

14 FAH-2 H-340

THE PERFORMANCE WORK STATEMENT (PWS)

(CT:COR-1; 12-20-2005)
(Office of Origin: A/OPE)

14 FAH-2 H-341 GENERAL

(CT:COR-1; 12-20-2005)

- a. The Performance Work Statement (PWS) is the most critical piece of the procurement request as it serves as the foundation for the Request for Proposals (RFP) or Invitation for Bids (IFB) and resultant contract. It explains concisely what is to be accomplished in terms of results so that the U.S. Government can monitor and evaluate the progress and final result of the project effectively.
- b. A Statement of Objectives (SOO) may be used in lieu of a PWS. With the SOO approach, the U.S. Government does not address the required tasks the contractor is to perform, but provides the outcomes/results that must be achieved. The contractor must list in its proposal the necessary tasks to be performed for each outcome. The U.S. Government will then formally incorporate these tasks in the contract as the PWS. A SOO approach is only appropriate when using negotiated acquisition methods.
- c. The PWS should state requirements in general terms of what (result) is to be done, rather than how (method) it is done. The PWS gives the contractor maximum flexibility to devise the best method to accomplish the required result. The PWS must be written to ensure that all offerors compete equally. The U.S. Government must remove any features that could restrict a potential offeror. However, the PWS must also be descriptive and specific enough to protect the interests of the U.S. Government and to promote competition. The clarity and explicitness of the requirements in the PWS will invariably enhance the quality of the proposals submitted. A definitive PWS is likely to produce definitive proposals, thus reducing the time needed for proposal evaluation.
- d. When a contract is awarded, the PWS is legally binding upon the contractor and the U.S. Government. It provides an objective measure so that both the U.S. Government and the contractor will know when increments of work are completed and payments are justified.
- e. See 14 FAH-2 Exhibit H-341, Checklist for Preparation of Performance

Work Statement (PWS).

14 FAH-2 H-341.1 The Language of Performance Work Statements (PWSs)

(CT:COR-1; 12-20-2005)

Writing a Performance Work Statement (PWS) is an exercise in expository writing. Clarity and simplicity are far more important than style. The following techniques should prove helpful for this and all other business writing. The objective is not to create a work of literary beauty, but to draft a written document that has the least probability of being interpreted differently by different vendors:

- (1) **Use active verbs:** Use the active rather than passive voice when stating a requirement. The active voice is more vigorous, direct, and concise. For example, say "the contractor shall inspect the site..." rather than "the site shall be inspected..." Use of second- and third-person pronouns is acceptable and appropriate;
- (2) **Strive for clarity:** Avoid words that are vague or inexact. Search for accurate, descriptive words rather than use routine words;
- (3) **Be concise:** Eliminate repetition. Use simple, short, and concise sentences so that a minimum of punctuation is needed;
- (4) **Limit paragraph length:** Limit each paragraph to a single idea. State the idea (topic sentence) at the beginning. Add other sentences only as necessary to develop and support the original idea;
- (5) **Use adjectives sparingly:** Often, adjectives soften nouns and make their meaning vague. For example, adjectives such as "workmanlike," "successful," "substantial," and "adequate," used to describe expected performance, tend to decrease rather than increase the contractor's obligation;
- (6) **Use language consistently:** Use the same words, phrases, and descriptive labels throughout to express the same meaning. A business or legal reader tends to interpret a variation in a definition, label, or phrase to mean that the writer intended a different meaning. By consistently using the same terms for the same things, you will avoid misinterpretation;
- (7) **Use mandatory language:** Use the words "shall" or "must" to express a binding provision. Use the permissive terms "should" and "may" to express a declaration of purpose or other nonmandatory provision. Use "will" in cases where simple futurity is required;
- (8) **Avoid ambiguity:** Avoid using words and phrases that obscure

meaning. Do not use "and/or" in a PWS. Use "or" to indicate an alternative such as "information may be supplied on typed pages or on computer printouts." Use "and" to indicate additive requirements, such as "the contractor shall supply one set of originals drawings and one set of reproductions";

- (9) **Limit use of abbreviations and acronyms:** Use only abbreviations and acronyms in common usage or those that you will use several times per page. Identify the abbreviation or acronym the first time you use it in the PWS. For complicated solicitations that use a lot of abbreviations or acronyms, consider developing and including a list of definitions in the solicitation document; and
- (10) **Metric:** Use the metric system (with English equivalents) in all contracts unless such use adds significantly to the contract's cost or is otherwise infeasible.

