Only his sister shows some sympathy toward Gregor, but eventually even she cannot believe that her brother and the insect are the same creature. One morning, the Samsa’s cleaning woman discovers a lifeless insect in Gregor’s room. “Just look at this, it’s dead,” she yells loudly. “It’s lying here dead and done for.” At the end of the story, the Samsa family celebrates the death of the loathsome insect by taking a tram ride into the countryside while happily talking about moving to a smaller and less expensive house now that Gregor is gone.

Kafka’s “The Metamorphosis” has been endlessly analyzed by literary critics, but no one has yet noticed that the story also may apply to proposal professionals who are responding to service-based Request for Proposals (RFPs) from federal agencies. Today, the federal government is gradually making the transition from non-performance-based Statements of Work to performance-based service contracts. Now, more than ever before, proposal professionals need to learn how to develop performance-based work statements in response to new RFP requirements and federal regulations.

If proposal professionals cannot successfully create persuasive performance-based work statements, they may wake up one morning and find themselves in the same unenviable position as Gregor—unappreciated and estranged from their environments. To avoid being considered an unwelcome presence in the workplace, many proposal professionals will have to undergo a metamorphosis of their own by becoming expert at responding to service RFPs in new and challenging ways.

In one of the most famous stories of the twentieth century, Franz Kafka’s “The Metamorphosis” (1915), a young man named Gregor Samsa wakes up after a night of uneasy dreams to find himself transformed into a “gigantic insect.” After realizing that he will not be able to catch the morning train, Gregor slowly gets out of bed, opens the door, and reveals himself to his horrified mother and father. Although Gregor “had not the slightest intention of frightening anyone,” his appearance and behavior quickly become repulsive to his family.

Developing a Performance-based Work Statement: MORPH YOURSELF INTO A PERFORMANCE-BASED EXPERT NOW BEFORE IT’S TOO LATE!

By Jayme A. Sokolow, Ph.D.

By Jayme A. Sokolow, Ph.D.
**Performance-based Service Contracting**

The core of successful federal contracts is the Statement of Work (SOW), which is a detailed document that conveys the government’s needs to contractors to ensure accurate bids and successful performance. In performance-based contracting, the SOW disappears and is replaced with a Statement of Objectives (SOO) and other documents. Depending on the RFP, these other documents may include such items as a Performance Requirements Document that lists performance functions and acceptable levels of performance; Domain Checklists that list technical specifications; or detailed descriptions of LAN operations, users, and previous levels of performance.

In performance-based service contracting, the government’s estimated contract budget retains its traditional importance. Without a budget estimate, it is almost impossible to calculate the level of effort needed to fulfill projected performance objectives.

With these documents, the RFP changes from a detailed description of how the contract should be performed to a description of what should be performed. The focus shifts from the *how* to the *what*.

The SOO is becoming popular in performance-based service contracting because it requires bidders to develop a Performance-based Work Statement (PBWS) before contract award. The US Department of Defense has provided a concise definition of a SOO. It is a “Government prepared document incorporated into the RFP that states the overall objectives. It can be used in those solicitations where the intent is to provide the maximum flexibility to each offeror to propose an innovative development approach.”

According to Federal Acquisition Regulation 37.601, a performance-based contract has the following characteristics:

- Requirements are described in terms of results rather than methods used to perform the work.
- Work is performed using measurable performance standards, such as timeliness or quantity, and quality assurance surveillance plans.
- Procedures are defined for a reduction of fees or for reductions to the price of a Fixed-Price contract when services do not meet contract requirements.
- Performance incentives are used, when appropriate.

In a traditional SOW, federal agencies provide detailed specifications on how to do the work. Contractors often receive little or no incentives to develop innovative approaches, increase efficiency, decrease costs, or improve the level of customer satisfaction.

In contrast, performance-based contracts encourage contractors to design work approaches that link measurable outcomes with contract incentives. Successful acquisitions in performance-based contracts center around three questions: What do I need? When do I need it? How do I know that it’s good? The contractor, not the federal agency, has the responsibility for deciding how to respond to the requirements.

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**How Did Performance-based Contracting Develop?**

Since 1991, Congress and the Executive Branch have been revising the laws and policies that govern federal acquisitions in the direction of performance-based service contracting. In 1991, the Office of Management and Budget implemented the Office of Federal Procurement Policy Letter 91-2, Service Contracting, stating that “it is the policy of the Federal Government that (1) agencies use performance-based contracting methods to the maximum extent possible when acquiring services; and (2) agencies carefully select acquisition and contract administration strategies, methods, and techniques that best accommodate the requirements.”

