



Single Source
Regulations Office

Stakeholder Survey 2025

Appendix 1: Specification

1. Introduction

- 1.1 The Single Source Regulations Office (SSRO) is an executive non-departmental public body, sponsored by the Ministry of Defence (MOD). The SSRO was 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.
- 1.2 The SSRO's purpose is to deliver our statutory functions to support and improve the operation of the regulatory framework. In carrying out our statutory functions, it aims 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.
- 1.3 The SSRO is a small organisation with a total permanent staff of 35 and a budget of £6.38 million in 2023/24.
- 1.4 The SSRO's 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 and capital servicing rates for use in calculating contract profit rates.
 - Guidance: Publishing guidance on Allowable Costs, Contract Profit Rate steps, Alternative pricing, Reporting and Penalties. Issue guidance in relation to the application or interpretation of the regulatory framework.
 - 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.
- 1.5 The SSRO engages closely with the MOD, industry and other stakeholders, and their people bring a diverse range of skills and experience to the regulation of single source contracts. They are accountants, economists, analysts, and specialists in defence acquisition, regulatory policy, law, IT, procurement, and contracting roles.
- 1.6 Additional general information about the SSRO, can be found on our website:
<http://www.gov.uk/government/organisations/single-source-regulations-office>

2. Background

- 2.1 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.

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- 2.2 A total of 270 online surveys and 29 telephone interviews were completed by stakeholder respondents as part of the 2022 survey.
- 2.3 A research report on the results of the survey can be found on our website: **Stakeholder survey report - GOV.UK (www.gov.uk)**
- 2.4 In the SSRO's Corporate Plan 2023 - 2026¹ it sets out a series of corporate objectives, including one that focuses on stakeholder engagement. One of the ways the SSRO is committed to both delivering and measuring this objective is through undertaking a stakeholder survey at appropriate intervals (historically every two to three years).
- 2.5 The results of the stakeholder survey will help us to measure performance against our key performance indicators (KPIs). It will also assist in populating new performance measures.
- 2.6 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.
 - Teach-ins, 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.
- 2.7 Our key stakeholders are within the MOD and the defence industry. There are several different parts of the MOD that the SSRO engage with at working level, including:
- the MOD's Commercial Performance & Scrutiny Team, who lead on single source procurement policy within the MOD.
 - The Head Office Directorate within the MOD (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).
- 2.8 The SSRO engages 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. The SSRO also engages with industry trade associations

¹ SSRO Corporate Plan 2023-2026 - GOV.UK (www.gov.uk).

(such as ADS and techUK), other industry groupings (such as the Defence Single Source Advisory Group [DSAG]) and their advisors.

- 2.9 At present the SSRO has circa 400 names on their stakeholder database, and these include multiple stakeholders at different levels of seniority within the same organisations. The SSRO also has c.2,500 users of the Defence Contract Analysis and Reporting System (DefCARS), of whom a majority will be invited to complete the survey.

3. The Services

Service overview

- 3.1 The appointed Contractor will undertake the SSRO's 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 KPIs, many of the survey questions will be largely the same as those asked in the third stakeholder survey.
- 3.2 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 are satisfied with SSRO responses to their questions and queries (which is directly linked to our KPIs).
 - Whether stakeholders involved in any referral or related advice service agree that the SSRO engaged effectively through the referral process (which is directly linked to our KPIs).
 - 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 the SSRO can identify if there is anything (such as method, format, or duration) they should do differently.
 - Identifying any priority areas for future stakeholder engagement.
- 3.3 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.
- 3.4 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 which the Contractor shall provide 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.

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3.5 The SSRO will supply the Contractor with the contact details of the stakeholders to be surveyed following contract completion (and by 13 December 2024). The SSRO will also present the Contractor with a list that comprises both the stakeholder contact list and DefCARS users. The Contractor will be responsible for removing any duplication from the two sources.

3.6 The SSRO requires the Contractor to deliver the following outputs/services:

- a) **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 the SSRO have contact across their 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 the SSRO in improving their engagement in the future, than purely ordinal scale answers would allow.

The plan and methodology will include proposals to achieve a response rate to the survey that aims to be representative of the SSRO's 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 final plan and methodology, agreed by the SSRO, is required by 20 December 2024.

- b) **Undertaking the survey (January to February 2025).** The SSRO requires the Contractor to conduct the survey in the period January and February 2025: the requirement is to deliver the survey in accordance with the agreed plan and methodology.
- c) **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 should ideally 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 17 March 2025 and in final form by 31 March 2025). A headline report on the results of the quantitative survey is required by 3 March 2025. The final report must be provided in a Microsoft Office format as well as in a web-accessible pdf (any diagrams must have alt text and be appropriately tagged so that a screen reader can read).

Staged payments

3.7 Payment for delivering the Services will be staged, with invoices being submitted by the Contractor following successful completion of four milestones:

- a. Initial project management; questionnaire design and set up (25% of Price).

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- b. Ongoing project management; questionnaire delivery; quantitative data capture; analysis and reporting (25% of Price).
- c. In depth follow up interviews and provision of headline report (25% of Price).
- d. Final report (25% of Price).

ICT data and security requirements

- 3.8 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.
- 3.9 The Contractor must have and maintain throughout the Contract Period Cyber Essentials accreditation, and accreditation / compliance with the ISO/IEC 27000 standards. 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, the Contractor must comply and act in accordance with such standards in the delivery of the Services.
- 3.10 The survey plan and methodology must 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. It must also detail what steps will be taken to ensure that the Contractor's emails (including the survey invite) to designated recipients are not treated as SPAM. The Contractor will be required to liaise directly with the relevant IT departments in companies who are experiencing difficulties in receiving / accessing either emails or the survey, and work towards a resolution.

Relationship

- 3.11 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.
- 3.12 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;
 - 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.