

Assuring value, building confidence

User guide for contract reporting plan

October 2016

Version 3

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Introduction

1 Introduction

- 1.1 This document is issued by the Single Source Regulations Office (SSRO) and sets out guidance to assist contractors with the statutory reporting requirements for qualifying defence contracts and qualifying subcontracts.
- 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'). Regulation 24(1) requires a contract reporting plan be provided for qualifying defence contracts. We are providing this guidance for the purposes of Regulation 22(9) of the Regulations.
- 1.3 The contract reporting plan records the due dates, the format of the defined pricing structure to be used in the required reports, the output metrics used to describe deliverables in the required reports and the cost recovery bases used or expected to be used in determining the contract price.
- 1.4 All reports are disclosed as OFFICIAL SENSITIVE COMMERCIAL. The disclosure of protected information included in this report in circumstances not permitted by Schedule 5 of the Defence Reform Act 2014 is a **CRIMINAL OFFENCE**.

2 Reporting timeline

2.1 The contract reporting plan is required within one month of the initial reporting date. The initial reporting date is the date the contract was entered into (time of agreement not contract signature date if this date is different) or the date the contract was amended (if the contract becomes a QDC by amendment). Information needs to be 'as at' the initial reporting date unless the Regulations require information at a different date (e.g. the end of the quarter for quarterly reports).

3 General guidance for completing report templates

- 3.1 When completing the spreadsheet, contractors should comply with the guidance set out below. Contractors should 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 shows the requirements of the reporting template and contains links to each worksheet within the template.

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

- 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:

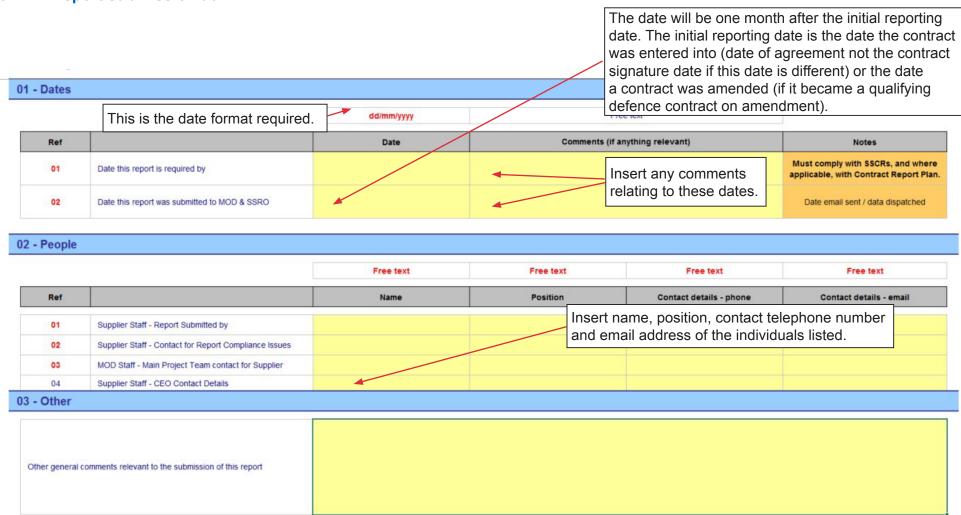
Grey cells	Contain headings
Blue cells	Contain section headings
White cells	Contain instructions on information that is required
Yellow cells	Are data entry cells and are the only cells to which you input : select correct option, or input numbers (#) or monetary amounts (£).
Orange cells	Contain help, definitions or notes
Green cells	Indicate when a cell has been completed and passed the validation test

- 3.7 The content of each cell will be in the following format:
 - choice list select the appropriate answer from the drop down list;
 - free text text/numbers;
 - date follow the date format specified; and
 - number provide the number of decimal places specified.
- 3.8 Each worksheet has a sequential number. Where possible, you should complete the worksheets in the prescribed order, as some worksheets will drive automatic calculations in subsequent worksheets. This guidance follows the order contained within the templates and as specified in the Regulations.
- 3.9 If the reference cell is red, then this indicates that inputted data into a data entry cell (yellow cell) has not passed the validation test. You must correctly input data into the data entry cell so the reference line (e.g. '01 dates ref 01') turns green.