At first, performance-based contracting focused on Past Performance. In 1994, many federal agencies and thousands of federal contractors signed a pledge to rely on past performance when selecting contractors. Over the past few years, however, performance-based service contracting has moved beyond past performance to embrace other elements.

On March 30, 2000, the Office of Federal Procurement Policy Letter 91-2 was rescinded. Shortly thereafter, the Office of Management and Budget Memorandum M-01-15 and the Procurement Executive Council’s Strategic Plan reinforced the preference for performance-based service acquisition, but with a new twist. According to the Strategic Plan, “over the next five years, a majority of service contracts offered throughout the Federal Government will be performance-based. In other words, the government must set the standards, set the results and give the contractor the freedom to achieve it in the best way.” While performance-based contracting is not limited to services, federal acquisition reform has focused on performance-based service contracts.

Franz Kafka. 1883-1924.
This represents a significant change in contracting. No longer is past performance considered the centerpiece and most accurate predictor of future performance. Since 2000, the federal government has been moving towards service RFPs that lack the traditional Section C (SOW) but include other work-related documents describing job tasks, performance objectives, and performance results.

The goal for Fiscal Year 2002 was to award at least 20 percent of service contracting dollars using performance-based criteria. In the same year, Congress passed a law requiring that by 2005, at least 50 percent of service contracting dollars use performance-based service contracting criteria.

By 2009, 70 percent of all performance-based service contracts are supposed to be Firm Fixed Price contracts, which are designed to encourage contractors to adhere to the performance-based work statements they have developed. Now, laws and regulations—such as Federal Acquisition Regulation 37.601 on performance-based contracting—have established a strong preference for performance-based service acquisition that is unlikely to change regardless of which political party controls the Executive Branch or Congress. Behind the drive for increased performance-based contracting is the fundamental idea that federal service contracts should mirror best commercial practices, which tend to be outcome-oriented.

Although there has been some resistance from federal acquisitions personnel as the service contract focus changes from compliance to program performance and improvement, today many federal agencies have published lengthy, detailed guides for developing performance-based RFPs to help guide the bid and contracting process. Before proposal professionals develop their own performance-based work statements, they would be wise to read these guides to understand agency philosophy, procedures, and goals. For example, if you were developing a performance-based bid to the Air Force, you should read Air Force Instruction 63-124 (April 1, 1999), “Performance-Based Service Contracts.” These guides are widely available on federal Web sites.

From the federal government’s point of view, performance-based contracting offers the potential to increase competition and improve the quality of services by:

- Defining outcomes
- Making outcomes quantifiable
- Linking outcomes to contract incentives
- Basing contract renewals and extensions on demonstrated performance (achieving measurable outcomes).

**The Basic Elements of a PBWS**

There are ample Web and print resources for federal personnel to prepare performance-based service RFPs. Nationally known training companies, such as Management Concepts, Inc. and H. Silver and Associates, Inc., also offer workshops for government employees on how to develop performance-based RFPs. These workshops usually emphasize such topics as federal policies and procedures governing a PBWS; developing a SOO; writing the PBWS and a quality assurance surveillance plan; and the evaluation, award, and administration of performance-based contracts.

There is, however, very little information available to bidders in the private sector about how they can turn the SOO and related documents into a PBWS. Consequently, the remainder of this article will examine the development of complete, compliant, and persuasive PBWSs in response to federal RFPs for services.

Unfortunately, there are as yet no standard PBWSs, although individual federal agencies have developed recommended formats or required PBWS elements. Perhaps in the years to come, commonly used formats and templates will emerge, but now the components of a PBWS are likely to vary from RFP to RFP, or from company to company. Typically, performance-based service RFPs will simply require bidders to include a PBWS. The format and level of detail often is left to the discretion of the bidder, although sometimes there may be page limitations.

Despite their lack of uniformity, a PBWS is likely to include most of the following elements in this order:

1. **General Information and Scope of Work.** This section, which may be several pages long, describes the RFP and the Scope of Work to demonstrate to the evaluators that the bidder understands (1) the mission of the agency; (2) the tasks to be undertaken by the contractor; and (3) the Scope of Work.

