

SSRO

Single Source
Regulations Office

Reporting guidance consultation: Appendix 2 – CIR guidance

20 February 2020

Review of the SSRO's guidance on the initial contract reports

Yellow highlighting indicates new guidance, grey indicates deleted guidance, blue indicates moved guidance.

Only reporting guidance which is being changed or field names (in bold) which relate to amended guidance have been included in this document.

Existing para ref	Current guidance (version 7)	Proposed new guidance	Rationale for change
4.2	<p>DefCARS provides for submission of a single Contract Initiation Report (CIR), which covers all data required in the initial reports and is intended to facilitate submission of those reports. Once the CIR has been submitted, DefCARS will automatically generate the Contract Pricing Statement (CPS), Contract Reporting Plan (CRP) and Contract Notification Report (CNR).</p>		Some content retained and merged into new paragraph on the next row.
4.3	<p>The CPS, CRP and CNR (collectively the CIR in DefCARS) for a contractor who has a QDC or QSC must be reported within one month of entering into these contracts or when an amendment was agreed that resulted in the contract becoming a QDC.</p>	<p>Contractors must submit a Contract Pricing Statement (CPS), Contract Reporting Plan (CRP) and Contract Notification Report (CNR) within one month of their QDC or QSC being entered into. DefCARS provides for submission of a single Contract Initiation Report (CIR), which covers all the data required in the three statutory reports. Once the CIR has been completed the individual CPS, CRP and CNR can be downloaded. Before completing the CIR contractors should familiarise themselves with Regulations 22 – 25.</p>	New paragraph 4.2 which merges content from existing paragraphs 4.2, 4.3 and 4.4.

Existing para ref	Current guidance (version 7)	Proposed new guidance	Rationale for change
Key message	Before completing initial contract data for the first time contractors should familiarise themselves with Regulation 22 (General Requirements), Regulation 23 (Contract Pricing Statement), Regulation 24 (Contract Reporting Plan) and Regulation 25 (Contract Notification Report).		Covered by content in the previous row.
4.4	The Report Home page includes any comments or supporting information which are part of the report and any issues raised against it. Further information on this is included at paragraphs 2.22 – 2.26 in the reporting guidance on DefCARS functionality. The page also includes a ‘delete report’ button via which the contractor has the option to delete a draft report before it is submitted, should they wish to start again.	The Report Home page includes any comments or supporting information which are part of the report and any issues raised against it by the SSRO or the MOD. Further information on this is included at paragraphs 2.22 – 2.26 in the reporting guidance on DefCARS functionality. The page also includes a ‘delete report’ button via which the contractor has the option to delete a draft report before it is submitted, should they wish to start again.	Minor amendment to make clear to contractors that both the SSRO and the MOD can raise issues.
Table 3 – Supplier Details			
Row 3, Column 1	Company Number	Company Number	No change
Row 3, Column 2	The registered number of the legal entity (this can consist of numbers and letters), where relevant.	The registered number of the legal entity (this can consist of numbers and letters), where relevant. For UK registered companies this will be the number allocated by Companies House.	Minor amendment to increase clarity.
Row 4, Column 1	Trading as Name	Trading as Name	No change
Row 4, Column 2	Include the Trading Name if it is different from the Company Name. If the Trading As Name is the same as the Company Name this should be confirmed.	Include the Trading Name if it is different from the Company Name. If the Trading As Name is the same as the Company Name this should be confirmed by re-entering the name in this field.	Minor amendment to clarify how the contractor should provide confirmation.

Existing para ref	Current guidance (version 7)	Proposed new guidance	Rationale for change
Row 6, Column 1	Is the company an SME? (Select Yes or No)	Is the company a Small or Medium Sized Enterprise (SME)? (Select Yes or No)	Minor amendment to spell out acronym in full.
Row 6, Column 2	This should reflect whether the registered company meets the definition of an SME. The Regulations state that an 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 annual turnover of ≤€50 million and/or annual balance sheet total of ≤€43 million). Users should refer to the full definition provided in Commission Recommendation 2003/361/EC.	The contractor should select yes or no to indicate whether the registered company meets the definition of an SME. The Regulations state that an 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 annual turnover of ≤€50 million and/or annual balance sheet total of ≤€43 million). Users should refer to the full definition provided in Commission Recommendation 2003/361/EC.	Minor amendment to clarify what is required of the contractor to complete the field.
Table 4 – Report submission administration data input			
Row 2, Column 1	Date this report is due	Date this report is due	No change
Row 2, Column 2	The Regulations require the report to contain the date that the report is due. This should be considered in conjunction with the data provided on the Contract page (see Table 5). For initial reports the date that the report is due is one month from the date a new contract was entered into or the date an existing contract was amended and became a QDC or QSC. Appendix 1 summarises the deadlines for submission of each of the contract and supplier reports.	The Regulations require the report to contain the date that the report is due. This should be considered in conjunction with the data provided on the Contract page (see Table 5). For initial reports the date that the report is due is one month from the date a new contract was entered into or the date an existing contract was amended and became a QDC or QSC. Further guidance on the date a contract is entered into is provided on page 10. Appendix 1 summarises the deadlines for submission of each of the contract and supplier reports and provides assistance on how these should be calculated.	Minor amendments to better cross-reference relevant parts of the guidance.

