

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.