

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 DPAP website in the Cost, Pricing & Finance section under the Performance Based Payments - Guide Book & Analysis Tool tab: http://www.acq.osd.mil/dpap/cpic/cp/Performance_based_payments.html

Parent topic: [PGI 232.10 –PERFORMANCE-BASED PAYMENTS](#)