

SSRO

Single Source
Regulations Office

User Guide for Interim Contract Reports (Lower Value contracts of less than £50m)

Introduction

1. Introduction

- 1.1 This document is issued by the Single Source Regulations Office (SSRO) and sets out guidelines to assist contractors when completing the SSRO statutory required reports for qualifying defence contracts and qualifying sub-contracts.
- 1.2 The statutory requirement for reporting is outlined in the Defence Reform Act 2014 (the “Act”) and defined in the Single Source Contract Regulations 2014 (the “Regulations”).
- 1.3 Regulation 27 defines the need to provide an interim contract reports for the qualifying defence contract.

2. Reporting Timeline

- 2.1 The first interim contract report must be submitted on the date agreed between the primary contractor and the Secretary of State. This date will be no more than five years following the date of the contract for qualifying defence contracts with a value less than £50m.
- 2.2 Subsequent dates for submission of interim contract reports before the expected contract completion date will be as agreed between the primary contractor and the Secretary of State and no more than five years after the previous reporting date.
- 2.3 If no agreement on reporting dates has been reached between the primary contractor and the Secretary of State, the reporting dates for interim contract reports will be three years after the calendar quarter during which the initial reporting date fell and each anniversary of that date.

3. General Guidance for completing report templates

- 3.1 Ensure macros are enabled within Excel for use of the reporting templates.¹
- 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.
- 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
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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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Blue cells	Contain section headings
White cells	Contain instructions on the information required
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 help you complete the data entry cells
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 should 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 for the interim contract report, including dates, individuals, and other general information or comments as specified in Regulation 22(2).

01.01 - Dates

- 01.01 As prompted, complete in the box stating the date 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 stating the date the report was submitted to the 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 that shall be notified if there are any compliance issues with the submitted report. 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 must be inserted in the comments text box.

01.04 - General Guidance on template completion

- 04.01 This section provides you with contact details for the SSRO in the event you have any issues completing the report template.

02. Contract Reporting Plan

Regulation 22(2) (b) (h) and (i) requires that the date the report is due, the date on which the contract was entered into and the contract completion date (or, if that date is not known, the expected completion date) be provided.

01.01 Basic parameters plan depends upon

- 01.02 As prompted, include the contract start date
- 01.03 As prompted, include the contract end date. The reporting date will fall as per the reporting timeline noted in section two of this user guide.
- 01.04 Include the contract value. This is a requirement of Regulation 24(2) (a).
- 01.05 This is a general information requirement for contract reporting purposes. This cell is auto populated and indicates if a quarterly contract report is required.

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 interim contract report dates are agreed between the primary contractor and the Secretary of State. The interim contract report dates can be added manually for each relevant financial year on rows 55 – 64. The required dates are when the report was due and when the report was submitted.

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 interim contract report submitted by the contractor which is a registered company contain the 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.

03.11 State the name of registered name of any immediate parent undertaking of the company.

03.12 State the registered company number of the immediate parent undertaking of the company.

03.13 Include the registered address of the immediate parent company.

03.14 Include any additional immediate parent companies' name, registration number and address in the lines provided.

03.15 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 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.

01 - Basic Parameters

- 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 Provide 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 Ensure the date on which the contract was entered into is correct
- 01.06 Agree the contract completion date or, if that date is not known, the expected contract completion date.
- 01.07 Enter the identifying number you have allocated to the amendment.
- 01.08 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.

05. DPS Input

Under Regulation 27 (4) (d) and (e), the interim contract report requires estimated and allowable costs, split by the defined pricing structure. This worksheet sets out the structure of the DPS for these costs.

- 1) Enter the DPS code for each item.
- 2) Enter the description of the DPS element.
- 3) Specify from the drop down list if this is a data input line. All level one items will not be a data input line.

06. Key Deliverables

Under Regulation 27 (4) (a), the interim contract report must contain a list of key deliverables specified in the contract, with a brief description of each.

- 1) Include the Name/Item/Title of each key deliverable.
- 2) For each key deliverable include a description as directed
- 3) Provide other comments as required.

07. Metrics

Under Regulation 27 (4) (b), the interim contract report must contain a list of the estimated quantum of key deliverables, expressed using the output metrics set out in the contract reporting plan.

- 1) As per the contract reporting plan, enter each related DPS code.
- 2) Include the description of each DPS code
- 3) Include the parameters for each metric
- 4) Include a definition of each metric
- 5) As prompted, include the value and number of units of each metric.

08. Price

In accordance with Regulation 27 (4) (c), the interim 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 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.

- 1) For each financial year, include the any risk contingency element 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.
- 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.

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- 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.

