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STATUTORY INSTRUMENTS

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**2018 No. 1350**

**The Single Source Contract  
(Amendment) (No. 2) Regulations 2018**

**PART 1**

Introductory provisions

**Citation and commencement**

1.—(1) These Regulations may be cited as the Single Source Contract (Amendment) (No. 2) Regulations 2018.

(2) This Part and Part 2 of these Regulations come into force on 31st January 2019.

(3) Part 3 of these Regulations comes into force on 1st April 2019.

**Interpretation**

2. In these Regulations, “the 2014 Regulations” means the Single Source Contract Regulations 2014 <sup>M1</sup>.

**Marginal Citations**

**M1** [S.I. 2014/3337](#): to which there are amendments but none is relevant to this instrument.

**PART 2**

Determinations by the SSRO

**Amendment of the 2014 Regulations: determinations by the SSRO**

3. The 2014 Regulations are amended in accordance with regulations 4 and 5.

4. In regulation 52, for paragraph (2) substitute—

“(2) A reference to the SSRO for a determination in relation to any of those matters must be made—

(a) where the contract is a qualifying defence contract by virtue of section 14(3)—

(i) no later than 6 months after the contract is entered into, or

(ii) if the contract is amended after it is entered into in a way that affects any of those matters, no later than 6 months after the contract is so amended;

- (b) where the contract is a qualifying defence contract by virtue of section 14(4) or (5)—
  - (i) no later than 6 months after the amendment mentioned in section 14(4)(c) or (5)(b) (as the case may be) is made, or
  - (ii) if the contract is subsequently amended in a way that affects those matters, no later than 6 months after the contract is so amended.”.
- 5. In regulation 65, after paragraph (14), insert—
  - “(15) Regulation 52 has effect as if—
    - (a) in paragraph (2)(a) for “qualifying defence contract by virtue of section 14(3)”, there were substituted “ qualifying sub-contract ”;
    - (b) paragraph (2)(b) were omitted.”.

## **PART 3**

### Repricing of contracts

#### **Amendment of the 2014 Regulations: repricing of contracts**

- 6. The 2014 Regulations are amended in accordance with regulations 7 to 13.
- 7. In regulation 2, in paragraph (1)—
  - (a) for the definition of “the Act” substitute—

““the Act” means the Defence Reform Act 2014, and references to sections are to sections of that Act;”;
  - (b) for the definition of “contract price” substitute—

““contract price”, in relation to a qualifying defence contract, means—

    - (a) the price payable under the contract to the primary contractor as determined in accordance with regulation 10, or
    - (b) if the contract is amended in a way that affects the price payable under it, the price payable under the contract to the primary contractor as determined or, as the case may be, last determined in accordance with the Schedule;”;
  - (c) in the definition of “the time of agreement”, for “under regulation 14”, in both places it occurs, substitute “ in accordance with the Schedule ”.
- 8. For regulation 14 substitute—

**“Re-determination of contract price**

14. The Schedule makes provision for the re-determination of the contract price for a qualifying defence contract.”
- 9. In regulation 39, in paragraph (4)(d), for “under regulation 14” substitute “ in accordance with the Schedule ”.

10. In regulation 51, in paragraph (2)(a), for “(regulation 14)” substitute “ (see the Schedule) ”.

11. In regulation 56, in paragraph (1), after “Schedule 5”, insert “ to the Act ”.

12. In regulation 65—

(a) omit paragraph (7);

(b) after paragraph (15) (as inserted by these Regulations), insert—

“(16) The Schedule (re-determination of contract price) has effect as if, in the definition of “the parties”, for “Secretary of State” there were substituted “ contracting authority ”.”

13. At the end, insert the Schedule (re-determination of contract price) set out in the Schedule to these Regulations.

### Transitional provisions

14.—(1) Where the price payable under a qualifying defence contract <sup>M2</sup> or qualifying sub-contract <sup>M3</sup> is re-determined under regulation 14 of the 2014 Regulations before 1st April 2019 (“the existing price”), the existing price is to be treated, on and after that date, for the purposes of those Regulations as if it had been determined in accordance with the Schedule to those Regulations (as inserted by these Regulations).

(2) In addition, for the purposes of the following provisions of the 2014 Regulations as they apply to that contract on and after 1st April 2019, any reference in those provisions to the time of agreement is to be read as a reference to the date on which the existing price was determined—

(a) regulation 16(9)(a);

(b) regulation [<sup>F1</sup>18(3)];

(c) regulation 19(3)(a) [<sup>F2</sup>and (b)].

(3) But paragraph (2) ceases to apply if the price payable under the contract is re-determined in accordance with the Schedule to the 2014 Regulations on or after 1st April 2019.

#### Textual Amendments

**F1** Word in reg. 14(2)(b) substituted (1.9.2019) by [The Single Source Contract \(Amendment\) Regulations 2019 \(S.I. 2019/1106\)](#), regs. 1, **24(2)(a)**

**F2** Words in reg. 14(2)(c) inserted (1.9.2019) by [The Single Source Contract \(Amendment\) Regulations 2019 \(S.I. 2019/1106\)](#), regs. 1, **24(2)(b)**

#### Marginal Citations

**M2** “Qualifying defence contract” has the meaning given by section 14(2) of the Defence Reform Act 2014.

**M3** “Qualifying sub-contract” has the meaning given by section 28(2) of the Defence Reform Act 2014.

**Changes to legislation:**

There are currently no known outstanding effects for the The Single Source Contract (Amendment) (No. 2) Regulations 2018.