14 FAH-2 H-341.2 Elements of a Performance Work Statement

(CT:COR-1; 12-20-2005)

- a. The particular issues to be addressed in a Performance Work Statement (PWS) will vary with the nature, purpose, size, and complexity of the work to be performed. At a minimum, however, every PWS should:
 - (1) Give a precise statement of objectives or outcomes;
 - (2) Identify the tasks to be performed but not specify how these tasks should be performed or the approaches to be used. If a Statement of Objectives (SOO) approach is used, specify only required outcomes or objectives; the contractor will identify the tasks to be performed and how they will be performed, which will ultimately become the PWS;
 - (3) Use measurable performance standards (i.e., terms of quality, timeliness, quantity, etc.); and
 - (4) Develop a quality assurance plan (QAP) which will specify procedures for the reduction of fee or price when services are not performed or do not meet contract requirements, and when re-work is not feasible. In addition, the QAP may also include positive performance incentives, which may or may not be of a monetary nature.
- b. In writing the final version of the PWS, you may need to combine or rearrange elements in individual sections to fit particular circumstances. The main objective should be to arrange and present the elements in a manner that:

- (1) Is logical and readable;
- (2) Emphasizes the most important elements; and
- (3) Conveys exactly what is required of the contractor.

14 FAH-2 H-341.2-1 General Description

(CT:COR-1; 12-20-2005)

- a. **Background (introduction):** Provide a general description of the requirement. Briefly discuss why the particular project is being pursued, and how the project will relate to previous, ongoing, and future projects, if applicable. The discussion should provide sufficient information to enable a prospective contractor to understand how the requirement arose and how it fits into a broader series of events.
- b. **Scope or summary:** The term "scope" should not be confused with the Performance Work Statement (PWS), itself, as it sometimes is. The scope of work is just a "summary" of the PWS describing the actions to be performed by the contractor and the desired end product. Provide an overall, nontechnical description of the work to be performed. Identify and summarize the various phases of the project in terms of specific objectives, such as timing, end products, and interface with other projects or contracts. State the desired start date for the services, and the desired period of performance, including any option periods. The "scope" or "summary" must be consistent with the more detailed requirements appearing elsewhere in the PWS, and with the level of funding anticipated.

14 FAH-2 H-341.2-2 Summary of Requirements

(CT:COR-1; 12-20-2005)

- a. List each outcome or result that the contractor must achieve.
- b. For each outcome, identify the tasks the contractor must perform. Do not specify how the tasks are to be accomplished or the approaches to be used.
- c. Establish specific measures of performance, which are called "performance standards." These standards may be incorporated directly into the Performance Work Statement (PWS) or in the Quality Assurance Plan (QAP), which is referenced in the PWS. Sometimes these standards can be made measurable by incorporating a reference to a U.S. Government or industry standard, or by finding a way to test the quality assurance provisions of the PWS. Performance standards are used to evaluate contractor performance and compliance with the terms and conditions of the contract. The U.S. Government compares contractor

performance with the acceptable quality level standard to determine if the contractor has achieved the required quality.

- d. A performance indicator is an output that can be measured, such as quantity or quality (the question to ask is: What measure should be used?):
 - (1) Review each identified job to see the measures associated with it. Often, agency directives specify the performance indicators that will be used to evaluate the process. If the indicators are not set, work with management to decide what indicators would help to measure the process;
 - (2) Rates of time, distance, and accuracy are particularly useful for this purpose. Be careful to choose performance indicators that are realistic.

14 FAH-2 H-341.2-3 Period and Deliverables or End Products

14 FAH-2 H-341.2-3(A) Period of Performance

(CT:COR-1; 12-20-2005)

Specify the number of months (or other time period) required for total performance of the services.

14 FAH-2 H-341.2-3(B) Deliverables

(CT:COR-1; 12-20-2005)

Identify any data deliverables, describe the specific kinds of data required and any standards to which the data must conform. If the deliverable is a report, specify desired format and content. Specify the number of copies (data or reports) to be furnished. State the specific person or office and the address to which delivery must be made.

14 FAH-2 H-341.2-3(C) Delivery Schedule

(CT:COR-1; 12-20-2005)

Specify the proposed starting date and date of delivery for each deliverable. The schedule should be stated in precise terms describing the items to be delivered both during the period of performance and at completion of the contract. Delivery or completion schedules may be expressed as calendar dates or in terms of a number of days from the date of contract award, contracting officer notice, or other contractual event. When using days, specify workdays or calendar days, keeping in mind any local and U.S.

holidays.

14 FAH-2 H-341.2-3(D) Coordinating Performance/ Delivery Schedules

(CT:COR-1; 12-20-2005)

The period of performance and delivery schedule should relate to any interface requirements of the work. If the contract product depends on other U.S. Government actions, then deliveries should be scheduled to coincide with the related actions. If there is no such interdependency of delivery dates, then the period of performance may be specified as number of days after contract award.