Existing para ref	Current guidance (version 7)	Proposed new guidance	Rationale for change
Row 3, Column 1	Date this report was submitted to the MOD & SSRO	Date this report was submitted to the MOD & SSRO	No change
Row 3, Column 2	This field will be populated by DefCARS when the report has been submitted.	This field will not be visible when the report is being completed by the contractor, but will be populated by DefCARS when the report has been submitted and visible when the report is viewed after submission.	Minor amendments to improve clarity.
Row 5, Column 1	Supplier Staff – Contact for Compliance/Penalty Notice Issues	Supplier Staff – Contact for Compliance/Penalty Notice Issues	No change
Row 5, Column 2	The name, position and contact details of the person who should be contacted if there are any queries with the report (from the SSRO or the MOD).	The name, position and contact details of the person who should be contacted if there are any compliance and penalty notices given in relation to the contract to which the report relates (Regulation 22(2)(a)(ii)).	Minor amendment to confirm the purpose for which contact details are to be provided.
Table 5 – Contract data input			
Row 7, Column 1	Date Contract Entered Into	Date Contracted Entered Into	No change
Row 7, Column 2	Dates in DefCARS can either be typed in using the format indicated or by using the calendar functionality. The contractor should provide: <ul style="list-style-type: none"> the date a new contract was entered into; or if an existing contract was amended and became a QDC or QSC, the date that the contract was originally entered into. 	Dates in DefCARS can either be typed in using the format indicated or by using the calendar functionality. The contractor should provide: <ul style="list-style-type: none"> the date a new contract was entered into; or if an existing contract was amended and became a QDC or QSC, the date that the contract was originally entered into. Further guidance on the date a contract is entered into is provided on page 10.	The SSRO produced guidance on date contract was entered into in 2019 which is now referenced in the CIR guidance.

Existing para ref	Current guidance (version 7)	Proposed new guidance	Rationale for change
Row 8, Column 1	Contract Completion Date	Contract Completion Date	No change
Row 8, Column 2	Enter the contract completion date or, if that date is not known, the expected contract completion date. Contractors should refer to Regulation 4 which sets out the meaning of 'contract completion date'.	Enter the contract completion date or, if that date is not known, the expected contract completion date. Contractors should refer to Regulation 4 which sets out the meaning of 'contract completion date'. Further guidance on contract completion date is provided on page 15 of this document.	Alongside this review the SSRO is consulting on guidance on contract completion date.
Row 9, Column 1	Latest Pricing Amendment - Date	Latest Pricing Amendment – Date	No change
Row 9, Column 2	The Regulations require that every report contains the date of the most recent pricing amendment which affects the price payable under the contract. In the initial reports, a pricing amendment would not generally be expected. If contract became a QDC by reason of an amendment, then please provide the date that the contract was amended. If the contract did not become a QDC or QSC by reason of an amendment and there has been no other pricing amendment, this field and the next two fields should be left blank in the initial reports.	The Regulations require that every report contains the date of the most recent pricing amendment which affects the price payable under the contract. In the initial reports, a pricing amendment would not generally be expected. If the contract became a QDC by reason of an amendment, then please provide the date that the contract was amended. If the contract did not become a QDC or QSC by reason of an amendment and there has been no other pricing amendment, this field and the next two fields should be left blank in the initial reports.	Minor amendment to include missing word.
Row 10, Column 1	Latest Pricing Amendment – Contractor Reference ID	Latest Pricing Amendment – Contractor Reference ID	No change
Row 10, Column 2	Enter the identifying number you have allocated to the pricing amendment.	Enter the identifying number you have allocated to the pricing amendment. If the contractor has not allocated an identifying number to the amendment, then the contractor should enter 'Not applicable'.	Guidance to indicate what the contractor should enter if this reference number is not known or does not exist.

