

**Stakeholder Survey 2024**

Appendix 1: Specification

## Introduction

* + 1. The Single Source Regulations Office (SSRO) is an executive non-departmental public body, sponsored by the Ministry of Defence (MOD). We were established by the Defence Reform Act 2014, which also created a regulatory framework for single source defence contracts, placing controls on the pricing of qualifying contracts and requiring greater transparency on the part of defence contractors.
    2. Our purpose is to deliver our statutory functions to support and improve the operation of the regulatory framework. In carrying out our statutory functions, we aim to ensure that good value for money is obtained in government expenditure on qualifying defence contracts, and that contractors are paid a fair and reasonable price under those contracts.
    3. The SSRO is a small organisation with a total permanent staff of 34 and a budget of £6.39 million in 2022/23.
    4. Our statutory functions:
       - Records: Keeping an up-to-date record of qualifying contracts and receiving statutory reports from defence contractors under the regulatory framework.
       - Contract Profit Rate: Recommending the appropriate baseline profit rate, capital servicing rates and SSRO funding adjustment for use in calculating contract profit rates.
       - Guidance: Publishing guidance on Allowable Costs, Contract Profit Rate steps, Reporting and Penalties.
       - Review: Keeping the operation of the regulatory framework under review and making recommendations for changes to the Secretary of State.
       - Referrals: Giving opinions and making determinations on matters referred to the SSRO concerning the regulatory framework.
       - Compliance: Keeping under review the extent to which reporting requirements are being complied with.
       - Analysis: Analysing reported data on request for the Secretary of State and developing insights.
    5. We engage closely with the MOD, industry and other stakeholders, and our people bring a diverse range of skills and experience to the regulation of single source contracts. We are accountants, economists, lawyers, analysts, and specialists in defence acquisition, regulatory policy, IT, procurement, and contracting roles.
    6. Additional general information about the SSRO, can be found on our website: <http://www.gov.uk/government/organisations/single-source-regulations-office>

## Background

* + 1. The SSRO completed its third stakeholder survey in Spring 2022. The purpose of the survey is to measure performance, understand stakeholder perceptions, inform our strategic direction, and improve stakeholder engagement.
    2. A total of 270 online surveys and 29 telephone interviews were completed by stakeholder respondents as part of the 2022 survey.
    3. A research report on the results of the survey can be found on our website: [Stakeholder survey report - GOV.UK (www.gov.uk)](https://www.gov.uk/government/publications/stakeholder-survey-report)
    4. In the SSRO’s Corporate Plan 2023 - 2026[[1]](#footnote-2) we set out a series of corporate objectives, including one that focuses on stakeholder engagement. One of the ways we committed to both delivering and measuring this objective is through undertaking a stakeholder survey every two years.
    5. The results of the stakeholder survey will help us to measure performance against our key performance indicators. It will also assist in populating new performance measures.
    6. The SSRO undertakes both continuous corporate stakeholder engagement and specific engagement on an individual project basis through:
* Regular meetings and engagement between the SSRO’s Chair and executive staff and ministers and senior officials at the MOD.
* Regular meetings with industry and visits to their facilities.
* Consultations, for example on changes to statutory guidance.
* Workshops and working papers on specific topics throughout the year with industry and the MOD.
* Hosting several stakeholder engagement groups and forums, including the Operational Working Group and Reporting and IT subgroup.
* A support Helpdesk for industry and MOD users of our Defence Contracts Analysis and Reporting System (DefCARS – a platform through which contractors submit statutory reports), on-boarding sessions for defence contractors new to the regulatory framework, and training sessions for industry and MOD staff.
  + 1. Our key stakeholders are within the MOD and the defence industry. There are several different parts of the MOD that we engage with at working level, including:
* the MOD head office (the Single Source Advisory Team [SSAT] who lead on single source procurement policy within the MOD).
* The Directorate of Sponsorship and Organisational Policy (who are the SSRO’s sponsor within the MOD).
* The MOD’s procurement or delivery agencies such as Defence Equipment and Support (DE&S), the Submarine Delivery Agency (SDA) and the Defence Infrastructure Organisation (DIO).
  + 1. We engage extensively with the defence industry which ranges from large multinational companies (such as Airbus, Babcock, BAE Systems, Boeing, General Dynamics, Leonardo, Lockheed Martin, MBDA, QinetiQ, Rolls Royce, and Thales) to mid-tier and SME defence contractors. We also engage with industry trade associations (such as ADS and techUK), other industry groupings (such as the Defence Single Source Advisory Group or DSAG) and their advisors.
    2. At present we have circa 400 names on our stakeholder database, and these include multiple stakeholders at different levels of seniority within the same organisations. We also have c.2,000 users of the Defence Contract Analysis and Reporting System (DefCARS), of whom a majority will be invited to complete the survey.

