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37.601 General.

(a) Solicitations may use either a performance work statement or a statement of objectives (see [37.602](#)).

(b) Performance-based contracts for services shall include-

(1) A performance work statement (PWS);

(2) Measurable performance standards (*i.e.*, in terms of quality, timeliness, quantity, etc.) and the method of assessing contractor performance against performance standards; and

(3) Performance incentives where appropriate. When used, the performance incentives shall correspond to the performance standards set forth in the contract (see [16.402-2](#)).

Parent topic: [Subpart 37.6 - Performance-Based Acquisition](#)