Existing para ref	Current guidance (version 7)	Proposed new guidance	Rationale for change
Row 11, Column 1	Latest Pricing Amendment – MOD Reference ID	Latest Pricing Amendment – MOD Reference ID	No change
Row 11, Column 2	Enter the identifying number the MOD has allocated to the pricing amendment. This field does not apply for QSCs by amendment.	Enter the identifying number the MOD has allocated to the pricing amendment. If the MOD has not allocated an identifying number to the amendment, then the contractor should enter 'Not applicable'. This field does not apply for QSCs by amendment.	Guidance to indicate what the contractor should enter if this reference number is not known or does not exist.
Row 12, Column 1	Date contract became a QDC/QSC	Date contract became a QDC/QSC	No change
Row 12, Column 2	<p>This will be auto-populated based on the information provided in the Contract Type, Date Contract Entered Into and Latest Pricing Amendment Date fields (see above).</p> <p>Annual profiles in later pages start from the date in this field (i.e. the date the contract became a QDC or QSC) and end at the contract completion date. If the contract became a QDC/QSC on amendment, contractors may wish to submit separate information to cover the years prior to the date of that amendment.</p> <p>The date in this field also drives the automated dates in the reporting plan. This date should only be amended in corrections in the initial S1 submission of the CIR.</p>	<p>This will be auto-populated based on the information provided in the Contract Type, Date Contract Entered Into and Latest Pricing Amendment Date fields (see above).</p> <p>The contractor is required to provide annual profiles of costs and profit in the contract reports. DefCARS will generate the appropriate span of years for the annual profiles based on the date in this field (i.e. the date the contract became a QDC or QSC) and the contract completion date, which is also provided on this page. The profile years are based on government financial years. The first year of each annual profile will be the financial year in which the contract became a QDC or QSC. The last year of each annual profile will be the financial year in which the contract completion date falls. For example, if the contract was entered into on 5 May 2020 and the contract completion date is 30 June 2023, DefCARS will present annual profile years from 2020/21 to 2023/24.</p>	Guidance amended to include an example of annual profiles to aid understanding.

Existing para ref	Current guidance (version 7)	Proposed new guidance	Rationale for change
		The date in this field also drives the automated dates in the reporting plan. This date should only be amended in corrections in the initial S1 submission of the CIR.	
Row 13, Column 1	Total Contract Price	Total Contract Price	No change
Row 13, Column 2	The price which results from the pricing formula ((Allowable Costs x Contract Profit Rate) + Allowable Costs), to three decimal places.	<p>The total contract price should be entered to three decimal places. The term contract price is defined in Regulation 2(1). It is either:</p> <ul style="list-style-type: none"> the price resulting from application of the pricing formula in regulation 10 ((Allowable Costs x Contract Profit Rate) + Allowable Costs); or if there have been one or more pricing amendments, then the total contract price will be the most recent amended price, i.e. the price last determined by applying regulation 14 and the Schedule to the Regulations. <p>The pricing formula does not provide for the addition of Value Added Tax (VAT). Output VAT should not be added to a price determined by application of the formula.</p>	These changes clarify that the total contract price will change in line with pricing amendments and that the contract price reported should not include VAT.
Row 14, Column 1	Total Price Committed to Pay	Total Price Committed to Pay	No change
Row 14, Column 2	The contractor should record the price the contracting authority is committed to pay.	The price the contracting authority is committed to paying is the price that the contracting authority is contractually bound to pay. This amount may be the same as the contract price. The amount that the contracting authority is contractually bound to pay	Definition of term 'total price committed to pay'.

Existing para ref	Current guidance (version 7)	Proposed new guidance	Rationale for change
		<p>will depend on the terms of the contract and how the pricing mechanism operates. There may be contracts in respect of which some or all of the contract price only becomes committed upon some action or election by the contracting authority. Examples of where the contracting authority may not be committed when the contract is entered into include:</p> <ul style="list-style-type: none"> • an option price that the contracting authority does not become bound to pay until the option is exercised. • a volume-driven price in which the unit price is known but the contracting authority is under no obligation to purchase any specific volume of units. <p>These examples are not exhaustive and the contractor should consider taking legal advice to understand what the contracting authority is committed to pay.</p>	
4.10	<p>The Regulations require contractors to set out the dates of reports required to be submitted in relation to the contract. The data entered here will be carried into the reporting calendar on the contractor's home page. Further details about how the reporting calendar operates are included in the guidance on DefCARS functionality.</p>	<p>The Regulations require contractors to set out the dates of reports required to be submitted in relation to the contract. The data entered here will be carried into the reporting calendar on the contractor's home page. Further details about how the reporting calendar operates are included in the guidance on DefCARS functionality. Section 9 of this guidance provides assistance on how to submit on-demand CRPs.</p>	<p>Cross reference to guidance on how to submit on-demand CRPs.</p>

Existing para ref	Current guidance (version 7)	Proposed new guidance	Rationale for change
Table 6 – Reporting plan data input			
Row 4, Column 1	Are there agreed ICR reporting dates within the contract?	Are there agreed ICR reporting dates within the contract?	No change
Row 4, Column 2	The contractor should confirm whether they have agreed ICR reporting dates with the contracting authority. If there is no agreement, DefCARS will auto-populate the relevant due dates and submission dates for these reports in the ICR report section of the Reporting Plan, based on whether you have indicated that QCRs are required.	The contractor should confirm (by selecting Yes/No) whether they have agreed ICR reporting dates with the contracting authority. If there is agreement, contractors should enter the due dates agreed in the ICR report section of the Reporting Plan. If there is no agreement, DefCARS will auto-populate the relevant due dates and submission dates based on the default dates prescribed in the Regulations. Table 24 in the ICR section of this guidance explains how ICR due dates are calculated.	The SSRO has noticed that some contractors are unaware of the difference in reporting dates depending on whether ICR dates are agreed with the MOD or not. Reference to Table 24 is included.
Row 7, Column 1	Interim Contract Reports (ICR)	Interim Contract Reports (ICR)	No change
Row 7, Column 2	The contractor must add, where there is agreement between parties and where these reports are required, the dates when the reports fall due. A field (row 4 in Table 6) has been added to DefCARS where the contractor should indicate whether there is agreement on ICR dates. Where there is no agreement between the parties, DefCARS will calculate ICR due dates based on the date the contract was entered into, contract completion date and whether there QCRs are required (row 3 of Table 6).	Where there is no agreement between the parties, DefCARS will calculate ICR dates based on the date the contract was entered into, contract completion date and the contract price. Where there is agreement, the contractor must add all relevant dates. Due dates will be automatically displayed by DefCARS (i.e. within two months of each reporting date entered). Extra rows can be added by clicking on the blue cross. If there are any additional on-demand ICRs to report at this stage, the ICR fields can be used to add these. Contractors can provide an explanatory comment to clearly set out which dates relate to the on-demand reports.	Minor changes to clarify where and how dates are auto-populated in DefCARS.

