



Defence Reform Act 2014

2014 CHAPTER 20

PART 2

SINGLE SOURCE CONTRACTS

Pricing of contracts

21 Final price adjustment

- (1) Single source contract regulations may provide for adjustments to be made to the total price payable by the Secretary of State under a qualifying defence contract.
- (2) The regulations must specify the procedure to be followed in determining the amount of any adjustment.

[^{F1}(2A) Provision made under subsection (2) may include provision dealing with how, in the case of a qualifying defence contract divided into components, the components are to be taken into account in determining the amount of any adjustments to the total price payable under such a contract.]

- (3) Provision made under subsection (2) must include provision for the amount of any adjustment to be determined—
 - (a) by agreement between the Secretary of State, or an authorised person, and the primary contractor, or
 - (b) by the SSRO, where the matter is referred to it by the Secretary of State, an authorised person or the primary contractor.
- (4) Provision under this section may be expressed so as to apply—
 - (a) to particular kinds of qualifying defence contracts;
 - (b) to qualifying defence contracts the value of which is of or above the amount specified for the purposes of this paragraph.
- (5) The Secretary of State may direct that provision under this section does not apply in relation to a qualifying defence contract the value of which is—

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- (a) of or above the amount specified for the purposes of subsection (4)(b), but
 - (b) less than the amount specified for the purposes of this paragraph in the regulations.
- (6) The regulations may specify matters to which the Secretary of State must have regard in deciding whether to make a direction under subsection (5).

Textual Amendments

F1 [S. 21\(2A\)](#) inserted (19.1.2024) by [Procurement Act 2023 \(c. 54\)](#), s. 127(2), [Sch. 10 para. 5](#); [S.I. 2024/61](#), [reg. 2\(1\)\(b\)\(iii\)](#) (with [reg. 3](#))

Commencement Information

I1 [S. 21](#) in force at 14.7.2014 for specified purposes by [S.I. 2014/1751](#), [art. 4\(g\)](#)

I2 [S. 21](#) in force at 5.12.2014 in so far as not already in force by [S.I. 2014/3162](#), [art. 3\(c\)](#)

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 25(8A) inserted by [2023 c. 54 Sch. 10 para. 13\(3\)](#)
- s. 35A inserted by [2023 c. 54 Sch. 10 para. 19](#)