive adjustment and the planned amount of profit, excluding the incentive adjustment.
- 1.26 The contractor should check that the information included on this page, carried forward from the last submitted report, summarises the contract price at the latest time of agreement (which may have moved forward in time due to a pricing amendment). The price may be the original price reported in the Contract Pricing Statement or, in the event that there has been one or multiple pricing amendments during the reporting period which has resulted in a change to the contract price, the latest agreed price.
- 1.27 DefCARS will auto-populate some of the information on this page but the contractor should check all data for accuracy. The contractor should note the following:
- The data status flags on this page are set to Priced Estimate.
 - The 'Cost breakdown by DPS line' (profiled on the previous page) is auto-populated from the information provided on the DPS Input Values page.
 - The risk contingency element and profit (including and excluding any incentive adjustment) will be auto-populated from the latest previously submitted QCR or ICR. The contractor will need to check that the amounts are correct and make any necessary amendments. Changes should only be made if there has been a pricing amendment.
- 1.28 If an annual profile was included in a previous report, the contractor should continue to report annually. Totals by financial year and by line should be checked by the contractor to ensure they are correct. Figures should be entered in £ millions, to three decimal places. The guidance in Table xx provides guidance on how to provide this price breakdown.

Table xx – Summary Analysis of Price data input

Data required	Guidance
Cost breakdown by Defined Pricing Structure	The Allowable Costs (excluding risk contingency) profile will be auto-populated based on data entered on the DPS Input Values page. This will be shown in £ millions to three decimal places. The contractor should ensure that each annual amount and the total are correct.
Risk / Contingency Element within the Allowable Costs	The contractor is required by Regulation 28(2)(c)(i) to provide an annual profile of risk contingency included in the Allowable Costs within the latest agreed contract price. The contractor can provide the annual profile on this page. The profile can be entered by selecting the green icon and deleted by selecting the red icon. If the contractor believes it is not possible to express the risk contingency in an annual profile, the contractor must provide the total amount of the risk contingency. The contractor can enter this amount in the 'not profiled' column. The total risk contingency element and the percentage of total cost will be calculated by DefCARS. This should be entered in £ millions to three decimal places.
Subtotal Cost	This total Allowable Costs is calculated by DefCARS from the two cost rows at the top of the table. The contractor should check that this line agrees to the total Allowable Costs in the latest agreed contract price.
Price (excluding incentive adjustment)	The contractor is required by Regulation 28(2)(c)(v) to provide an annual profile of planned amounts of profit (excluding the maximum amount due to any incentive adjustment (Step 5) included in the contract profit rate) or if this is not possible the total amount (in the 'not profiled' column) included within the latest agreed contract price. The total and the percentage of total profit excluding Step 5 will be calculated by DefCARS. The profile can be entered by selecting the green icon and deleted by selecting the red icon. This should be entered in £ millions to three decimal places.
Total Contract Price (excluding incentive adjustment)	The total contract price (excluding profit arising from an incentive adjustment) is calculated by DefCARS based on the figures reported in the third and fourth rows of the table.

Data required	Guidance
Maximum Profit arising from Incentive Adjustment	The contractor is required by Regulation 28(2)(c)(iii) to provide the annual profile of the maximum profit that could have resulted from the incentive adjustment included in the contract profit rate or if this is not possible the total amount (in the 'not profiled' column). In either case, the amounts entered should be in £ millions to three decimal places. The profile can be entered by selecting the green icon and deleted by selecting the red icon. The approach should be consistent for the risk contingency and the planned profit. If there is no incentive adjustment, then the contractor should confirm this by entering a '0' value in each year. If an incentive adjustment was reported in the Contract Pricing Statement, this row should not total to zero. The total amount of incentive adjustment and the percentage of total cost that may arise from an incentive adjustment will be calculated by DefCARS.
Total Contract Price (including incentive adjustment)	The total contract price is calculated by DefCARS based on the figures entered in the table. Contractors should check that this line agrees to the total latest agreed contract price and corresponds to the contract price entered on the Contract page. By selecting 'Save' and 'Validate' on this page the contractor will be able to determine if the figures agree.
Commentary on the above section	The contractor is asked to provide any additional comments relating to the price summary (using the blue edit icon) which are relevant and might be useful to the SSRO or the MOD. This should include explanatory comments relating to changes in the price in comparison to the last report submitted.
Once these details are complete, please select 'Save' then 'Validate', before moving on to the next page.	