2. **Purpose of the Contract.** This section, which may be several pages long, describes the work to be performed in the contract. It provides the bidder with an opportunity to summarize the features and benefits of the company’s approach and to emphasize the underlying principles behind the PBWS.

3. **Acronyms and Definitions.** Every PBWS should include this section for ease of reading. It contains a list of alphabetical definitions of key words used.
in the PBWS and the spelling out of all acronyms used in the PBWS, no matter how obvious they may appear to the bidder. For example, the acronym “24x7” should be defined as twenty-four hours a day, seven days a week.

4. **Performance Work Statement (PWS).** This is the heart of any PBWS. All the previous sections have served as an introduction to this section, which may be several pages long or 40 pages long, depending on the size and complexity of the tasks described in the SOO and related documents. It is usually done in a tabular format.

5. **Government-furnished Resources.** This brief section of only a few paragraphs describes what facilities, materials, and records will be provided by the government to perform the contract.

6. **Skill or Relevant Experience Requirements.** This brief section of only a few paragraphs describes the general skills and experience of key personnel who will execute the PBWS. If there are special requirements, such as security clearances or stringent regulations about conflicts of interest, they can be cited in this section.

7. **Contract Deliverables.** This brief section should be in tabular format. It identifies the contract deliverables by the PWS number found in Section 4, **Performance Work Statement**, deliverable title, frequency of delivery (monthly or quarterly, for example), due dates (first report within 60 days of contract award, for example), and the Contract Data Requirements List (CDRL) number.

If there are stringent page limitations, you can jetison most of these sections and concentrate on the PWS in Section 4. The glossary, for example, could be incorporated into a general glossary for the entire technical volume. Similarly, Sections 1, 2, 5, 6, and 7 could be integrated into other proposal volumes because they contain commonly described information found in most bids.

**Developing a PWS**

Let us assume that you are preparing a bid in response to a performance-based RFP. How do you use the information contained in the RFP to develop a persuasive PWS?

First, I recommend that you design this section in tabular format so that you can display information clearly and persuasively to evaluators and government contracting personnel. One of the major challenges in creating a PWS is organizing a large amount of data so that someone else can understand it.

You should follow the fundamental principles of good informational design when putting your PWS together. Compared to the narrative sections of your proposal, the PWS probably will have a smaller font (10 points), more factual information per page, and little overt argumentation. Consequently, there are compelling reasons to design it for ease of reading as well as for comprehensibility.

Put yourself in the place of your evaluators. **How would you like to read a PWS to be persuaded that the bidder understands the RFP and can provide outstanding performance-based services?**

The title and eight columns represent the following kinds of information:

- **PWS Title**: A major category of the PWS.
- **PWS Map ID**: The numerical system that organizes the PWS under major subcategories.
- **Work to be Performed**: A description of what the contractor proposes to do.
- **Performance Standard**: A targeted level of accomplishment associated with a desired set of outcomes and expectations.
- **Metric**: How the performance standard will be measured.
- **Acceptable Quality Level**: The expected performance level for the contract.
- **Monitoring System**: The mechanisms used to evaluate the work to be performed.
- **Incentive**: The mechanisms used to evaluate the work to be performed.

**Figure 1.**
• **Incentive:** The plan for rewarding or penalizing the contractor for reaching or not reaching the Acceptable Quality Level.

• **References:** The RFP documents used to develop a particular PWS subcategory.

Now that you have created a table for the PWS, you are ready to begin the next step: analyzing the RFP and related documents. Although Section C of the RFP has been deleted, the RFP still contains critically important information to be included in the PWS. Consequently, you should study it in the same way that Central Intelligence Agency sleuths used to read Pravda, the leading Soviet newspaper, at the height of the Cold War—very, very carefully, word-for-word, paragraph-for-paragraph.

After studying the entire RFP, concentrate your efforts on Section L (Instructions, Conditions, and Notices to Bidders) and Section M (Evaluation Factors for Award). These sections will provide you with the basic framework for developing the following sections of your PWS: the PWS title and the Map ID. For example, if the RFP is seeking information technology (IT) services for the US Navy, Sections L and M may include the following elements: (1) program management; (2) technical capability; (3) systems engineering; and (4) hiring, training, retention, and security clearances. Thus, you should create four PWS tables to mirror the required sections of the RFP.