Existing para ref	Current guidance (version 7)	Proposed new guidance	Rationale for change
	<p>Submission dates will be automatically displayed by DefCARS (i.e. within two months of each reporting date entered). Extra rows can be added by clicking on the blue cross. If there are any additional on-demand ICRs to report at this stage, the ICR fields can be used to add these. Please provide an explanatory comment to clearly set out which dates relate to the on-demand reports.</p>		
Row 9, Column 1	<p>On-Demand Contract Reports:</p> <ul style="list-style-type: none"> • Contract Reporting Plan (CRP) • Contract Pricing Statement (CPS) • Contract Costs Statement (CCS) 	<p>On-Demand Contract Reports:</p> <ul style="list-style-type: none"> • Contract Reporting Plan (CRP) • Contract Pricing Statement (CPS) • Interim Contract Report (ICR) • Contract Costs Statement (CCS) 	Missing report added to this list.
Row 9, Column 2	<p>The reporting and submission dates must be provided where the contractor has agreed to provide, or has received written direction from the Secretary of State to provide, On-Demand Contract Reports. Any on-demand ICRs should be entered in the ICR section of this page.</p> <p>Contractors can enter dates for on-demand CRPs, CPSs and CCSs here. Extra rows can be added by clicking on the blue cross. The fields can be left blank if there are no On-Demand Contract Reports to report at this stage. If applicable, it would be helpful to provide a supporting comment to that effect.</p>	<p>DefCARS enables reporting dates to be entered where the contractor has agreed to provide or has received written direction from the Secretary of State to provide, on-demand contract reports. Appendix 1 identifies the relationship between reporting dates for on-demand reports and due dates. DefCARS auto-populates the due date for an on-demand report when the reporting date has been entered.</p> <p>Any on-demand ICRs should be entered in the ICR section of this page. Contractors can enter dates for on-demand CRPs, CPSs and CCSs here. Extra rows can be added by clicking on the blue cross. The fields can be left blank if there are no On-Demand Contract Reports to report at this stage. If applicable, it would be helpful to provide a supporting comment to that effect.</p>	Minor changes to improve clarity about how DefCARS operates in this part of the page.

Existing para ref	Current guidance (version 7)	Proposed new guidance	Rationale for change
Table 7 – Profit data input			
Row 5, Column 1	Total Risk Contingency included in Allowable Costs	Total Risk Contingency included in Allowable Costs	No change
Row 5, Column 2	Confirm the element of total Allowable Costs which is risk contingency in £ millions and to three decimal places. If no risk contingency has been priced into Allowable Costs, zero should be entered to confirm this. The contractor may provide supporting comments and explanation here to help the SSRO and the MOD understand the quantum of risk contingency, but there are later CIR pages that ask the contractor to provide the required information relating to risk contingency.	Confirm the element of total Allowable Costs which is risk contingency in £ millions and to three decimal places. If no risk contingency has been priced into Allowable Costs, zero should be entered to confirm this. Section H of the SSRO's guidance on Allowable Costs deals with costs affected by risk and uncertainty and defines risk contingency. The contractor may provide supporting comments and explanation here to help the SSRO and the MOD understand the quantum of risk contingency, but there are later CIR pages that ask the contractor to provide the required information relating to risk contingency.	New sentence to direct contractors to a definition of risk contingency now included in the SSRO's Allowable Costs guidance.
4.14	The following data entry relates to the calculation of the contract profit rate.	The following data entry relates to the calculation of the contract profit rate. Regulation 23(2)(d) sets out that the contractor must “describe the calculation that was made under Regulation 11 to determine the contract profit rate, including all adjustments that were made under steps 1 to 6”. Contractors should supplement the data fields below with further information (via the expandable Comments, Issues and Supporting Information pop-up window) about how each profit rate adjustment was determined, including calculations and explanation, to meet the reporting requirement.	Merged key message into this paragraph.

