
STATUTORY INSTRUMENTS

2014 No. 3337

The Single Source Contract Regulations 2014

PART 11

Qualifying sub-contracts

Requirements for qualifying sub-contracts

58.—(1) The amount specified for the purposes of section 28(3)(c) and (4)(c) (minimum value of a qualifying sub-contract) is £25,000,000.

(2) A contract may be a contract to which section 28(3) or (4) applies only if it is neither—

(a) made within the framework of an international cooperative defence programme; nor

(b) made wholly for the purposes of one or more of the following—

(i) the acquisition of land (including existing buildings or other structures, and land covered with water), and any estate, interest, easement, servitude or right in or over such land;

(ii) the management or maintenance of any land or buildings or other structures; or

(iii) intelligence activities.

(3) A contract may be a contract to which section 28(3) applies only if the performance of at least 50% by value of the obligations under the contract is required either—

(a) to enable the primary contractor to perform the qualifying defence contract mentioned in section 28(3)(a); or

(b) to enable the combined performance of the qualifying defence contract mentioned in section 28(3)(a) and any other qualifying defence contracts or qualifying sub-contracts, or prospective qualifying defence contracts or qualifying sub-contracts, to which the primary contractor (or any person associated with the primary contractor) is or might become party.

(4) A contract may be a contract to which section 28(4) applies only if the performance of at least 50% by value of the obligations under the contract is required either—

(a) to enable the performance of contract A (within the meaning of section 28(4)(a)); or

(b) to enable the combined performance of contract A and any other qualifying defence contracts or qualifying sub-contracts, or prospective qualifying defence contracts or qualifying sub-contracts, to which the person for whom anything is to be provided under contract A (or any person associated with that person) is or might become party.

(5) For the purposes of paragraphs (3) and (4), one or more obligations under a contract (“the actual contract”) form 50% by value of the obligations under that contract if, were they to constitute all the obligations under a contract, the value of that contract would be at least 50% of the value of the actual contract.

(6) Part 2 of the Act, and these Regulations, shall not apply to a qualifying sub-contract in respect of which no notice has been given under section 29(2)(b) or (4)(b).