The next step involves breaking down the PWS tables into major PWS categories. Let us assume that we are designing table three, systems engineering. Based on Sections L and M, the SOO, and other documents, you may conclude that there are five major PWS categories under systems engineering, as illustrated in Figure 2.

“Work to be Performed” statements must be in the form of sentences that begin with the name of the contractor or contracting team and use the word “shall.” They are descriptive, explaining what work will be performed. They do not include a rationale or other non-descriptive statements. For example, stating that “XXX shall Develop and Implement a Risk Mitigation Plan to Anticipate Engineering Problems and Resolve Them Expeditiously” goes far beyond a descriptive “Work to be Performed” statement.

Now that you have created your major PWS subcategories, you must make them more robust by developing “Performance Standards” for each one. Some PWS subcategories may require only one or two performance standards while others may have many more. There are two basic sources for your “Performance Standards:” the SOO and related documents, and your analysis of what will be required to complete the task described in the “Work to be Performed.”

### 3. System Engineering

<table>
<thead>
<tr>
<th>PWS Map ID</th>
<th>Work to be Performed</th>
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<th>Metric</th>
<th>Acceptable Quality Level</th>
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<th>Incentive</th>
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<tbody>
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<td>Systems Engineering Plan Goals</td>
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<td>3.1.2</td>
<td>ISO 9000 Compliance</td>
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<td>Report Requirements</td>
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<td>3.1.4</td>
<td>Test Requirements</td>
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![Figure 2.](image-url)
For example, in an IT performance-based RFP, you may find the following performance-based kinds of requirements:

- The help desk must be available 24 hours a day, seven days a week, 365 days a year.
- When IT hardware and software components are no longer needed, they must be properly disposed of within three months.
- Oracle workstations must be replaced at five-year intervals.

Based on the RFP, you may decide that PWS Map ID 3.1 should include the following "Work to be Performed" statements shown in Figure 3.

"Performance Standard" statements are declarative sentences that provide a performance level that can be understood and measured. If it cannot be measured, it does not belong in a PWS.

Once you have completed your “Performance Standard” statements, you are ready to explain how they will be measured. When “Performance Standards” describe the development and implementation of a plan or the submission of a report, the metric is very straightforward: date of delivery and implementation. When “Performance Standards” describe tasks or activities, you must devise a quantitative metric to determine whether or not you are adhering to the performance standard, as illustrated in Figure 4.

Once you have determined your “Metrics,” you are ready to define the “Acceptable Quality Level” that will govern your performance of a particular subcategory. Often, the Performance Requirements Document or the SOO defines what constitutes acceptable quality levels. For example, the Performance Requirements Document may state that “Help Desk inquiries must be answered within ten minutes” or that “Key personnel must have security clearances.” In many cases,

<table>
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</thead>
<tbody>
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<td>3.1</td>
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<td>Develop &amp; implement a complete system of process descriptions within 60 days after contract start-up.</td>
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<td>3.1.1</td>
<td>Systems Engineering Plan Goals</td>
<td>Develop &amp; implement engineering solutions that meet performance parameters 90% of the time with the remaining 10% not exceeding cost by more than 5%.</td>
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<tr>
<td>3.1.2</td>
<td>ISO 9000 Compliance</td>
<td>Develop &amp; implement processes that comply with ISO 9000 series or equivalent.</td>
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<tr>
<td>3.1.3</td>
<td>Report Requirements</td>
<td>Submit product description first report within 60 days of contract start-up &amp; quarterly thereafter.</td>
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<tr>
<td>3.1.4</td>
<td>Test Requirements</td>
<td>Submit first test report within 60 days of contract start-up &amp; quarterly thereafter.</td>
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</table>

Figure 3.
the RFP will not provide you with acceptable quality levels. In these cases, you will have to use best commercial practices (the government’s expectation in performance-based service contracts) to determine what constitutes an acceptable quality level. Often, the metric simply restates the quantitative standard described in the “Performance Standard.”

After all, you never want to state that you cannot or will not adhere to a performance standard! “Acceptable Quality Levels” that do not meet performance standards should appear blatantly counterintuitive to government evaluators and applicants alike.

All your “Acceptable Quality Levels” must be measurable, as the PWS table in Figure 5 indicates.

Now that you have developed these elements, you must list the surveillance or monitoring instruments used to measure performance. Some of these may be initiated by the government, such as Quality Assurance Evaluation Reports, while others will be developed and implemented by you. Standard monitoring or surveillance instruments include reports, surveys, audits, and design specifications. Sometimes the RFP will list government-initiated surveillance instruments, but rarely will RFPs tell the applicant how to monitor compliance. Within the same PWS Map ID, monitoring instruments probably will not vary, as shown in Figure 6.