Actual & Forecast DPS Input Values (Actual Allowable Costs excluding risk contingency)

- 1.29 The contractor is required by Regulation 28(2)(g) to report an annual profile of the actual costs (split by the defined pricing structure). Regulation 22(6) allows a contractor, where they are reporting actual costs, to report up to 5 per cent of the costs as estimates and where greater than 5 per cent are estimated to provide an explanation of why this is. If non-recurring expenditure was included in the DPS Input Values page, it should also be included in this analysis.
- 1.30 The same DPS lines selected on the DPS Input Values page will appear on this page. If the latest previously submitted contract report is an ICR, any final actual costs previously reported will be auto-populated within the relevant year. These costs should be checked for accuracy.
- 1.31 For each financial year, the contractor must indicate whether the Allowable Costs have been incurred, are forecast, or a combination of both by using the drop-down menu at the top of

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the table to update the cost status. Table xx shows how these terms in the Regulations map to the cost categories in DefCARS.

Table xx – Cost categorisation

Terms used in the Regulations	DefCARS cost category	Guidance
Allowable Costs which have been incurred	Final Actual	The contractor considers the costs to be final actual costs that will not change (for example, where cost recovery rates have been agreed with the MOD).
	Provisional Actual	The contractor considers the costs to be provisional actual costs (for example, where cost recovery rates are to be agreed with the MOD and therefore may be subject to change).
Allowable Costs which are a combination of incurred and forecast	Actual and Forecast	A combination of forecast and actual costs which may be relevant to ICRs where the contractor is reporting mid-financial year (for example, a CCR reported as at the end of September may consider costs in Q1 to be actual (provisional or final) and Q2 are still forecast as they have not been finalised).
Allowable Costs which are forecast	Forecast	Costs which are forecast (in other words, costs which are still estimates).

- 1.32 If a contract became a QDC on amendment, there may have been costs prior to the amendment. These are sometimes referred to as ‘sunk’ costs. In these circumstances, the contractor should provide an annual profile of these sunk costs in a separate spreadsheet (if these were not attached to a previous report or page) and include the total of these types of costs in the ‘not profiled’ column provided in DefCARS along with any supporting comments. The sunk costs need to be included in the ‘DPS Input Values’ (estimated Allowable Costs excluding risk contingency) and the ‘Actual and Forecast DPS Input Values’ (actual Allowable Costs excluding risk contingency) so that a meaningful comparison between the two cost breakdowns can be made in order to determine variances.
- 1.33 Paragraphs 1.15 – 1.17 explain how to add lines to the DPS used in the CCR and state that changes to the DPS should be agreed with the MOD. If new DPS lines were not required in the breakdown on the DPS Input Values page but are required on the Actual and Forecast Analysis DPS Input Values page, then the contractor should add these in the DPS Input page and enter a ‘0’ value in each column of the new row in the DPS Input Values page. These new lines will then be carried forward to the Actual & Forecast Analysis DPS Input Values page where an annual profile against the amended structure can be provided.

Actual & Forecast Price Summary

- 1.34 This page should detail the price that the contractor expects to be paid for delivering the contract. The actual Allowable Costs from the previous page will be auto-populated in the 'Total Actual & Forecast Allowable Costs by DPS' row of this profile. The cost categories at the top of the page (see Table xx) will be pre-populated from the Actual & Forecast DPS Input Values page. The contractor should check this information for accuracy.
- 1.35 The contractor should provide an annual profile of any actual risk contingency included in the total Allowable Costs and actual profit across the contractual years. This profile is not auto-populated from previous reports.
- 1.36 If the contractor is of the view that an annual profile of any actual risk contingency cannot be provided, then a total amount can be reported in the 'not profiled' column. If it has been possible to provide an annual profile of this on the Summary Analysis of Price page, then the contractor should provide an annual profile on this page. Contractors should check the year and line totals are correct and match the expected contract price. The guidance in Table xx assumes that an annual profile can be provided.