Existing para ref	Current guidance (version 7)	Proposed new guidance	Rationale for change
Key message	Regulation 23(2)(d) sets out that the contractor must “describe the calculation that was made under Regulation 11 to determine the contract profit rate, including all adjustments that were made under steps 1 to 6”. Contractors should supplement the data fields below with further information (via the expandable Comments, Issues and Supporting Information pop-up window) about how each profit rate adjustment was determined, including calculations and explanation, to meet the reporting requirement.		Moved to row above
Table 8 – Calculation of the contract profit rate data input			
Row 5, Column 1	Step 4 – Single Source Regulations Office funding adjustment %	Step 4 – Single Source Regulations Office funding adjustment %	No change
Row 5, Column 2	State the SSRO funding adjustment to deduct from the amount resulting from Step 3. This should be the rate approved by the Secretary of State in force at the time of contract agreement.	State the SSRO funding adjustment to deduct from the amount resulting from Step 3. This should be the rate approved by the Secretary of State in force at the time of entering into the contract. The funding adjustment should be entered as a negative figure.	Minor change to improve clarity.
Row 10, Column 1	Total Contract Price, including the maximum amount that can be earned via Incentive Adjustment	Total Contract Price, including the maximum amount that can be earned via Incentive Adjustment	No change

Existing para ref	Current guidance (version 7)	Proposed new guidance	Rationale for change
4.16	The CSA calculation requires input of three pieces of data that are expected to be held by the prime contractor and their group sub-contractors and not the MOD – the fixed capital, working capital and cost of production. The calculation also requires contractors to select relevant fixed capital and working capital rates. These are determined and published by the Secretary of State.	The CSA calculation requires input of three pieces of data that are expected to be held by the prime contractor and their group sub-contractors and not the MOD – the fixed capital, working capital and cost of production. The calculation also requires contractors to select relevant fixed capital and working capital rates. These are determined and published by the Secretary of State. The current rates, and those for prior years, can be found on the profit rate page of the SSRO website.	Minor change to direct contractors to the current rates on the SSRO website.
Table 9 – Capital servicing adjustment data input			
Row 2, Column 1	Reporting period to which these costs relate	Reporting period to which these costs relate	No change
Row 2, Column 2	Input field. This is the financial reporting period which the figures entered below relate to. The drop-down menu provides a list of historic government financial years as well as an 'Other' option. Use of the 'Other' option should be explained via supporting comments.	Input field. This is the financial reporting period (annual) which the figures entered below relate to. The drop-down menu provides a list of historic government financial years as well as an 'Other' option. The contractor should use the "other" option if its accounting period is not aligned with the government's financial year. If the contractor uses the "other" option it should use the supporting comments functionality to provide the financial reporting period to which the costs relate.	Amendment to indicate that the financial reporting period should be annual and to identify that some contractors whose financial year does not align with the government financial year will need to identify the relevant year.

Existing para ref	Current guidance (version 7)	Proposed new guidance	Rationale for change
4.18	The contractor must confirm which of the six regulated pricing methods (this can be one or many) apply to the contract by inputting the price resulting from each method in £ millions to three decimal places. There is a validation warning to flag to contractors where the price does not match the contract price reported earlier on the Contract Page.	The contractor must confirm which of the six regulated pricing methods (this can be one or many) apply to the contract. The contractor should input the price resulting from each method in £ millions to three decimal places where this allocation is known. DefCARS undertakes a validation to flag to contractors where the price does not match the contract price reported earlier on the Contract Page. The contractor can provide any relevant comments about the pricing method(s) used on the contract.	Changes made to be consistent with guidance on later contract reports.
4.19	The contractor can provide any relevant comments about the pricing method(s) used on the contract.		Sentence moved to row above.
4.20	This page sets out the contractor's description of the Allowable Costs (excluding risk contingency) of its contract using a Defined Pricing Structure (DPS). The annual cost profile is provided on the next page (DPS Input Values).	The contractor is required to specify in the CRP the Defined Pricing Structure (DPS) that will be used to split costs in the CNR, ICRs and the CCR. This page enables the contractor to describe the DPS that will be used. The following paragraphs provide further guidance on the DPS.	Paragraph redrafted to be consistent with those in the next two rows.
4.40	This page enables contractors to provide an annual profile of any estimated costs (split by the DPS) at the initial reporting date and the total of any costs that are non-recurring, as required by the Regulations.	The contractor is required to report in the CNR the following: <ul style="list-style-type: none"> an annual profile of any estimated costs (split by the DPS) at the initial reporting date; and the total amount of those Allowable Costs (split by the DPS) that are non-recurring. This page enables contractors to provide the annual profile and the total amount of any non-recurring costs.	Paragraph re-drafted to be consistent with changes in the row above and below.