## The Services

### Service overview

* + 1. The SSRO is seeking to appoint an external organisation to undertake our stakeholder survey and present the SSRO with a report setting out the analysed and benchmarked results with commentary. To allow for comparability and consistency with some of our existing corporate Key Performance Indicators, many of the survey questions will be largely the same as those asked in the third stakeholder survey.
    2. The survey will provide the SSRO Board with an independent view on how well we are performing against our relevant KPIs and objectives and with stakeholder engagement. The survey must provide answers around the following themes and issues:
       - Whether stakeholders consider the SSRO engages well (which is directly linked to our KPIs).
       - Whether stakeholders involved in any referral agree that the SSRO engaged effectively through the referral process (which is directly linked to our KPIs).
       - Number of MOD stakeholders that engage with the SSRO on pricing and data issues.
       - Stakeholders’ views on our guidance and our process for reviewing this (which is directly linked to our KPIs).
       - How stakeholders solve single-source pricing problems aided by or using the solutions identified by the SSRO.
       - How stakeholders’ perceptions of the SSRO are changing.
       - Satisfaction with DefCARS as the platform for submitting reports, and with assistance provided by the helpdesk (which is directly linked to our KPIs).
       - Stakeholders’ views of the SSRO’s various engagement methods (including Operational Working Group etc) so we can identify if there is anything (such as method, format, or duration) we should do differently.
       - Identifying any priority areas for future stakeholder engagement.
    3. The 2022 survey contained up to 36 questions in the first online part, and up to 15 questions for the telephone interviews, depending on whether respondents had for example used our guidance, been involved in a referral etc.
    4. The SSRO will make available relevant documentation for the development and delivery of the survey, such as our stakeholder list or communication channels. The SSRO will provide a draft question set to be used for the online survey and telephone interviews, subject to advice and input from the contractor as to amendments that could be made. The SSRO team through the Project Manager will be the main point of contact for discussions on formalising the survey questions and stakeholder sample to be used.
    5. The SSRO will supply the contractor with the contact details of the stakeholders to be surveyed by 4 December 2023. We will present the contractor with a list that comprises both the stakeholder contact list and DefCARS users, having removed any duplication from the two sources.
    6. The SSRO require the contractor to deliver the following services:

1. **A plan and methodology for undertaking the survey.** The online survey and telephone interviews will be conducted based on a question set that the SSRO will provide, subject to advice from the contractor.

The contractor must conduct an initial online survey of all stakeholders, followed by a set of qualitative telephone interviews with a representative sample of stakeholders who have indicated their willingness to discuss their response in further detail. The contractor will provide advice on the number of telephone interviews required for this survey - these will be drawn from stakeholders with whom we have contact across our work. These interviews must provide a greater detail of stakeholder sentiment and explore the reasons behind online survey responses, which will be more useful for us in improving our engagement in the future, than purely ordinal scale answers would allow.

The plan and methodology should include proposals to achieve a response rate to the survey that aims to be representative of our stakeholder population. The contractor should work with the SSRO to consider whether the sample size of any sub-groups of respondents needs to be boosted to obtain sufficient numbers of respondents to key survey questions.

The plan and methodology should ensure that the survey is accessible to stakeholders, including ensuring browser compatibility and that the online part of the survey is accessible to stakeholders on corporate networks who may have security measures in place restricting the nature of the internet sites users can access.

The final plan and methodology, agreed by the SSRO, is required by 4 December 2023.

1. **Undertaking the survey (January to March 2024)*.*** The SSRO requires the contractor to conduct the survey in the period from January to March 2024: the requirement is to deliver the survey in accordance with the agreed plan and methodology.
2. **Analysis of the data gathered in respect of every question asked, and production of two reports detailing the survey findings (headline report and final report).** The reports must include percentages or charts where the questions and data allow it. The reports must provide the SSRO with a percentage answer in relation to its KPIs set out in 3.2. In producing the report, the contractor must make best use of significance testing, sub-group analysis, and comparability of results between survey years. Numbers of respondents to questions must be clearly stated in the findings. An analysis of the profile of respondents to the survey and interviews and its comparability to the previous survey respondents must be provided. The analysis is to include benchmarking against other UK regulators and/or comparable organisations where possible, and a written report providing commentary which as a minimum addresses the questions set out in 3.2 (in draft by 12 April 2024 and in final form by 26 April 2024). A headline report on the results of the quantitative survey will be required by 1 March 2024. The final report must be provided in a Microsoft Office format as well as in a web-accessible pdf (any diagrams need to have alt text and appropriately tagged so that a screen reader can read).

**Staged payments**

* + 1. Payment for delivering the Services will be staged, based on successful completion against four milestones:
  1. Initial project management; questionnaire design and set up (25% of Price).
  2. Ongoing project management; questionnaire delivery; quantitative data capture; analysis and reporting (25% of Price).
  3. In depth follow up interviews and provision of headline report (25% of Price).
  4. Final report and presentation (25% of Price).

**ICT data and security requirements**

* + 1. The Contractor must have in place processes, procedures and policies that ensure full compliance with the SSRO’s data protection requirements, as specified in Schedule 1 of the Terms and Conditions.
    2. The Contractor must have and maintain throughout the Contract Period Cyber Essentials accreditation. Where the Contractor has confirmed to the SSRO as part of the Tender Response that it holds any further industry recognised security and data handling schemes, accreditations, or certificates (such as ISO security standards), the Contractor must comply and act in accordance with such standards in the delivery of the Services.

### Relationship

* + 1. The contractor will provide a team specifically to manage and deliver the requirements of this specification. The contractor’s team is to comprise of individuals with a blend of senior level experience, application expertise, and operational management skills, who hold relevant academic and professional qualifications.
    2. The Contractor must nominate a manager whose role is to:
* manage the service and relationship between the contractor and the SSRO on a day-to-day basis;
* provide a primary point of contact for the SSRO throughout the contract period;
* ensure delivery within the agreed timeframes;
* ensure compliance with the terms and conditions of the contract (Appendix 4);
* remain consistently informed about the contractor’s performance on all matters;
* be available to address issues in a timely manner and meet any urgent requirements within an acceptable timeframe;
* ensure that the service is delivered within the agreed cost; and
* be a point of contact for the SSRO’s auditors if necessary.

1. [SSRO Corporate Plan 2023-2026 - GOV.UK (www.gov.uk)](https://www.gov.uk/government/publications/ssro-corporate-plan-2023-2026/ssro-corporate-plan-2023-2026)). [↑](#footnote-ref-2)