

**Stakeholder survey 2022**

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 play a key role in the regulation of single source, or non-competitive defence contracts.
    2. The Defence Reform Act 2014 (‘the Act’) created a regulatory framework for single source defence contracts and established the SSRO. The framework came fully into force in December 2014, following Parliamentary approval of the Single Source Contract Regulations 2014. The framework places controls on the prices of qualifying contracts and requires greater transparency on the part of defence contractors. The SSRO is at the heart of the regulatory framework, supporting its operation.
    3. The SSRO is a small organisation with total permanent staff of 37 and a budget of £6.35 million in 2020/21.
    4. The SSRO provides independent, expert leadership on the regulation of single source contracts and we carry out a range of statutory functions in support of the regulatory framework. When exercising our functions, we aim to ensure that good value for money is obtained in government expenditure on qualifying defence contracts, and that persons who are parties to qualifying defence contracts are paid a fair and reasonable price under those contracts.
    5. We apply a clear and robust methodology for assessing and recommending the rates that should apply when calculating contract profit rates. We give clear, principles-based pricing guidance that facilitates the agreement of contract costs and profits. Our opinions and determinations resolve disputes and clarify contract-specific issues.
    6. We collect data on qualifying contracts and suppliers which provides a valuable, growing evidence-base to inform value for money and fair and reasonable prices. Our platform for receiving data (the Defence Contracts Analysis and Reporting System or DefCARS) is secure, efficient and minimises the reporting burden on contractors. We provide support and guidance to contractors to help them use DefCARS and understand their reporting obligations. We review report submissions and promote the provision of quality data.
    7. DefCARS supports effective analysis, and we promote use of the data in support of procurement decisions, contract management and development of the regulatory framework.
    8. By engaging closely with the MOD, industry, and other stakeholders, we explore multiple points of view to make technically sound improvements to the framework for contract pricing. We identify best practices from the UK and around the world and use them to develop optimal solutions to identified issues.
    9. Our people bring a diverse range of skills to the regulation of single source contracts. We include accountants, economists, lawyers, analysts, and specialists in defence, regulatory policy, IT, procurement and contracting roles.
    10. 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 second stakeholder survey in Spring 2020. The purpose of the survey is to measure performance, understand stakeholder perceptions, inform our strategic direction and improve stakeholder engagement.
    2. A total of 256 online surveys and 20 telephone interviews were completed by stakeholder respondents as part of the 2020 survey.
    3. A research report on the results of the survey can be found on our website: <https://www.gov.uk/government/publications/stakeholder-survey-report-and-stakeholder-engagement-strategy>
    4. In the SSRO’s Corporate Plan 2021 - 2024[[1]](#footnote-2) we set out a series of corporate objectives, including one to “improve our reach and engagement with stakeholders to build our evidence base, share understanding and increase the benefits of the regulatory framework”. 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, which include an 80 per cent target for the “proportion of stakeholders who consider the SSRO engages well” and a 75 per cent target for the “proportion of stakeholders who agree the SSRO’s guidance is clear and applicable”. 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 Chairman 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 Senior Stakeholder Forum, Operational Working Group, and Reporting and IT subgroup; and
* A support Helpdesk for industry and MOD users of our Defence Contracts Analysis and Reporting System (DefCARS), 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] 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 300 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 the survey questions will be in large part the same as those asked in the second 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 (this is a new area of focus for the 2022 survey).
       - 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 (this is a new area of focus for the 2022 survey).
       - 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 Senior Stakeholder Forum, 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 2020 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 or online (e.g. Zoom, Teams etc) 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 1 December 2021. We will present the company undertaking the work 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 following services:

1. **Delivering a plan and methodology for undertaking the survey.**

The online survey and telephone or online interviews will be conducted based on a question set that the SSRO will provide, subject to advice and input from the contractor.

The contractor must undertake an initial online survey of all stakeholders, followed by a set of qualitative telephone or online 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 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 only ordinal scale answers would allow.

The plan and methodology must:

* 1. Provide a description of how the survey will be delivered, incorporating: initial meetings with the SSRO; online questionnaire design and planning (including ensuring accessibility for stakeholders on corporate networks who may have security measures in place restricting the nature of the internet sites users can access, and how real-time completion rates can be monitored); how the fieldwork stages will be undertaken; design and delivery of the in-depth interviews.
  2. Include proposals to achieve a response rate to the survey that aims to be representative of our stakeholder population.
  3. Detail how the contractor will maximise survey response rates to the quantitative survey, as well as increase the number of in-depth interviews, and facilitate targeting of lower responding stakeholder groups. The contractor must 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.
  4. Show how the online survey can be set up to ensure comparability with previous surveys. Changes in stakeholder perceptions to the SSRO would be an area of particular interest.
  5. Examine options for benchmarking the SSRO against other regulators and public sector organisations.
  6. Detail how the above will be delivered in accordance with the timings set out in paragraphs 3.6b and 3.6c – and how project standards / management will be used.

The plan and methodology must be submitted to the SSRO by 1 December 2021. The SSRO will aim to provide feedback on the plan and methodology to the contractor by 8 December 2021, and the contractor shall (if required) submit any revisions to the SSRO by 16 December 2021 for approval. The contractor shall proceed to deliver stages (b) or (c) below upon written approval from the SSRO of the final plan and methodology.

1. **Undertaking the survey:** The SSRO requires the contractor to conduct the survey during the period from January to March 2022. The contractor must deliver the survey in accordance with the approved plan and methodology.
2. **Conducting analysis of the data gathered in respect of every question asked, and production of two reports detailing the survey findings.** A headline report on the results on the quantitative survey is required by 28 February 2022, and a written report providing commentary (which as a minimum addresses the questions set out in 3.2) in draft by 11 April 2022 and in final form for approval by 25 April 2022.

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 paragraph 3.2. In producing the reports, 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 must include benchmarking against other UK regulators and/or comparable organisations where possible. The final report must be provided in a Microsoft Office format as well as a fully web accessible pdf.

**ICT data and security requirements**

* + 1. The contractor must have in place policies to ensure they fully comply with the SSRO data protection requirements, as specified in Schedule 1 of the Terms and Conditions (Appendix 4).
    2. Where the contractor has confirmed that it holds any industry recognised security and data handling schemes, accreditations or certificates (such as ISO security standards and Cyber Essentials or Cyber Essentials Plus), 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 2021 - 2024 (https://www.gov.uk/government/publications/ssro-corporate-plan-2021-2024)](https://ssro.sharepoint.com/sites/207/Stakeholder%20Surveys/2022%20Survey/Board%20&%20EC%20papers/SSRO%20Corporate%20Plan%202021%20-%202024%20(https:/www.gov.uk/government/publications/ssro-corporate-plan-2021-2024)). [↑](#footnote-ref-2)