Table xx – Actual and Forecast Price Summary data input

Data required	Guidance
Cost breakdown by Defined Pricing Structure	The actual and estimated Allowable Costs (excluding risk contingency) profile will be auto-populated based on data entered on the Actual & Forecast DPS Input Values. This will be shown in £ millions to three decimal places. The contractor should check to ensure that the profile accurately reflects their latest estimate of the actual Allowable Costs (excluding risk contingency) to deliver the contract to completion.
Risk / Contingency Element within the Allowable Costs	<p>The contractor is required by Regulation 28(2)(c)(ii) to provide the annual profile of any actual risk contingency element or, if this is not possible, the total amount. If there has been an increase in the risk contingency element of the Allowable Costs or if expected risk contingency included in the agreed price has not been utilised the contractor may wish to explain the reasons for this. The total and the percentage of total cost will be calculated by DefCARS.</p> <p>Annual profiles are added by clicking the green icon to the left of the row description. Clicking the green icon will bring up the 'Update Price Summary Value' window where the annual profiles can be entered in the fields provided and then saved by clicking the 'Update' button at the bottom of the window. Profiles can be deleted by selecting the red cross icon. Annual profiles should be entered in £ millions to three decimal places.</p>

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Data required	Guidance
Subtotal Cost	The actual Allowable Costs are calculated by DefCARS from the two cost rows at the top of the table. The contractor should check that this is the total actual Allowable Costs as at the reporting date.
Profit (excluding incentive adjustment)	The contractor is required by Regulation 28(2)(c)(vi) to provide the annual profile of the actual amount of profit (excluding the amount due to any incentive adjustment (Step 5)) within the contract price or, if this is not possible, to report this as a total amount in the 'not profiled' column. Total profit and the percentage of total cost excluding any incentive adjustment will be calculated by DefCARS from the data entered by the contractor and should be checked. The profile can be entered by selecting the green icon and deleted by selecting the red icon. This should be entered in £ millions to three decimal places.
Total Contract Price (excluding incentive adjustment)	The total contract price (excluding any profit for an incentive adjustment) is calculated by DefCARS based on the third and fourth rows in the table.
Expected maximum profit arising from incentive adjustment	The contractor is required by Regulation 28(2)(c)(iv) to provide the annual profile of the actual incentive adjustment (Step 5) within the contract price or, if this is not possible, report this as a total amount in the 'not profiled' column. This total and the percentage of total cost that may arise from an incentive adjustment will be calculated by DefCARS. The profile can be entered by selecting the green icon and deleted by selecting the red icon. This should be entered in £ millions to three decimal places.
Total Contract Price (including incentive adjustment)	The total contract price is calculated by DefCARS from the figures in the table. Contractors should check that this line agrees to the total contract price by year and in total.
Commentary on the above section	If the contractor considers there is information not captured in the DefCARS fields on this page which they wish to provide then they can click on the blue icon and complete the comments box.
Once these details are complete, select 'Save' then 'Validate', before moving on to the next page.	

Variance, events and circumstances

- 1.37 Regulation 28(2)(i) requires contractors to report a quantified analysis of the causes of variance between any estimated costs used to determine the contract price and the total actual and forecast costs. The forecast costs are expected to be estimates of the actual Allowable Costs. Forecast costs will be costs expected to be incurred, whereas actual

Allowable Costs will be those already incurred. The analysis must explain not less than 90 percent of the total variance. DefCARS will calculate the variance and provides the facility for the contractor to add lines to explain the causes of variance. The contractor should ensure the calculated variance is correct. The contractor should complete sufficient individual lines to meet the requirement to explain 90 per cent of the total variance.

