**PART 232-CONTRACT FINANCING**

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**[PGI 232.10-- PERFORMANCE-BASED PAYMENTS**

**PGI 232.1001 – Policy.**

1. **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, and Finance section on the performance-based payments analysis tool:**

[**http://www.acq.osd.mil/dpap/cpf/Performance\_based\_payments.html**](http://www.acq.osd.mil/dpap/cpf/Performance_based_payments.html)**.]**

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