02a Costs by Defined Pricing Structure

Regulation 27 (4) (d) requires an annual profile of any estimated costs (split by the defined pricing structure) at time of agreement are included in the interim contract report.

No data entry is required for this section, other than comments, as required.

02b Costs by Defined Pricing Structure – data entry

- 1) The DPS codes and descriptions will be auto populated from the DPS input tab. Include an annual profile of any estimated cost for each item at the initial reporting date.
- 2) In Column AT provide the amount of those allowable costs that are non-recurring (split by defined pricing structure)
- 3) In column AP include the amount that has not been included in the annual profile, for each DPS code
- 4) Include any comments as required.

03 Recovery base Volumes

Regulation 27 (4) (f) requires an annual profile of the estimated amount of each cost recovery base set out in the contract reporting plan.

For each recovery base volume, select the level/units of measurement.

For each recovery base volume, select the estimated amount of each cost recovery base.

In column AP include the amount that has not been included in the annual profile, for each recovery base.

09. Actual-Forecast

In accordance with Regulation 27 (4) (g), the interim 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, total contract price (excluding incentive adjustment) and the total contract price (including incentive adjustment will also be auto populated).

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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 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.

02a Costs by Defined Pricing Structure

Regulation 27 (4) (h) requires an annual profile of the costs already incurred and the forecast costs which are expected to be incurred, split by the defined pricing structure and indicating for each year whether the costs have been incurred, are forecast, or a combination of both.

No data entry is required for this section, other than comments, as required.

02b Costs by defined pricing structure – data entry

- 5) The DPS codes and descriptions will be auto populated from the DPS input tab. Include an annual profile of any estimated cost for each item at the initial reporting date.
- 6) In Column AT provide the amount of those allowable costs that are non-recurring (split by defined pricing structure)
- 7) In column AP include the amount that has not been included in the annual profile, for each DPS code
- 8) Include any comments as required.

03 Recovery Base Volumes

Regulation 27 (4) (h) (ii) requires an annual profile of the costs already incurred and the forecast costs which are expected to be incurred, split by the defined pricing structure and indicating for each year the amount of each cost recovery base set out in the contract reporting plan.

For each recovery base volume, select the level/units of measurement.

For each recovery base volume, select the estimated amount of each cost recovery base.

In column AP include the amount that has not been included in the annual profile, for each recovery base.

11. Variance Analysis and Commentary

Regulation 27 (4) (j) 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 one decimal point)
- 3) The worksheet will calculate the % of total variance and the % of planned cost

12. Risk

Regulation 27 (5) (b) 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.

Include everything where the cost impact (+/-) exceeds both £50k and 0.1% of the QDC value.

- 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 three decimal points GBP £m. This is to be the forecast effect that the event or circumstance will have on forecast cost which it is expected will be incurred. This is to be included in the Actual/Forecast worksheet.
- 5) State the total costs saving to 3 decimal points GBP £m. This is to be the effect that the event or circumstances have had on the costs already incurred. This is to be included in the Actual/Forecast worksheet.
- 6) Include the date this was recognised. This is to 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.

13. Payments

01 – List of significant individual payments

Regulation 27 (4) (j) states that the interim contract report must include a list of all payments exceeding £100,000 or 1% of the contract value (whichever is greater) that have been or are expected to be made by the Secretary of State.

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This section is only for primary defence contracts i.e. those entered into by or on behalf of the Secretary of State.

For each payment, include

- 1) the date which the payment did or is expected to fall due (in the format dd/mm/yyyy)
- 2) The actual/expected payment date (in the format dd/mm/yyyy);
- 3) As required by the contract, select the appropriate currency in which the contractor expects the Secretary of State to make payments.
- 4) the amount (£m three decimal points), or expected amount of each payment;
- 5) Add any additional comments as required.

02 – Annual profile summarising all contracted payments

Regulation 27 (4) (k) and (l) require an annual profile of all significant individual payments the contractor requires the Secretary of State to make, in the required currency.

For each currency, enter the payment due from the Secretary of State, for each financial year.

Amounts must exclude any final adjustment/settlements and be made to one decimal point.

14. Final Payments

The interim contract report must also contain, in accordance with Regulation 27 (5) (a), a forecast of any TCIF adjustment or any final price adjustment (regulation 16) which the contractor expects will be made.

- 1) Where applicable, for 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 interim contract report must also contain, in accordance with Regulation 27 (5) (c), 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. Subcontracts

The interim contract report must also contain, in accordance with Regulation 27 (5) (d), a description of actual or intended subcontracts 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 subcontract)

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 subcontracts 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 Let 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 three 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.