

SSRO

Single Source
Regulations Office

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Consultation on proposed guidance: Contract amendments: guidance on redetermining the price of a QDC or QSC



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1. Background

- 1.1 The parties to a qualifying defence contract (QDC) or qualifying sub-contract (QSC) may wish to amend a contract or component of the contract in a way that affects the contract price. Section 15 of the Defence Reform Act 2014 (“the Act”) and the Single Source Contract Regulations (“the Regulations”) sets out the how the price payable under a QDC or QSC must be redetermined in these circumstances. Such an amendment is defined in the regulations as a “pricing amendment”.
- 1.2 In response to stakeholder feedback that parties to qualifying contracts would benefit from additional support in relation to pricing amendments to QDCs and QSCs, the SSRO is issuing [draft guidance](#) on this topic for consultation. The guidance explains the provisions of the regulatory framework relevant to contract pricing amendments and provides signposting to other SSRO guidance which may also apply. We have sought to ensure that areas which are routinely observed to be challenging are covered, with comprehensive guidance provided to explain them. The SSRO does not currently issue any standalone guidance on this aspect of the regulatory framework.
- 1.3 This consultation document sets out the questions on which the SSRO would welcome feedback to inform the final published guidance so that it best meets the needs of those stakeholders who will be using it. This consultation document should be read in conjunction with the draft guidance to which it relates. Any feedback we receive by the deadline will be considered in finalising the guidance.
- 1.4 The consultation is open for a fourteen-week period from 03 October 2025 to 09 January 2026. Details of how to respond to the consultation are contained in section 3 of this document. If you would like to discuss any aspect of the consultation or the draft guidance during the consultation period, please contact the SSRO via email at consultations@ssro.gov.uk or via telephone at 020 3771 4785.

2. Proposed guidance on contract pricing amendments

Scope of the guidance and structure

- 2.1 The new guidance consists of two documents:
- a. The quick start guide, which is designed to assist users to understand how to redetermine the price of a QDC or QSC when a pricing amendment is proposed. It identifies the relevant sections of the full guidance on the pricing of contract amendments.
 - b. The contract pricing amendments guidance, which is structured as follows.
 1. Introduction
 2. Pricing amendments: common principles
 3. Redetermining the contract price: Default pricing methods
 4. Redetermining the contract price: Alternative pricing methods
 5. All other circumstances
 6. Making more than one pricing amendment
 7. Reporting Requirements
 8. Getting help and resolving issues
 9. Key questions and answers regarding contract amendments
- 2.2 We would welcome feedback from stakeholders on whether the correct areas have been covered in the draft guidance and any other aspects that should be included.

Question 1: Does the draft guidance cover the correct areas and have the appropriate structure? If not, please suggest what additional areas the guidance should cover and why this would be helpful.

- 2.3 Based on feedback, in developing this draft contract amendments guidance the SSRO has aimed to improve the user experience by:
- Producing a supportive quick start guide to introduce the key aspects of the topic and signpost the user to the specific sections of the full guidance most relevant to their proposed contract pricing amendment.
 - Providing examples to demonstrate key concepts and to help with identified common issues. Pricing amendments is an area with complex requirements within the legislation and a topic on which SSRO support is often sought.
 - Including relevant references and links to other SSRO guidance and the Regulations. Pricing amendments draw widely upon the requirements for pricing QDCs and QSCs.

- Signposting for how to access further information or assistance.

2.4 This follows the approach that the SSRO took in developing the final price adjustment (FPA) guidance, which was well received by stakeholders. We welcome feedback from stakeholders on this approach, and suggestions for how we can best support the needs of guidance users.

Question 2: Do you support this approach to developing SSRO guidance? We welcome any feedback or suggestions for further improving the user experience.

2.5 The sections below explore the SSRO's approach to the contract pricing amendment guidance in greater depth.

Quick start guide

2.6 The quick start guide is intended to be an easy-to-use tool which allows users to efficiently identify the relevant section of the full guidance that is applicable to the pricing amendment they intend to make. We recognise that the guidance on contract pricing amendments is substantial in length, due to the complexity of the legislation on this topic. However, it is usual for readers only to need to refer to the sections that are relevant to their specific circumstances. The quick start guide is intended to help in this regard.

Question 3: Do you think the quick start guide is a useful aid for navigating the full guidance, particularly for users who are new to the single source contract regime? We welcome feedback or suggestions for improvements to the content or layout of the quick start guide.

Full Guidance

Introduction and common principles

2.7 Sections 1 and 2 of the guidance introduce the concept of a pricing amendment and the principles common to all pricing amendment scenarios, which includes information on how to use the guidance as well as key terms and definitions.

Question 4: Common principles - Do you find the introduction and common principles a helpful entry point to the concepts behind, and requirements of, making pricing amendments? We welcome feedback or suggestions for improvements to the content or layout of the introduction and common principles sections of the guidance.

