
STATUTORY INSTRUMENTS

2024 No. 420

The Single Source Contract (Amendment) Regulations 2024

Amendment of regulation 10 (pricing of contracts)

13. In regulation 10—

- (a) in the heading, for “Pricing” substitute “Default pricing”;
- (b) in paragraph (1)—
 - (i) after “qualifying defence contract” insert “or component of such a contract”;
 - (ii) in sub-paragraph (a), after the second instance of “contract” insert “or component”;
 - (iii) in sub-paragraph (b), for “regulated” substitute “default”;
- (c) omit paragraphs (2) and (3);
- (d) in paragraph (6), at the end insert “or component completion date”;
- (e) for paragraph (7) substitute—

“(7) Under the estimate-based fee pricing method, the allowable costs by which the CPR is multiplied are the allowable costs as—

 - (a) estimated at the time of agreement; and
 - (b) may be adjusted in accordance with changes in specified indices or rates between the time of agreement and a specified time (and different times, indices or rates may be specified in relation to different allowable costs).”;
- (f) in paragraph (8), at the end insert “or component completion date”;
- (g) in paragraph (9), at the end insert “or component”;
- (h) for paragraph (11) substitute—

“(11) Under the target pricing method, the allowable costs—

 - (a) must be estimated at the time of agreement;
 - (b) may be, or may include, allowable costs per unit of volume multiplied by the actual volume of output of the contract or component; and
 - (c) may be adjusted in accordance with changes in specified indices or rates between the time of agreement and a specified time (and different times, indices or rates may be specified in relation to different allowable costs).”.