

Subpart 37.6 - Performance-Based Acquisition

Parent topic: [Part 37 - Service Contracting](#)

37.600 Scope of subpart.

This subpart prescribes policies and procedures for acquiring services using *performance-based acquisition* methods.

37.601 General.

(a) *Solicitations* may use either a *performance work statement* or a *statement of objectives* (see [37.602](#)).

(b) Performance-based contracts for services *shall* include-

(1) A *performance work statement (PWS)*;

(2) Measurable performance standards (*i.e.*, in terms of quality, timeliness, quantity, etc.) and the method of assessing contractor performance against performance standards; and

(3) Performance incentives where appropriate. When used, the performance incentives *shall* correspond to the performance standards set forth in the contract (see [16.402-2](#)).

37.602 Performance work statement.

(a) A *Performance work statement (PWS)* may be prepared by the Government or result from a *Statement of objectives (SOO)* prepared by the Government where the *offeror* proposes the PWS.

(b) Agencies *shall*, to the maximum extent practicable-

(1) Describe the work in terms of the required results rather than either "how" the work is to be accomplished or the number of hours to be provided (see [11.002\(a\)\(2\)](#) and [11.101](#));

(2) Enable assessment of work performance against measurable performance standards;

(3) Rely on the use of measurable performance standards and financial incentives in a competitive environment to encourage competitors to develop and institute innovative and cost-effective methods of performing the work.

(c) *Offerors* use the SOO to develop the PWS; however, the SOO does not become part of the

contract. The SOO *shall*, at a minimum, include-

- (1) Purpose;
- (2) Scope or mission;
- (3) Period and place of performance;
- (4) Background;
- (5) Performance objectives, *i.e.*, required results; and
- (6) Any operating constraints.

37.603 Performance standards.

(a) Performance standards establish the performance level required by the Government to meet the contract requirements. The standards *shall* be measurable and structured to permit an assessment of the contractor's performance.

(b) When *offerors* propose performance standards in response to a SOO, agencies *shall* evaluate the proposed standards to determine if they meet agency needs.

37.604 Quality assurance surveillance plans.

Requirements for quality assurance and quality assurance surveillance plans are in [subpart 46.4](#). The Government *may* either prepare the quality assurance surveillance plan or require the *offerors* to submit a proposed quality assurance surveillance plan for the Government's consideration in development of the Government's plan.