Redetermining the contract price

2.8 The scenarios covered in sections 3 to 6 are designed to be read independently, as their relevance will depend on the specific pricing amendment the user intends to make. The intention is that users need only to read the paragraphs relevant to their specific circumstances.

Question 5: Navigating the document - We welcome feedback on the structure of sections 3 to 6. In particular we would welcome any views on whether:

- The structure makes it easy to navigate the document and find relevant content.
- Each pricing amendment scenario is explained clearly and accurately.
- The process for making more than one pricing amendment is clear.
- Concepts such as contractual requirements or distinguishable costs are clearly defined.

2.9 Illustrative examples are provided throughout to help users understand how the requirements in relation to pricing amendments should operate. The examples are intentionally simple to clearly demonstrate how each method might apply in practice.

Question 6: Illustrative Examples - We welcome feedback on the examples included in the guidance including suggestions to improve their content or presentation.

Cross referencing SSRO guidance and the Regulations

2.10 The SSRO separately provides detailed guidance on the baseline profit rate and its adjustment, allowable costs, alternative pricing and statutory reporting obligations – all of which may be relevant to the pricing of a contract amendment. Throughout the guidance document, we have provided an overview of key points from these other SSRO guidance documents and directed users to where they can find more detailed information. The legislation applicable to each section has also been included in a boxed format at the end of each scenario for ease of reference.

Question 7: Cross referencing SSRO guidance and the Regulations:

- Do you feel the guidance covers the key points from other SSRO guidance at the appropriate level of detail to ensure it is clear and accessible for users of varying levels of experience?
- We welcome feedback or suggestions for improvements to the cross referencing.

Supporting sections

2.11 The SSRO separately provides detailed guidance on statutory reporting obligations. We have included a brief overview of the reporting obligations in relation to the pricing of contract amendments in this draft guidance, but we direct readers to where they can find more detailed information.

2.12 The guidance sets out the three ways in which the SSRO can support both the MOD and/or contractors if they encounter difficulties in agreeing contract pricing amendments: the SSRO helpdesk, our non-referral advice service and a referral for an opinion or determination.

Question 8: Reporting Requirements (section 7) & Getting help and resolving issues (section 8) - we welcome feedback on the content of these sections.

Key questions and answers regarding contract amendments

- 2.13 The SSRO routinely receives requests for support in relation to contract pricing amendments, and we are proposing therefore to include within the guidance a specific Questions and Answers (Q&A) section which covers the most common issues we observe. We intend to update these regularly based on user feedback e.g. queries received by the SSRO Helpdesk.

Question 9: Key questions and answers regarding contract amendments:

- Are the key questions and answers within the draft guidance clear and understandable?
- We would welcome suggestions of any further questions or topics for inclusion.

Question 10: Other feedback – Are there any other aspects of the guidance you would like to provide feedback on which are not covered in the questions above?

3. Consultation timetable and how to respond

- 3.1 The consultation on the SSRO's draft contract amendments guidance is open to all interested persons. We particularly welcome comments from individuals or organisations with an interest in the single source contracting regulatory framework.
- 3.2 The timetable for this consultation and finalising this guidance is shown below.

Table 1: Timetable

Date	Milestone
03 October 2025	Consultation period begins
09 January 2026	Consultation closes

- 3.3 Consultees do not need to answer all the questions if they are only interested in some aspects of the draft contract pricing amendments guidance.
- 3.4 A consultation response form containing these questions has been published alongside this consultation document on the SSRO's website. Completed response forms should be sent:
- by email to: consultations@ssro.gov.uk (preferred).
 - by post to: Contract amendments guidance consultation, SSRO, 100 Parliament Street, London, SW1A 2BQ
- 3.5 Responses to the consultation should be received by 5.00pm on 14 November 2025. Responses received after this date may not be considered in finalising the guidance, although we will endeavour to do so if possible.
- 3.6 The SSRO also welcomes the opportunity to meet with stakeholders to discuss the proposals during the consultation period. If you wish to arrange such a meeting, please contact the SSRO helpdesk via email at helpdesk@ssro.gov.uk or via telephone at 020 3771 4785.
- 3.7 In the interests of transparency for all stakeholders, the SSRO's preferred practice is to publish responses to its consultations, in full or in summary form. Respondents are asked to confirm in their response form whether they consent to their response being published and to the attribution of comments made. Where consent is not provided comments will only be published in an anonymised form.
- 3.8 Stakeholders' attention is drawn to the following SSRO policy statements, available on its website,¹ setting out how it handles the confidential, commercially sensitive, and personal information it receives and how it meets its obligations under the Defence Reform Act 2014, the Freedom of Information Act 2000, the UK General Data Protection Regulation, and the Data Protection Act 2018.

¹ <https://ssro.gov.uk/privacy/>