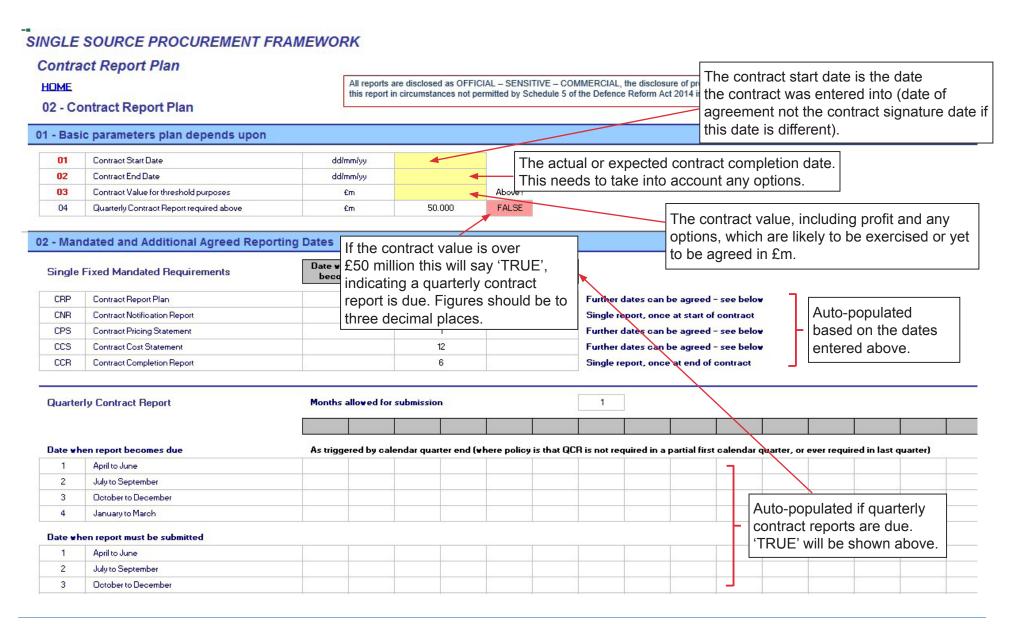
- 3.10 **Warning:** you must not copy and paste data entry cells (yellow cells) from the report template as this will interfere with the functionality and linking to other worksheets.
- 3.11 All financial information should be provided in GBP and in millions unless stated otherwise.
- 3.12 Complete all the required information on the template before submission. Some parts of the template will populate other areas when completed, we refer to this in the guide as auto-population.
- 3.13 Where references have been given to cells in the reporting templates, those references will be used in the user guide.
- 3.14 If you encounter any problems, or have any questions regarding the report templates or user guides, please contact helpdesk@ssro.gov.uk.

User Guide

01. Report submission admin



02. Contract reporting plan



Mandated and additional agreed reporting dates

Interim Contract Report	MANUAL INPUT OF DATES AGREED BETWEEN PARTIES			
Date when report becomes due				
Date when report must be submitted				
Contract Report Plan	MANUAL INPUT OF DATES AGREED BETWEEN PARTIES			
Date when report becomes due				
Date when report must be submitted				
Contract Pricing Statement	MANUAL INPUT OF DATES AGREED BETWEEN PARTIES			
Date when report becomes due				
Date when report must be submitted				
Contract Cost Statement	MANUAL INPUT OF DATES AGREED BETWEEN PARTIES			
Date when report becomes due				
Date when report must be submitted				

Enter the date when each interim contract report becomes due and when it must be submitted for each year ending 31 March. If no date is agreed between the primary contractor and the Secretary of State the default date will apply.

The default date will be:

Contract Value over £50 million

12 months after the last day of the calendar quarter during which the initial reporting date fell and each anniversary of that date. The date the report must be submitted is two months after the report due date. For example, an interim contract report due on 31 March must include costs up to the reporting date and the report must be submitted by 31 May.

Contract Value under £50 million

Three years after the last day of the calendar quarter during which the initial reporting date fell and each third anniversary of that date. The date the report must be submitted is two months after the report due date. For example, for an interim contract report due on 1 March the report must be submitted by 1 May.

On-demand report dates only

Reports specifically requested by the Secretary of State. This section of the report allows for manual entry of the contract pricing statement, contract reporting plan and contract cost statement(s) dates. These are on-demand contract reports for which the dates will be agreed within one month of the initial reporting date.

Supplier basic reference data

Regulation 22(3) requires that the contract reporting plan provided by a contractor which is a registered company contain the information detailed below.

Help / Definition / Notes Required Data Units Value Contracting Company - Name Free text Full name of legal entity as registered with companies house equivalent Contracting Company - Registration Number Number as text Please enter "as above" if not applicable Contractor "Trading as" Name - if different to legal name Free text Required information Registered Address - NamelNumber & Street/Road Free text Free text Registered Address - Town / City Registered Address - County / Region Free text Registered Address - Country Free text Registered Address - Post / Zip Code Free text UK SME Classification Choice text Last day of most recently completed Company Financial Year ddimmiyyyy Immediate Parent Company 1 - Name Free text Immediate Parent Company 1 - Registration Number Number as text Immediate Parent Company 1 - Registered Address Free text In short I summarised form if insufficient space Immediate Parent Company 2 - Name Free text Immediate Parent Company 2 - Registration Number Number as text Immediate Parent Company 2 - Registered Address Free text In short / summarised form if insufficient space Immediate Parent Company 3 - Name Free text Immediate Parent Company 3 - Registration Number Number as text Immediate Parent Company 3 - Registered Address Free text In short I summarised form if insufficient space Other relevant information Free text For example, a list of other Immediate Parent Companies if more than 3.