Existing para ref	Current guidance (version 7)	Proposed new guidance	Rationale for change
4.45	<p>The contractor can provide an annual profile of any risk contingency included in total Allowable Costs and an annual profile of profit across the individual years of the contract. However, if the contractor is of the view that an annual profile cannot be provided then a total amount should be reported. DefCARS provides the facility to profile annually and also include an unprofiled amount. The guidance in Table 11 assumes that an annual profile can be reported. As this is the beginning of the contract the cost status flags will all show as Priced Estimate.</p>	<p>The contractor is required to report in the CNR the following:</p> <ul style="list-style-type: none"> • an annual profile (or, if the contractor is of the view that it is not possible to express these matters in an annual profile, the total amount) of: <ul style="list-style-type: none"> - any risk contingency element in the Allowable Costs; - planned amounts of profit, excluding any incentive adjustment; and - the maximum amount of profit resulting from an incentive adjustment. <p>This page enables the contractor to provide this profile for risk contingency and profit. Any total amounts which are being reported should be included in the 'not profiled' column. The guidance in Table 11 assumes that an annual profile can be reported. As this is the beginning of the contract the cost status flags will all show as Priced Estimate.</p>	<p>Paragraph re-drafted to be consistent with changes in the row above.</p>
Table 11 – Summary Analysis of Price data input			
Row 4, Column 1	Subtotal Cost	Subtotal Cost	No change
Row 4, Column 2	Calculated by DefCARS. Contractors should check that this line agrees to the total Allowable Costs.	Calculated by DefCARS. Contractors should check that the subtotals for each year and row are correct and the row totals reflect the total Allowable Costs.	Minor change to clarify what the contractor is expected to check.
Row 5, Column 1	Profit (excluding incentive adjustment)	Profit (excluding incentive adjustment)	No change

Existing para ref	Current guidance (version 7)	Proposed new guidance	Rationale for change
Row 5, Column 2	<p>The contractor should provide the annual profile of profit (excluding the amount due to Step 5) within the contract price. The total and the percentage of total profit excluding incentive adjustment will be calculated by DefCARS.</p> <p>The profile can be entered by selecting the green icon (see Exhibit 2) and deleted by selecting the red icon. This should be entered in £ millions to three decimal places.</p>	<p>The contractor should provide the annual profile of profit (excluding the amount due to any Step 5 incentive adjustment) within the contract price. The total and the percentage of total profit excluding any incentive adjustment will be calculated by DefCARS. The profile can be entered by selecting the green icon (see Exhibit 2) and deleted by selecting the red icon. This should be entered in £ millions to three decimal places.</p>	Minor wording changes to improve clarity.
Row 7, Column 1	Maximum Profit arising from Incentive Adjustment	Maximum Profit arising from Incentive Adjustment	No change
Row 7, Column 2	<p>The contractor should provide the annual profile of maximum profit that could arise due to Step 5 within the contract price. The total and the percentage of total profit that may arise from Step 5 will be calculated by DefCARS.</p> <p>The profile can be entered by selecting the green icon (see Exhibit 2) and deleted by selecting the red icon. This should be entered in £ millions to three decimal places.</p> <p>Contractors should check that this value plus profit (excluding incentive adjustment) sums to the overall contract profit entered on the Profit Page.</p>	<p>The contractor should provide the annual profile of maximum profit that could arise due to any Step 5 incentive adjustment within the contract price. The total and the percentage of total profit that may arise from Step 5 will be calculated by DefCARS.</p> <p>The profile can be entered by selecting the green icon (see Exhibit 2) and deleted by selecting the red icon. This should be entered in £ millions to three decimal places.</p> <p>Contractors should check that this value plus profit (excluding incentive adjustment) sums to the overall contract profit entered on the Profit Page.</p>	Minor wording changes to improve clarity.

Existing para ref	Current guidance (version 7)	Proposed new guidance	Rationale for change
4.46	<p>This page enables contractors to list and profile the cost recovery bases used, or expected to be used in determining the contract price or that the contractor will use in contract reports. Contractors are asked to provide a detailed breakdown of cost recovery rates, to support the reporting requirement to provide the contractor's facts, assumptions and calculations relevant to each element of Allowable Costs.</p>	<p>This page enables contractors to list and profile the cost recovery bases used, or expected to be used in determining the contract price. Contractors are asked to provide a detailed breakdown of cost recovery rates, to support the reporting requirement to provide the contractor's facts, assumptions and calculations relevant to each element of Allowable Costs.</p>	<p>Wording removed as there should not be a difference between the cost recovery rates used for pricing and those reported.</p>
4.48	<p>If relevant supporting information on the composition of rates has been provided via a previously submitted supplier report, the contractor may reference this. However, the contractor has an obligation under this report and therefore must consider whether the supplier report submission is sufficient to meet the obligation under Regulation 23(2)(e) to supply its facts, assumptions and calculations relevant to each element of the Allowable Costs. Any reference to a supplier report must be sufficient that the SSRO or MOD reader may easily identify the supplier report and clearly understand how it reconciles to the data provided in the contract report.</p>		<p>Paragraph deleted as the SSRO has not seen these links being made between supplier reports and contract reports.</p>
Table 12 – Cost recovery rates data input			
Row 5, Column 1	Type of cost recovery rate	Type of cost recovery rate	No change

