

**Performance-Based Payments  
DFARS Case 2011-D045  
Draft Proposed Rule-PGI**

**PART 232-CONTRACT FINANCING**

\*\*\*\*\*

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

**PGI 232.1001 – Policy.**

(a) 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).]

\*\*\*\*\*

---

**ATTENTION:** THIS IS A CONFIDENTIAL, DELIBERATIVE, AND PRE-DECISIONAL DEFENSE ACQUISITION REGULATIONS SYSTEM DOCUMENT, PROTECTED FROM UNAUTHORIZED DISCLOSURE PURSUANT TO THE FREEDOM OF INFORMATION ACT AND OTHER LEGAL AUTHORITIES. THIS DOCUMENT SHALL NOT BE DISTRIBUTED OUTSIDE AUTHORIZED RULEMAKING CHANNELS WITHOUT THE PRIOR APPROVAL OF A REPRESENTATIVE OF THE DEFENSE ACQUISITION REGULATIONS SYSTEM. IF YOU HAVE RECEIVED THIS DOCUMENT IN ERROR, YOU MAY NOT READ, COPY, DISTRIBUTE, OR USE THE DOCUMENT OR INFORMATION CONTAINED THEREIN. FURTHERMORE, YOU MUST IMMEDIATELY NOTIFY THE SENDER BY REPLY EMAIL OR OTHER MEANS AND THEN DELETE OR DESTROY ALL COPIES OF THE DOCUMENT. ANY DISTRIBUTION OF THIS DOCUMENT MUST CONTAIN THIS LEGEND.

---