PGI 232.1001 Policy.

(a) *Contracting officer action*. Performance-based payments are not practical for use on all fixed-price contracts and require considerable effort between the contractor and Government to identify the appropriate performance-based payment events and establish the proper completion criteria for those events. Additionally, FAR 32.1003 prohibits contracts from having both progress payments and performance-based payment financing on a contract at the same time. Additional information and instruction on performance-based payments are provided in the DoD Performance-based Payments Guide on the Defense Pricing, Contracting, and Acquisition Policy (Price, Cost and Finance) website under Pricing Topics, Performance Based Payment.
See https://www.acq.osd.mil/asda/dpc/pcf/docs/resources-training/Performance_Based_Payment_(PBP)_Guide.pdf.

Parent topic: PGI 232.10 -PERFORMANCE-BASED PAYMENTS