Existing para ref	Current guidance (version 7)	Proposed new guidance	Rationale for change
Row 5, Column 2	The rate can be described as Labour, Labour and Overhead, Overhead or Other. If Other is used, please attach a supporting comment to define the cost recovery rate. Note that costs for 'Other' cost recovery rate type on the Cost Recovery rates page do not flow through to the Cost Breakdown page. A warning pop-up will appear in DefCARS when 'Other' cost recovery rates are selected to indicate this.	The rate can be described as Labour, Labour and Overhead, Overhead or Other. If Other is used, please attach a supporting comment to define the cost recovery rate. Note that costs for 'Other' cost recovery rate type on the Cost Recovery rates page do not flow through to the Cost Breakdown page.	This sentence was added to guidance before the DefCARS functionality has been developed so it is being removed until the functionality is introduced.
Row 9, Column 1	Rate (£s or %)	Rate (£s or %)	No change
Row 9, Column 2	Add the cost recovery rate in GBP or Percent (as per the rate type selected). For those recovery bases that have Percent selected as the rate type, recovery volumes should be in a cash amount. Please note the difference to the majority of other value fields in DefCARS which require units of £ million.	Add the cost recovery rate in GBP or Percent (as per the rate type selected). For those recovery bases that have Percent selected as the rate type, recovery volumes should be in a cash amount. Please note that GBP values entered here are in £s whereas elsewhere in the report values are likely to be in units of £ million.	Last sentence reworded to improve clarity.
Row 11, Column 1	Rate agreed by the MOD?	Rate agreed by the MOD?	No change
Row 11, Column 2	Final or Provisional. Contractors will normally receive confirmation from the MOD's Cost Advisory and Assurance Service (CAAS) when rates are approved.	DefCARS presents the contractor with a choice between "final" and "provisional". If the MOD has agreed the rate, then the contractor should select final. Otherwise, provisional should be selected.	Guidance reworded to clarify the choice the contractor is required to make in DefCARS and the basis on which it should be made.
Row 14, Column 1 & 2	Calculated totals should allow contractors to easily identify if any errors have been made when entering data on this page.	DefCARS will automatically calculate totals for data entered on this page. Contractors should check there are no errors in the data entered and the calculated totals may assist with this.	Guidance reworded to clarify that the contractor should check calculated totals.
Row 16, Column 1	Total cost from each cost recovery rate	Total cost from each cost recovery rate	No change

Existing para ref	Current guidance (version 7)	Proposed new guidance	Rationale for change
Row 16, Column 2	The total cost for each recovery rate is calculated by multiplying the recovery base volumes by the recovery rate in each year and any that are not profiled annually. At the bottom of the page the total cost from all cost recovery rates is shown. The total figure is also split by labour and overheads. These totals should be checked for accuracy and amendments made to the reported rates and volumes if required.	The total cost for each recovery rate is calculated by multiplying the recovery base volumes by the recovery rate in each year and any that are not profiled annually. At the bottom of the page the total cost from all cost recovery rates is shown. The total figure is also split by labour and overheads.	Deleted wording as already covered above.
4.50	Contractors are asked to provide a high-level breakdown of total Allowable Costs by nature, setting out the proportion of costs relating to labour, overheads, materials, sub-contracts and risk. Contractors will have to exercise judgement about whether costs are categorised as materials or sub-contracts, as provision of materials may be sub-contracted to another supplier.	Contractors are asked to provide a high-level breakdown of the total estimated Allowable Costs into categories, setting out the proportion of costs relating to labour, overheads, materials, sub-contracts and risk. Contractors will have to exercise judgement about whether costs are categorised as materials or sub-contracts, as provision of materials may be sub-contracted to another supplier. Contractors should check that the costs of sub-contracts reported on this page are consistent with the price attributable to sub-contracts provided on the sub-contracts page.	Additional guidance relating to the contractor being consistent in the report.
Table 13 – Cost breakdown data input			
Row 2, Column 1	Labour (from rates)	Labour (from rates)	No change

Existing para ref	Current guidance (version 7)	Proposed new guidance	Rationale for change
Row 2, Column 2	<p>DefCARS will auto-populate this field based on the data provided on the Cost Recovery Rates page in relation to 'Labour' rates and 'Labour and Overheads' rates. The figure shown will be the result of individual rates times volume by year and individual rate type.</p> <p>The contractor may also wish to reconsider the inputs on the Cost Recovery page if the value populated here is not as expected. The contractor may overwrite the value shown if it is not reflective of labour costs recovered through a cost recovery rate and provide a supporting comment to explain why.</p>	<p>DefCARS will auto-populate this field based on the data provided on the Cost Recovery Rates page in relation to 'Labour' rates and 'Labour and Overheads' rates. The figure shown will be the result of individual rates times volume by year and the individual rate type. The contractor may also wish to reconsider the inputs on the Cost Recovery page if the value populated here is not as expected. The contractor may overwrite the value shown if it is not reflective of labour costs recovered through a cost recovery rate and provide a supporting comment to explain why there is a difference.</p>	Minor changes to improve clarity.
Row 4, Column 1	Overhead (from rates)	Overhead (from rates)	No change
Row 4, Column 2	<p>DefCARS will auto-populate this field based on the data provided on the Cost Recovery Rates page in relation to 'Overheads' rates and 'Labour and Overheads' rates. The figure shown will be the result of individual rates times volume by year and individual rate type.</p> <p>The contractor may also wish to reconsider the inputs on the Cost Recovery page if the value populated here is not as expected. The contractor may overwrite the value shown if it is not reflective of labour costs recovered through a cost recovery rate and provide a supporting comment to explain why.</p>	<p>DefCARS will auto-populate this field based on the data provided on the Cost Recovery Rates page in relation to 'Overheads' rates and 'Labour and Overheads' rates. The figure shown will be the result of individual rates times volume by year and the individual rate type. The contractor may also wish to reconsider the inputs on the Cost Recovery page if the value populated here is not as expected. The contractor may overwrite the value shown if it is not reflective of labour costs recovered through a cost recovery rate and provide a supporting comment to explain why there is a difference.</p>	Minor changes to improve clarity.

