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).

Parent topic: Subpart 37.6 - Performance-Based Acquisition