Every PWS must include an Award Fee Plan or other financial mechanism that provides financial incentives for adherence to performance standards. In addition to rewarding or penalizing contractors on an annual basis, the government can use an Award Fee Plan to base contract renewals and extension decisions.

In a performance-based service contract, the government may provide offerors with an Award Fee Plan or the RFP may require offerors to devise their own for government approval. If you are asked to develop your own plan, include the following elements:

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**Figure 4.**

*How To: Developing a Performance-based Work Statement*

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Keep your professional briefcase full of up-to-date quality performance standards and the tools to record and monitor those standards.
### 3. System Engineering

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<td>Develop &amp; implement a complete system of process descriptions within 60 days after contract start-up.</td>
<td>Date of delivery &amp; implementation of a complete system of process descriptions.</td>
<td>On time delivery &amp; implementation of a complete system of process descriptions. No deviations.</td>
<td></td>
<td></td>
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<td>Develop &amp; implement engineering solutions that meet performance parameters 90% of the time with the remaining 10% not exceeding cost by more than 5%.</td>
<td>Number of engineering solutions meeting performance parameters with the remaining 10% not exceeding cost by more than 5% vs. total number of engineering solutions.</td>
<td>Engineering solutions meet performance parameters 90% of the time with the remaining 10% not exceeding cost by more than 5%. No deviations.</td>
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<td>3.1.4</td>
<td>Test Requirements</td>
<td>Submit first test report within 60 days of contract start-up &amp; quarterly thereafter.</td>
<td>Date of delivery of first test report &amp; subsequent reports.</td>
<td>On time delivery of first test report &amp; subsequent reports. No deviations.</td>
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</table>

**Figure 5.**

- The amount of the award fee, which may be expressed as a percentage of that year’s contract value or a designated dollar amount.
- A mechanism for determining the award fee calculation. This should include contractor’s progress reports, a government award fee review board, and processes and procedures for arriving at a decision within a defined evaluation period.

An example of a simplified Award Fee mechanism that might be used in an IT performance-based service contract is shown below. It is based on a percentage of the annual contract being designated the Award Fee.

### IT Contract Evaluation Guidelines

The Award Fee will be based on a 100-point scale that includes the following criteria, all of whose elements are of equal weight.

1. **Performance (30 points)**
   - A. Did the contractor meet performance thresholds specified in the IT requirements documents?
   - B. Did the contractor improve performance or implement significant process improvements?

2. **Cost (15 points)**
   - A. Is the contractor’s performance at or below budgeted cost?
   - B. Did the contractor manage and control cost actuals versus estimates?
   - C. Has the contractor introduced innovative approaches to reduce costs or provide other benefits?

3. **Schedule (15 points)**
   - A. Did the contractor track implementation plans against its approved event schedule?
   - B. Are tasks completed and delivered on or ahead of schedule?
   - C. Are Contract Data Requirements Lists (CDRLS) completed and delivered on time?

4. **Management (20 points)**
   - A. Did the contractor staff and maintain a fully qualified workforce?
   - B. Did the contractor effectively manage subcontractor relationships?
   - C. Did the contractor ensure that all personnel adhered to applicable DoD staff and security policies?

5. **Small Business Utilization (10 points)**
   - A. Has the contractor adhered to the Small Business Plan?

6. **Phase-In (10 points)**
   - A. Did the contractor adhere to its Phase-In plan?
   - B. Did the contractor establish a fully qualified workforce?
Points awarded to the contractor in accordance with the table above will be converted into a percentage of the Award Fee on a linear basis. Thus 90 points will equal 90 percent of the possible Award Fee. No Award Fee will be awarded if points are in the “Unsatisfactory” or “Marginal” category (see Figure 7).

Finally, your PWS should include a column that cross-references every PWS subcategory to an RFP document. This serves two purposes. First, it will enable government evaluators to determine whether or not you have addressed all the relevant RFP documents and subsections that form the foundation for the PWS. And second, it will provide you with a handy checklist to ensure that you adhere to all RFP requirements. I recommend that you add these references as you develop the PWS subcategories. Creating this column after you have completed the PWS will be a difficult, time-consuming, and frustrating task.