Full name of the legal entity as submitted to a registrar of companies such as Companies House.

This can include numbers (registration number) and text.

If the trading name is the same as the contracting company name please include 'as above' in this cell.

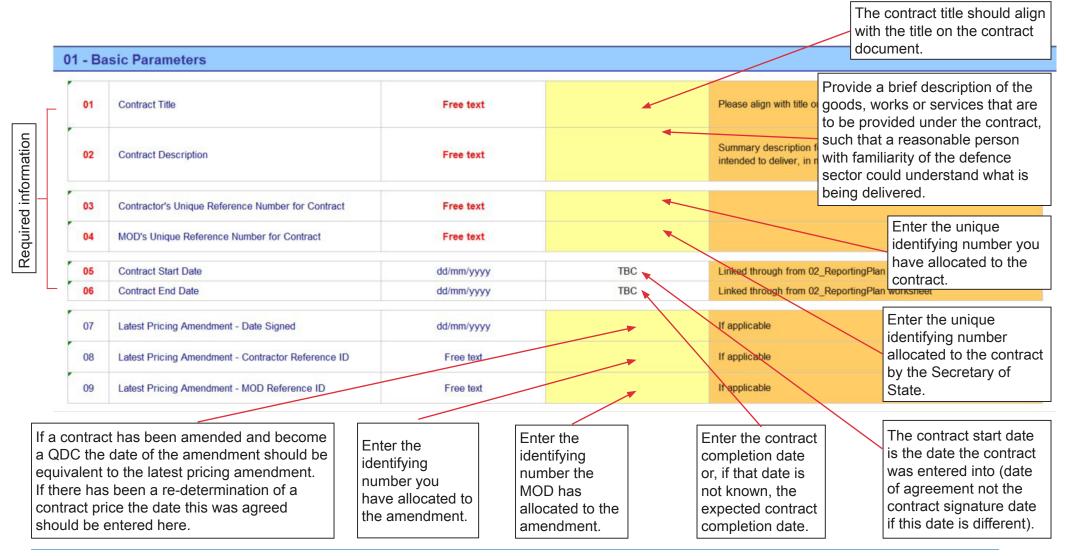
Select "SME" or "Not SME". SME has a meaning given in Commission Recommendation 2003/361/ EC of 6 May 2003 concerning the definition of micro, small and medium sized enterprises (employ fewer than 250 people and have annual turnover of ≤€50m and/or annual balance sheet total of ≤€43m).

Last day of the most recently completed accounting period.

Include parent company details. A parent company has the meaning given by Section 1162 of the Companies Act 2006. This needs to only cover immediate parent companies and not the whole parent chain.

Contract basic reference data

Regulations 22(2)(d)-(I) 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) - (I).



Pricing analysis – currencies and commercial constructs

Under the appropriate pricing method (contractors may use one of or a combination of the six regulated pricing methods Regulation 10(4) – (12)), input the price resulting from each method (if known) in millions to three decimal places. Except where otherwise provided in Part 5 of the Regulations, any reference to money in a report must be expressed in sterling. Use the appropriate contract currency for each pricing method. The contractor should enter all currencies that they will use in other parts of this report in the table below. The MOD and contractor may use different exchange rates, but for the purposes of reporting the contracting authority's exchange rate should be used (MOD for QDCs and the primary contractor for QSCs). Further information on foreign currencies can be found at SSRO Answer 1.31.



Business unit involvement

Include any business unit in relation to which a cost recovery rate has been used in determining the price payable under the contract.