- 1.38 Regulation 28(2)(j) requires the contractor to provide 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.
- 1.39 The Regulations do not define events and circumstances, but contractors may find that section 26 of the Act provides a useful reference point to assist in determining whether an event or circumstance has a material effect on a contract. Section 26(3) of the Act confirms that events and circumstances have a “material effect” if they have a material effect in relation to any of the following:
- the contractor’s costs;
 - the total price payable to the contractor; or
 - the contractor’s ability to perform a material obligation of the contract.
- 1.40 DefCARS brings both these requirements (to report causes of variance and events and circumstances) together in a single report page as an event or circumstance might be a cause of variance.
- 1.41 Where a variance is the same as that reported in a previous submission, then the explanation for the variance should be the same. If a different explanation is given, then the contractor should include a comment to explain why this is the case. Otherwise, the different explanations are likely to result in compliance queries.

Table xx – Variance, events or circumstances

Data required	Guidance
Title of variance, event or circumstance	The contractor should provide a short title to describe the cause of variance it is reporting. The cause of variance may be related to or unrelated to an event or circumstance.
Is this being reported as a cause of variance, or an event/circumstance or both?	The contractor should determine whether they are reporting: <ul style="list-style-type: none"> a) a cause of variance only; b) an event or circumstance only; or c) both, i.e. a cause of variance which is related to an event or circumstance.
Brief description of event or circumstance or cause of variance	Where the contractor has selected ‘Cause of Variance’ in the third column they should only describe a cause of variance which they will report a variance against. The fields that do not need to be completed (as these relate to reporting of events and circumstances) will not be editable.

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Data required	Guidance
Date recognised	<p>Where the contractor has selected 'Event or Circumstance' or 'Both' in the third column their description should explain the event or circumstance they are reporting. When just reporting an 'Event or Circumstance' fields that are not required (as they relate to reporting a 'Cause of Variance') will not be editable. All fields will be editable when 'Both' is selected in the third column.</p> <p>If a contractor has selected 'Event or Circumstance' or 'Both' in the third column and there is a material effect on the contract, then they should confirm the date on which they became aware of the event or circumstance. The date is not when the event or circumstance arose but when the contractor became aware of the event or circumstance.</p>
Allowed for in Priced Risk Contingency?	<p>If a contractor has selected 'Event or Circumstance' or 'Both' in the third column and there is a material effect on the contract, then they should confirm by selecting 'Yes' that the event or circumstance they are reporting is covered by any risk contingency element of the contract price or select 'No' if not covered.</p>
The effect the cause of variance, event or circumstance has had on the costs already incurred (£m)	<p>If a contractor has selected 'Event or Circumstance' or 'Both' in the third column and there is a material effect on the contract, then they should enter a cost (in £ million to three decimal places) which represents the effect that the event or circumstance has had on costs already incurred. If a contractor is reporting a variance, they can also include figures in this field.</p> <p>For example, assume that:</p> <ul style="list-style-type: none"> • the contractor's original Allowable Costs were £100 million; • the total forecast Allowable Costs are now £130 million; • the variance of £30 million is made up of £10 million of Allowable Costs already incurred and £20 million forecast to be incurred. <p>In this example, the contractor would enter £10 million in this field. The contractor should enter zero if there has been no financial effect.</p>