Now your PWS table is complete, as illustrated in Figure 8.

### Alternate PWS Formats

Not all PBWS are done in a tabular format. Sometimes, the PWS appears as a narrative divided into Contract Line Item Numbers (CLINS) or program areas. In a narrative, the basic goal of the PWS remains the same: to describe what will be done by the contractor, how it will be measured, what constitutes acceptable performance, and the financial incentives based on performance. In a narrative PWS, try to be concise, use declarative sentences, and avoid vague descriptions and marketing hyperbole (“we have state-of-the-art technology”). You should include a list of deliverables and dates of delivery under each CLIN or program description.

### Performance/Award Correlation

<table>
<thead>
<tr>
<th>Points</th>
<th>Evaluation</th>
<th>Definition</th>
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</thead>
<tbody>
<tr>
<td>93-100</td>
<td>Exceptional</td>
<td>Performance exceeds all standards.</td>
</tr>
<tr>
<td>87-92</td>
<td>Very Good</td>
<td>Performance exceeds at least one standard and meets all others.</td>
</tr>
<tr>
<td>75-86</td>
<td>Satisfactory</td>
<td>Performance meets all standards.</td>
</tr>
<tr>
<td>65-75</td>
<td>Marginal</td>
<td>Performance meets at least one standard but all standards not met.</td>
</tr>
<tr>
<td>0-64</td>
<td>Unsatisfactory</td>
<td>Performance does not meet any standards.</td>
</tr>
</tbody>
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**Figure 6.**

**Figure 7.** Performance/Award Correlation

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*APMP Fall/Winter 2003*
### 3. System Engineering

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<td>On time delivery &amp; implementation of a complete system of process descriptions. No deviations.</td>
<td>Quarterly process description report; technical reports; Quality Assurance Evaluation reports; user &amp; Program Manager surveys.</td>
<td>Award Fee Plan.</td>
<td>SOO, Section 4.1</td>
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<td>Award Fee Plan.</td>
<td>RFP, Section 4.1.6.4.6</td>
</tr>
<tr>
<td>3.1.3</td>
<td>Report Requirements</td>
<td>Submit product description first report within 60 days of contract start-up &amp; quarterly thereafter.</td>
<td>Date of delivery of first product description report &amp; subsequent reports.</td>
<td>On time delivery of first product description report &amp; subsequent reports. No deviations.</td>
<td>Quarterly product description report; technical reports; Quality Assurance Evaluation reports; user &amp; Program Manager surveys.</td>
<td>Award Fee Plan.</td>
<td>SOO, 2.3</td>
</tr>
<tr>
<td>3.1.4</td>
<td>Test Requirements</td>
<td>Submit first test report within 60 days of contract start-up &amp; quarterly thereafter.</td>
<td>Date of delivery of first test report &amp; subsequent reports.</td>
<td>On time delivery of first test report &amp; subsequent reports. No deviations.</td>
<td>Quarterly product description report; technical reports; Quality Assurance Evaluation reports; user &amp; Program Manager surveys.</td>
<td>Award Fee Plan.</td>
<td>SOO, 7.4</td>
</tr>
</tbody>
</table>

**Figure 8.**

The RFP also may require contractors to submit a Work Breakdown Structure (WBS) with the PBWS. The only major difference between a WBS within a PBWS and a traditional WBS is that WBS activities should be cross-referenced with the Map ID numbers in the PWS. For example, in your WBS under “Migration Plan,” you may list “Test Report.” If you do, there should be a reference to PWS 3.1 adjacent to this activity.

### Additional Resources

There are many resources available about performance-based acquisition for government contracting personnel. There are far fewer resources available to companies that want to develop a PBWS.

For an example of a performance-based service contract that includes a SOO and related documents, see the RFP for the US Strategic Command (F25600-03-R-006) posted November 27, 2002 at Fed Biz Opps (www.fedbizopps.gov). For a good example of federal guidelines for writing and administering performance-based service contracts, see the **Guidebook for Performance-Based Service Acquisition in the Department of Defense** (December 2000) and **Air Force Instruction 63-124** (April 1, 1999), “Performance-Based Service Contracts.” For more information about federal performance-based service contracting, visit the following Web sites:

- Department of Army (www.aml.army.mil/amrda-ac/pbse-acm.htm).
- Department of Health and Human Services (www.knownet.hhs.gov/acquisition/performDR).
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