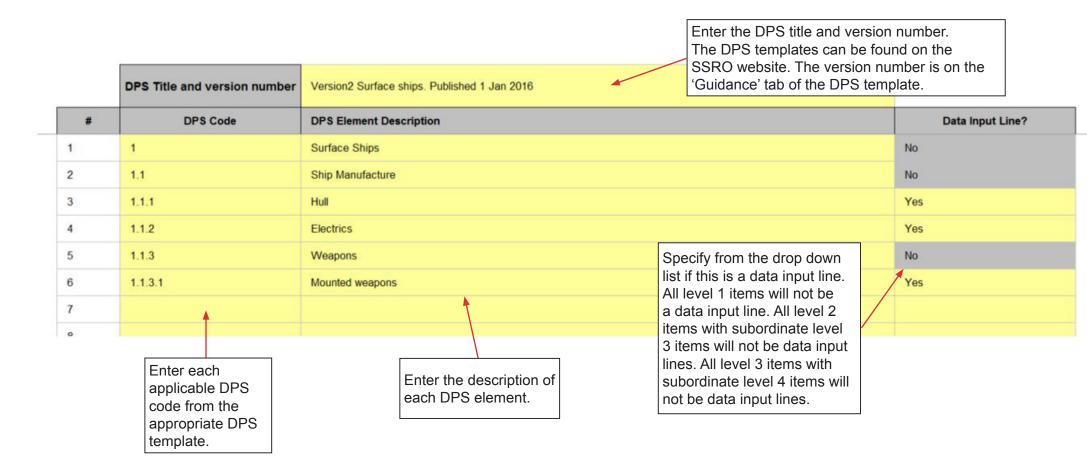
)1	Name of Business Unit 1	Free text		Please list the business units involved in the delivery of this contract
)2	Name of Business Unit 2	Free text		
3	Name of Business Unit 3	Free text		
)4	Name of Business Unit 4	Free text	1	
)5	Name of Business Unit 5	Free text		

05. DPS input

The contract reporting plan requires a description of the defined pricing structure (DPS) that the contractor will use. The SSRO has published 16 different defined pricing structures and the contractor should choose one of these for the contract if possible. The contractor should ensure that the DPS is constructed so that each level of dis-aggregation contains a breakdown of the cost at the parent level. Level 1 of the DPS must total 100 per cent of the contract value excluding profit and the breakdown of each subsequent level must total the level before. The table below illustrates this.

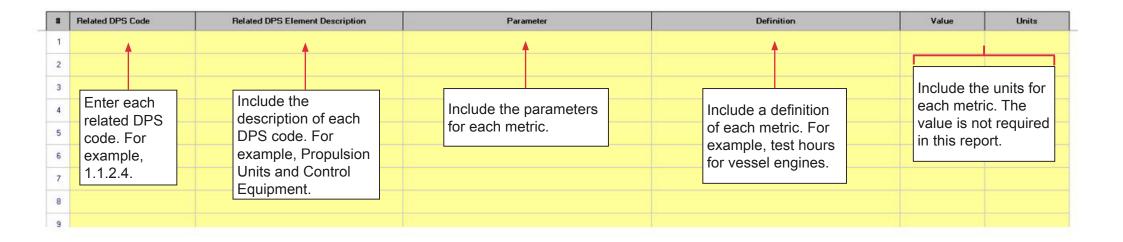
Level 1	Level 2	Level 3	Level 4
Contract Value - £220 million	£100 million	£35 million	£10 million
			£5 million
Profit - £20 million			£20 million
		£10 million	£1 million
Level 1 – £200 million			£9 million
		£55 million	£5 million
			£40 million
			£10 million
	£20 million	£5 million	£5 million
		£15 million	£0.5 million
		£15 million	£14.5 million
	£10 million	£2 million	£2 million
		£8 million	£8 million
		£20 million	£4 million
	£70 million	£20 Million	£16 million
		£50 million	£18 million
			£3 million
			£29 million

The required length of the DPS will vary depending on the contract value (see paragraph 6.19 of the DPS principles guidance document for more information on DPS length). Where the costs of items cannot be mapped directly, they need to be either estimated or a pro rata value used. The method of apportionment must be provided and comments included in the comments box on the DPS template. Mapping from cost models to DPS codes is extremely helpful as it allows the costs to be followed and understood more easily. Further information on DPS principles and the individual templates are included on the **SSRO website**.



07. Metrics

The contract reporting plan requires a list of the output metrics that will be used to describe deliverables. An output metric means a quantifiable description of any goods, works or services (including a number, weight, dimension, time or physical capability, but not including a monetary value). These are related to the DPS input list and can be drawn from the contractor's performance management system, where applicable. Examples of metrics include quantity of aircraft/engines that are available or the weight of a finished vessel. There should be at least one metric per key deliverable.



08. Price

The contract reporting plan requires a list of the cost recovery bases:

- that were used, or are expected to be used, in the determination of the contract price; and
- that will be used in making the reports set out in the reporting plan.

A cost recovery base means the unit of measure to which a cost recovery rate is applied in order to calculate a cost under a contract. As prompted, list each recovery base used, or expected to be used, and provide the required units/level of that recovery base. There are hidden rows in this sheet because this is part of information which is collected in the contract notification report.