Data required	Guidance
The forecast effect that the cause of variance, event or circumstance will have on the forecast costs which it is expected will be incurred (£m)	<p>If a contractor has selected ‘Event or Circumstance’ or ‘Both’ in the third column and there is a material effect on the contract, then they should enter a cost (in £ million to three decimal places) which represents the forecast effect that the event or circumstances will have on the forecast costs which it is expected will be incurred. If a contractor is reporting a variance they can also include figures in this field.</p> <p>In the example used in the row above, the contractor is asked to identify how much of the £30 million variance relates to the forecast costs they are reporting. In this example, the contractor would enter £20 million in this field. The contractor should enter zero if there has been no financial effect.</p>
Has this caused a variance between any estimated costs used to determine the contract price and total actual and forecast costs?	<p>This field allows the contractor to include any costs reported in this row in the variance analysis which is required. The contractor should select ‘Yes’ and ‘Calculate’ if they wish the financial figures in the previous two fields to be used as part of the variance analysis. Selecting ‘No’ results in the ‘Calculate’ icon disappearing and the figures will not be included in the ‘Amount of Variance’ field.</p>
Amount of Variance (£m)	<p>If the contractor selected the ‘Calculate’ button, the amount of variance will be auto-populated and should be checked for accuracy. The calculated figure can be over-written by the contractor if they want to report a different financial amount against their cause of variance.</p>
% of total variance	<p>This field is calculated by DefCARS and reflects how much of the total variance has been accounted for in this row which the contractor has completed. The variance percentage explained in all the rows is shown at the bottom of the list and must be not less than 90 per cent.</p>
% of total planned cost	<p>This field is calculated by DefCARS and reflects the amount of the variance explained in this row which the contractor has completed as a percentage of the total estimated Allowable Costs (including risk contingency).</p>

Cost Recovery Rates (used to estimate the Allowable Costs at the latest time of agreement)

1.42 Regulation 28(2)(f) requires an annual profile of the estimated amount of each cost recovery base set out in the Contract Reporting Plan at the time of agreement. This page allows the contractor to fulfil this requirement. Where the latest previously submitted contract report is the CRP or an ICR, the recovery base and recovery base units and volumes are auto-populated by DefCARS based on the data previously reported. The contractor should check the auto-populated information for accuracy. Where the latest previously submitted contract report is a QCR, this page will be blank as the QCR does not require information on cost

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recovery bases to be reported. In this case, the contractor should enter an annual profile of the recovery bases set out in the CRP at the latest time of agreement. If there has been an amendment to the contract which results in new cost recovery rates, bases and volumes, and where there is no requirement for an on-demand CRP, the contractor can add new cost recovery bases and recovery base units if required by clicking the blue icon on this page.

Actual & Forecast Cost Recovery Rates

- 1.43 Regulation 28(2)(h) requires an annual profile of the actual amount of each recovery base set out in the CRP. This page allows the contractor to fulfil this requirement. The recovery bases and recovery base units entered on the previous page are auto-populated onto this page from the Cost Recovery Rates page. The contractor must provide the actual volumes for each year. The cost status category should be selected from the drop-down list, confirming the cost status using the categories in Table xx. Where the latest previously submitted report is an ICR, any years where volumes were confirmed as 'Final Actuals' in the previous ICR will be auto-populated. The contractor should check all information on this page for accuracy and explain any differences between the volumes reported in this page and the previous page. If the contractor does not explain such differences, this may lead to compliance queries.

Sub-contracts

- 1.44 Regulation 28(2)(p) requires the contractor to provide information on sub-contracts which the primary contractor has entered into for the purposes of enabling it to perform its obligations under the qualifying defence contract. The same sub-contract thresholds apply as for other reports and the contractor is asked to positively confirm whether there are any actual sub-contracts valued over £1 million using the grey 'yes/no' buttons. The information provided in the latest previously submitted ICR or QCR report is auto-populated in the CCR. The contractor should check whether the information is correct for the submission in question (including the total value of all sub-contracts). Sub-contracts can be added by clicking on the blue + icon, can be edited using the green icon and can be deleted using the red icon. The contractor should update the information on this page to:

- provide updated information about a sub-contract reported previously;
- report a new contract; or
- provide details of a new sub-contract valued at £1 million or more.

Payments

- 1.45 **Contractors who have a QSC are not required to report information on payments.** In the CCR, the contractor is required by Regulation 28(2)(l) to provide a list of all MOD payments exceeding £100,000 or 1 percent of the contract value (whichever is greater) that have been or are expected to be made under the contract. Most payments are expected to have been made if the contract has been completed. If the latest previously submitted contract report is an ICR, then the information previously submitted will be auto-populated on this page. The contractor should check any auto-populated information and ensure that it is correct in relation to this submission. Where the latest submitted report is a QCR, this page will be blank. In this case the contractor should enter the payment information as at the contract completion date. The information collected in DefCARS is explained in Table xx.

