

How to Stretch Your Contract Dollars and Get the Best Use Out of Your Performance-Based Acquisition

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❖ Performance-based Acquisition (PBA)

- What is PBA?
- Why PBA?
- Elements of PBA

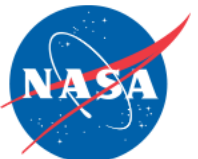
❖ Types of Requirement Documents

- Definition of SOO, PWS, & SOW

❖ Differences Between Work Statements

- Difference between the SOO, PWS, & SOW
- Advantages & Disadvantages of SOOs, PWSs, & SOWs

❖ Q&A



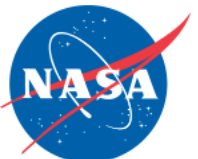
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Performance-based Acquisition

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What is PBA?

“Performance-based Acquisition” (PBA) means an acquisition structured around the results to be achieved as opposed to the manner by which the work is to be performed. – FAR 2.101



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Why PBA?

- ❖ Performance Based Acquisition is the preferred method for acquiring services
- ❖ Agencies must use PBA methods to the maximum extent practicable FAR 37.102(a)(1)

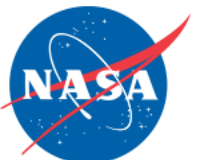
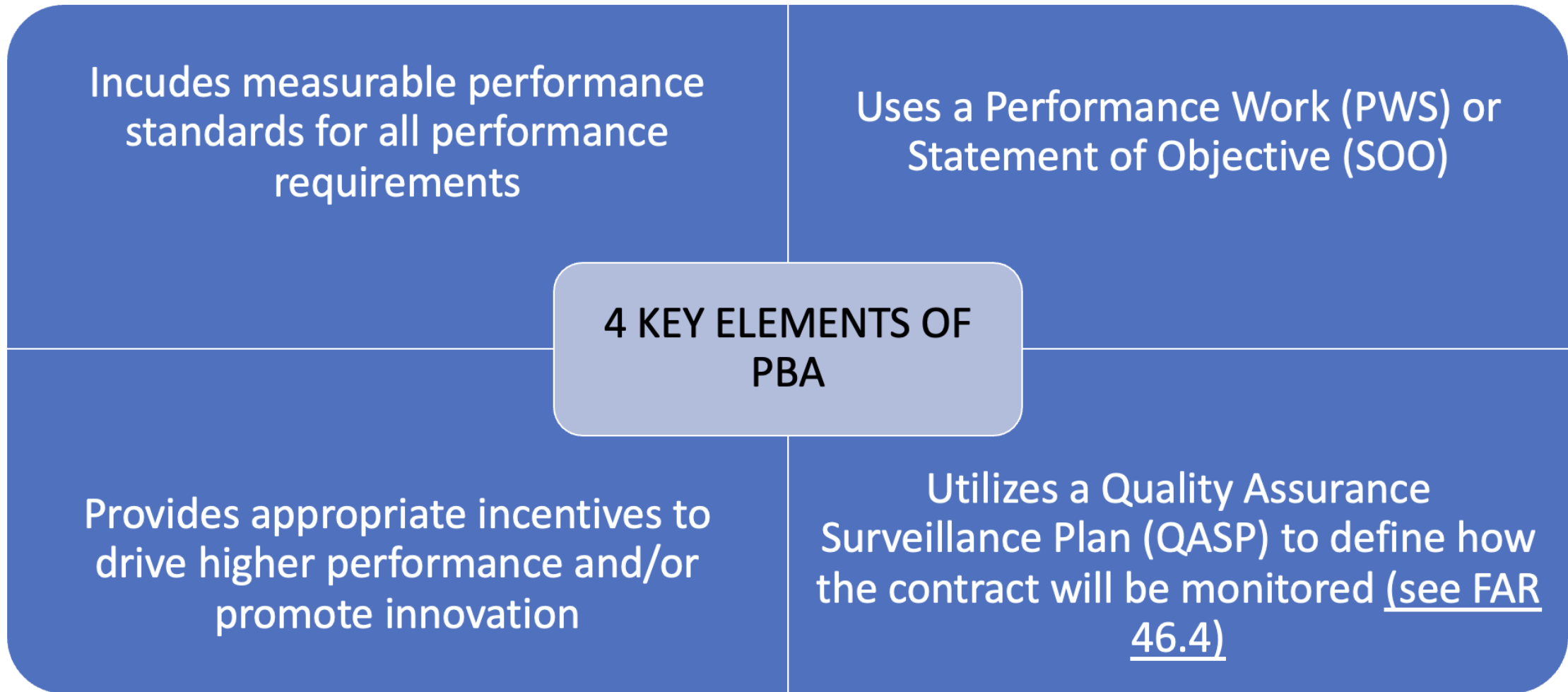


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Elements of PBA



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Types of Requirement Documents

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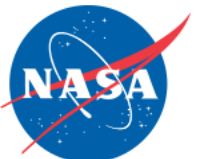
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Definition of SOW, PWS, & SOO

- ❖ Statement of Work (SOW), Performance Work Statement (PWS), and Statement of Objectives (SOO) are different types of requirement documents or generically “work statements”, that **explain the need of the government.**



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Statement of Work (SOW)

- ❖ A SOW specifies the processes and methods the contractor must use when executing the planned work. This type of requirement document is **designed to describe not only what must be done, but also how it must be done**. An SOW is prescriptive and restrictive by nature.
- ❖ The SOW is incorporated into the contract.