Existing para ref	Current guidance (version 7)	Proposed new guidance	Rationale for change
Row 7, Column 1	Sub-contracts	Sub-contracts	No change
Row 7, Column 2	Input field for the contractor to reflect the element of Allowable Costs which relates to costs which have been sub-contracted either to another group company or another contractor.	Input field for the contractor to reflect the element of Allowable Costs which relates to costs which have been sub-contracted either to another group company or another contractor. Some sub-contracts may be for the supply of materials so the contractor will need to decide whether this category or the previous one is most appropriate.	Minor change to address a common question which contractors raise.
Row 8, Column 1	Risk Contingency Element	Risk Contingency Element	No change
Row 8, Column 2	DefCARS will auto-populate this field using the 'Total Risk Contingency included in Allowable Costs' field on the Profit page. The field cannot be edited here.	DefCARS will auto-populate this field using the 'Total Risk Contingency included in Allowable Costs' field on the Profit page. The field can be edited on the Profit page, following which the change will be reflected here.	Minor change to improve clarity.
Table 14 – Assumptions Input			
Row 2, Column 1	Are there any Allowable Cost assumptions (including risk contingency) relating to this contract? (Yes/No)	Are there any Allowable Cost assumptions (including risk contingency) relating to this contract? (Yes/No)	No change
Row 2, Column 2	The contractor is asked to confirm if there are assumptions relevant to the calculation of Allowable Costs, excluding inflation and exchange rate assumptions which are captured in specific pages within the report. When Yes is selected, the SSRO would expect to see data provided in the fields below. Selecting No will conceal the data entry fields that are described in the rest of this table.	The contractor is asked to confirm if there are assumptions relevant to the calculation of Allowable Costs, excluding inflation and exchange rate assumptions which are captured in specific pages within the report. When Yes is selected, the contractor should provide data in the fields below. Selecting No will conceal the data entry fields that are described in the rest of this table.	Minor change to improve clarity.

Existing para ref	Current guidance (version 7)	Proposed new guidance	Rationale for change
Row 3, Column 1	Information category	Information category	No change
Row 3, Column 2	Select one of the four categories listed above. Depending on which is selected, the following fields will be greyed out where no data entry is required. For example, if an assumption category is selected then the fields asking for information on calculations will be greyed out.	The contractor should select one of the four categories listed above. Depending on which is selected, the following fields will be greyed out where no data entry is required. For example, if an assumption category is selected then the fields asking for information on calculations will be greyed out.	Minor change to improve clarity.
4.62	Contractors must provide 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 QDC or QSC. There may be scenarios where a contractor does not yet know there will be sub-contracts when they submit their initial set of reports. If full information is not known at this time, partial information can be provided and updated through later reports.	Contractors must provide 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 QDC or QSC. There may be scenarios where a contractor does not yet know there will be sub-contracts when they submit their initial set of reports. If full information is not known at this time, partial information can be provided and updated through later reports. A sub-contract may enable the performance of more than one contract and may enable both qualifying and non-qualifying contracts, in which case it should be reported in respect of each QDC or QSC that it enables.	Additional guidance to indicate that a reported sub-contract may support more than just the QDC being reported.
Table 17 – Sub-contract data input			
Row 5, Column 1	Associated (Group Co.)	Associated (Group Co.)	No change
Row 5, Column 2	The primary contractor should declare if the sub-contractor is associated with them.	The primary contractor should declare if the sub-contractor is associated with them by entering a Yes in the data field.	Guidance to explain how the contractor can confirm if a sub-contractor is associated with the prime contractor.

Existing para ref	Current guidance (version 7)	Proposed new guidance	Rationale for change
4.65	The significant individual payments (those exceeding £100,000 or 1 per cent of the contract price, whichever is greater) and annual profiles can be added using the green cross icon. The information required is described in Table 18.	The significant individual MOD payments (those exceeding £100,000 or 1 per cent of the contract price, whichever is greater) and annual profiles can be added using the green cross icon. The information required is described in Table 18.	To ensure that contractors do not report payments to other parties.
Table 18 – Payments data input			
Row 2, Column 1 & 2	List of significant individual payments	List of significant individual MOD payments	To ensure that contractors do not report payments to other parties.