Table xx – Payments Information

Data required	Guidance
List of significant individual payments	
Contracted Date	For each payment, include the date on which the payment was expected to fall due.
Actual/Expected Date	For each payment, include the actual or expected payment date.
Currency	As required by the contract, select the appropriate currency in which the contractor expected the Secretary of State to make payments. The contractor should select the currency from the drop-down list. If Other is selected, please use the comments functionality to describe the currency.
Amount	For each payment, include the amount or expected amount of each payment in million (any currency) to three decimal places.
Annual profile summarising all contracted payments	
Annual profile	Provide an annual profile of all such payments the contractor requires the Secretary of State to make, in the required currency. The contractor should select the currency from the drop-down list. If Other is selected, please use the comments functionality to describe the currency. Amounts must exclude any final adjustment/ settlements and be made to one decimal point.

Key deliverables

- 1.46 Regulation 28(2)(a) requires a list of key deliverables specified in the contract, with a brief description of each to be provided and regulation 28(2)(b) requires the actual quantum of those deliverables, expressed using the output metrics set out in the most recent contract reporting plan to be provided. This page allows the contractor to meet both these requirements.
- 1.47 The information on this page will be auto-populated if the latest previously submitted report is an ICR. The contractor should check all auto-populated information for accuracy. If the latest submitted report is a QCR, this page will be blank, and the contractor should enter the key deliverables. The deliverables entered should be the same as those detailed in the CIR unless there has been an amendment to the contract which changes them.

Final payments

- 1.48 The CCR must contain a forecast target cost incentive fee (TCIF) adjustment (see Regulation 15) or any final price adjustment (see Regulation 16) which the contractor expects will be made. The Contract Cost Statement, due six months after the CCR is used to determine any adjustment. The final price adjustment only applies to contracts priced using the firm, fixed and volume-driven pricing methods. The contractor should report a value of '0' in each field if there is no TCIF or final price adjustment. The contractor should enter the amount of any

Appendix 3 – Contract Completion Report guidance

positive (due to the contractor) or negative (due to the MOD) adjustment for any of the following payment types with any explanation which is necessary:

- Protection from Excess Profits and Losses (PEPL);
- Target Cost Incentive Fee (TCIF) adjustment;
- Incentive adjustment; and
- Other – key performance indicators (KPIs).

1.49 All figures should be entered in £ million, to three decimal places. This section will be auto-populated from the data provided in the previous submitted ICR.

Milestones

1.50 Regulation 28(2)(o) requires the contractor to report on all delivery milestones set out in the contract. This page allows the contractor to report on the delivery milestones. The information on this page is auto-populated from the data provided in the latest submitted ICR or QCR and should be checked for accuracy. Any changes required to the milestones can be made by clicking the green edit icon and milestones can be added by clicking the blue '+' button. Where there is a variance between the expected date for a delivery milestone set out in the contract and the actual completion date, the contractor should provide a description of the cause of variance (see Table xx). As the contract is completed it is expected that all actual milestone dates will be in the past.

Table xx – Milestones data input

Data required	Guidance
Milestone Short Name	The contractor should provide a short name for the milestone. For example, delivery of [parts].
Milestone Description	The contractor should provide a description of that milestone. For example, delivery of [parts] to [recipient] by [date] for [purpose].
Contracted Target Date	Where the contract sets an expected date for a delivery milestone to be completed, contractors should select that date using the calendar.
Actual or Forecast Completion Date	The page includes a field for the actual or forecast completion date. The contractor should select the actual or expected completion date from the calendar.
Comment	The contractor should provide a description of the causes of any variance between the expected date for a delivery milestone set out in the contract, and the actual or expected completion date.