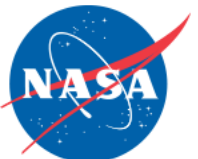
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Statement of Objectives (SOO)

- ❖ A SOO establishes a broad description of the government's overall goal(s) for the requirement as well as High Level Objectives and performance objectives. It **focuses on the outcomes rather than on how the work is to be done.** It is used when the Government intends to provide the maximum flexibility to each offeror to propose an innovative approach.
- ❖ The SOO is NOT incorporated into the contract.

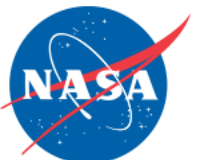


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- ❖ A PWS describes the *work in terms of required results rather than either “how” the work is to be accomplished or the number of hours to be provided* and gives the contractor flexibility to devise the best method to accomplish the required result.
- ❖ The PWS is incorporated into the contract.



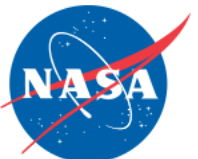
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Differences Between Work Statements

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Difference between the SOO, PWS, & SOW

SOO - Provide broad statements of the agency's High Level Objectives but leaves the solution entirely up to the contractor to propose.

- Stop the spread of COVID-19 in the US
- Ensure no NEW infections After X/XX/202X
- Ensure a decline of New COVID-19 cases
- Keep officials and the public informed

PWS – Can also have HLOs or sub-objectives but with some guidelines or specifications and often listed as “task”.

- Test 5000 people per day
- Continuously share progress with state Public Health officials

SOW – Are “prescriptive” they tell the contractor what to do and how.

- Implement drive through COVID Testing
- Use Thermal Thermometers to test each participant
- Create a Dashboard to continuously share progress with state Public Health officials



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Advantages & Disadvantages of SOWs

An SOW is prescriptive and restrictive by nature. It provides detailed descriptions of the work to be performed, telling the contractor exactly what to do and how to do it.

Advantages:

- By describing the work in such detail, the government essentially:
 - Provides the preferred approach or solution to the problem,
 - And lock in the approach the contractor must take.

Disadvantages:

- SOWs requires the contractor to follow the government's approach.
- If the contractor follows the government's approach and the result s unacceptable, the government has no recourse.
- Many SOWs are so broadly written that not enough detail is provided to the contractor to appropriately bid.
- Tendency to limit competition and result in incumbency
- **You cannot have a Performance Based Acquisition if you use a SOW**



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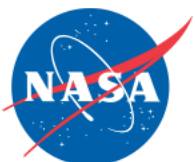
Advantages & Disadvantages of PWSs

A PWS is a requirement document for Performance-Based Acquisitions that describes the required results or outcomes.. The PWS has two mandatory features:

- ❖ It articulates the government requirement in clear, specific and objective terms of outcomes or results, rather than methods of performance
- ❖ It identifies measurable performance and a method for assessing contractor performance, outcomes, and deliverables.

Advantages:

- Focuses on measurable performance, outcomes and deliverables.
- PWS can be prepared by the Government OR result from a SOO issued by the Government where the offeror responds by proposing a PWS.
- Allows the government to evaluate and select distinct solution/ proposals that address the governments requirements.
- Enables assessment of contractor performance against measurable standards.
- Encourage competitors to develop and institute innovative and cost-effective methods of performing the work.



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Advantages & Disadvantages of PWSs - Continued

Disadvantages:

- Preparing a PWS requires a team based approach to develop (including program office, contracting, SMEs, requirements owners), which is often difficult to get agency support to pull together.
- It can be challenging to establish performance requirements, develop performance standards, write the performance work statement, and producing the quality assurance surveillance plan.
- The government has to devise performance measures that apply directly to the required outcomes/deliverables, These performance measures need to accurately and adequately evaluate the contractors performance with regards to required deliverables and results.



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Advantages & Disadvantages of SOOs

A SOO is a government prepared document that provides basic, high-level objectives (HLOs) of the requirement and states the overall performance objectives. A SOO would provide broad and less detailed description of the requirement.

Advantages:

- Provides potential offerors maximum flexibility to develop cost-effective innovative solutions and the opportunity to propose alternative approaches to meeting the governments objectives.
- Industry is able to apply its knowledge and experience to craft the most effective and possibly innovative solution.
- Enables the government to better assess the offerors' understanding of the requirement by eliminating the "how to" instructions normally contained in the SOW and PWS the government.
- Requires contractors to submit their solution as a PWS. This eliminates the need for the government to perform detailed analyses usually required to produce a PWS.



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Disadvantages:

- The evaluation process will be more time consuming. The government will not be comparing Apples to Apples. Agencies should identify the format offerors must submit in the solicitation. Identifying the format helps the evaluation and source selection process.
- The IGE won't be readily determinable prior to receiving offers. The solicitation should provide a ceiling so that contractors get better understanding of size and scope.



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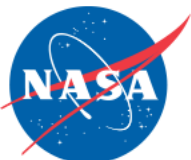
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