

INFORMATION PAPER

CEPR-P
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SUBJECT: PERFORMANCE BASED SERVICE CONTRACTING (PBSA)

1. Purpose: To provide information and policy on PBSA.
2. Facts:
 - a. It is the policy of the Department of Defense that, in order to maximize performance, innovation and competition, often at savings, performance based strategies for the acquisition of services are to be used wherever possible. While not all acquisitions can be conducted in a performance-based manner, the vast majority can. Those cases in which performance-based strategies are not employed should become the exception.
 - b. PBSA involves strategies, methods, and techniques for acquiring services that communicate the desired result rather than dictating detailed performance processes. It is structured around defining a service requirement in terms of performance objectives and provide contractors the latitude to determine how to meet those performance objectives. Simply put, it is a method for acquiring what is required and placing the responsibility for how it is accomplished on the contractor.
 - c. PBSA allows a contractor to deliver required end results based on their own best practices. Most contractors appreciate the opportunity to propose their own solutions to agency requirements in lieu of Government dictated processes. Agencies should not concern themselves with contractor processes, only end results.
 - d. PARC Instruction Letter 2002-1 (attached) re-emphasizes changes to AFARS 5137-1 on performance based contracting.
 - e. All Corps personnel involved in acquisition should be trained in performance-based contracting. Access the web site of the Pittsburgh District, which is the Center of Excellence in the Corps for PBSA , for valuable PBSA information.
 - f. The Corps is committed to using PBSA to the maximum extent practicable.

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