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STATUTORY INSTRUMENTS

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**2024 No. 420**

**The Single Source Contract (Amendment) Regulations 2024**

**Amendment of regulation 52 (matters in relation to which the SSRO must make a determination)**

**40.** In regulation 52(1)—

(a) for paragraph (1) substitute—

“(1) The matters relating to a contract which are specified for the purposes of section 35(1)(b) (matters in relation to which the SSRO must make a determination)(2) are—

(a) the defined pricing structure and output metrics that the contractor must use in all reports provided under Part 5 for that contract;

(b) the matter mentioned in regulation 51(1)(c) (read as if a reference to the proposed contract were a reference to the contract).”;

(b) in the opening words of paragraph (2), for “any of those matters” substitute “the matters mentioned in paragraph (1)(a)”;

(c) after paragraph (2) insert—

“(3) A reference to the SSRO for a determination in relation to the matters mentioned in paragraph (1)(b) must be made within two years of the contract completion date or, if the reference is made in respect of a component, within two years of the component completion date.

(4) The SSRO must, on an application by a person within section 16(5) in relation to a qualifying defence contract, or a component of such a contract, which has been priced using an alternative pricing method (“the applicable pricing method”)—

(a) determine whether the price of that contract or a component has been properly determined in accordance with the applicable pricing method; and

(b) if the price was not properly determined, determine as nearly as possible what the price of the contract or component would have been if the price were properly determined in accordance with the applicable pricing method.

(5) An application for a determination under paragraph (4) must be made within two years of the contract completion date or, if the application relates to a component, within two years of the component completion date.

(6) The SSRO may, in consequence of a determination under paragraph (4)(a), determine that the price payable under the contract or component is to be adjusted by the amount required to achieve the price determined under paragraph (4)(b).

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(1) Regulation 52 was amended by [S.I. 2018/1350](#).

(2) For further provision about matters in relation to which the SSRO must make a determination, see section 16(b)(ii) (determinations about adjustments to contract price) of the Defence Reform Act 2014, section 20(5) and (6) of the Defence Reform Act 2014 together with regulation 19 (determinations about allowable costs) and section 32(7) and (8) of the Defence Reform Act 2014 (determinations about penalty notices).

- (7) The Secretary of State may not make a reference under paragraph (1) or an application under paragraph (4) unless—
- (a) the Secretary of State has sent the primary contractor a written notice requiring the primary contractor to show that the requirements in relation to which the proposed reference or application is to be made have been met;
  - (b) at least 20 working days have elapsed since the date of that notice; and
  - (c) no response, or no response which the Secretary of State considers to be satisfactory, has been received.
- (8) In making a determination under this regulation, the SSRO must have regard to—
- (a) the information that was available to each party at the time of agreement;
  - (b) in the case of a contract which contains provision of the kind described in regulation 15 (TCIF adjustment), those provisions;
  - (c) in the case of a contract priced in accordance with a default pricing method, whether the parties disclosed, in a timely manner, the facts and assumptions they used to determine the allowable costs or the contract profit rate.”.