14 FAH-2 H-341.2-4 Progress and Compliance

14 FAH-2 H-341.2-4(A) Progress and Status Reports

(CT:COR-1; 12-20-2005)

- a. Contractor preparation and submission of technical and compliance progress reports may be required for the contracting officer and contracting officer's representative (COR) to track the ongoing status of a contract. Design such reports to reveal the information required to keep the contracting officer, COR, and contractor knowledgeable about the contract.
- b. The Federal Acquisition Regulation (FAR), Subpart 4.3, encourages the use of recycled paper and double-sided printed/copied documents when a contractor is required to submit paper documents to the U.S. Government. Keep in mind that contractors include as part of their price the costs associated with generating required reports. So, to save the U.S. Government money and to avoid wasting paper, do not request paperwork or reports from contractors that will either not be looked at or will not provide useful information.
- c. Specify any progress report requirements and discuss those areas the reports are to cover, the format, the criteria to be used in accepting reports, the number of copies the contractor should submit, and to whom they should be submitted as shown in the following sample:

"The contractor shall furnish _____ copies of a monthly letter type progress report to the contracting officer on or before the _____ of the month following the calendar month being reported. One copy shall also be furnished to the COR. Each report shall contain concise statements covering the _____ activities. The contractor shall deliver copies of the monthly

progress report and transmittal letter to the contracting officer at the following address:"

- d. If the contracting officer chooses to require contractor reports, he or she may wish to consider including one or more of the following kinds of information for the reporting period:
 - (1) A clear and complete account of the work performed on each task;
 - (2) Notification of any changes in key personnel associated with the contract;
 - (3) Projected schedule of the work to be accomplished during the next reporting period and until contract completion;
 - (4) Description of the approach taken, progress in achieving contract objectives, and estimate of percentage of technical work completed;
 - (5) Description of any problems encountered or anticipated that will affect the completion of the contract within the time and fiscal constraints set forth in the contract, together with recommended solutions, or, a statement that no problems were encountered; or
 - (6) Summary of any problems or concerns requiring U.S. Government guidance or assistance.
- e. If the contract requires contractor reports, the contracting officer and COR may wish to develop a report format (such as a "fill in the blanks" type report) and include it in the solicitation. Left to develop their own formats, contractors may not report bad news or provide needed regular status reports.

14 FAH-2 H-341.2-4(B) Inspection and Acceptance

(CT:COR-1; 12-20-2005)

- a. The U.S. Government will inspect to determine contractor compliance with the contract. This is done in conjunction with the Quality Assurance Plan (QAP). The QAP is typically referenced in the Performance Work Statement (PWS) or Section E. However, in most instances, due to its size, it is a separate contract exhibit. In addition, there may be cases when the U.S. Government determines as part of its acquisition strategy to allow contractors to propose their own QAP or specific contents of the QAP to be incorporated into the contract.
- b. QAP content: The QAP states what are the U.S. Government's performance expectations (i.e., standards and acceptable quality levels for outcomes or tasks), how often deliverables or services will be monitored and evaluated, and if there are any positive or negative incentives regarding performance.

- c. The principal method of surveillance used is inspection. The U.S. Government also uses checklists, spot checks, and customer complaints to measure contractor performance.

14 FAH-2 H-341.2-5 U.S. Government-Furnished Equipment (GFE), Data, or Services

14 FAH-2 H-341.2-5(A) U.S. Government Property/Facilities

(CT:COR-1; 12-20-2005)

If the U.S. Government plans to provide the contractor with any property or facilities for use in performing the contract work, or if the contractor is to acquire nonexpendable property with contract funds, describe the property to be furnished or acquired (kinds, size, individual items, and quantities); when the property will be furnished to or acquired by the contractor; and the condition and value of the property. The contracting officer will provide the contract provisions for regulating the use and disposition of the property.

14 FAH-2 H-341.2-5(B) Insurance

(CT:COR-1; 12-20-2005)

Even though the U.S. Government usually self ensures, the Performance Work Statement (PWS) should require the contractor to carry insurance on any nonexpendable U.S. Government-furnished property. To understand why, consider the example of U.S. Government-furnished vehicles in a local guard contract. By requiring the contractor to fully insure the vehicles, the U.S. Government creates a financial incentive for the contractor to control how its employees care for the vehicles, since poor treatment can cause the insurance company to raise the contractor's insurance rates.

14 FAH-2 H-341.2-6 Special Considerations

14 FAH-2 H-341.2-6(A) U.S. Government-Furnished Expendables

(CT:COR-1; 12-20-2005)

If the contracting officer's representative (COR) considers it appropriate to furnish the contractor with certain expendable items necessary for contract performance, set reasonable limits on the amounts the U.S. Government will supply, and require the contractor to pay for any additional quantities required. The objective is to create a financial incentive for the contractor to carefully manage the use of the materials, and to discipline employees who

fail to take proper care of the items.

14 FAH-2 H-341.2-6(B) Special Terms and Conditions

(CT:COR-1; 12-20-2005)

Describe any special provisions or situations about which the contractor should be informed. This is necessary only when such information cannot logically be included elsewhere.

14 FAH-2 H-341.2-6(C) Travel

(CT:COR-1; 12-20-2005)

Describe any requirements or approvals necessary for travel, including destinations (if known), number of trips, and number of days per trip.

14 FAH-2 H-341.2-7 References (Applicable Documents)

(CT:COR-1; 12-20-2005)

- a. Provide a list (by title and number, if any) of all documents, or parts of documents, referred to elsewhere in the Performance Work Statement (PWS). The list may include scholarly studies, technical reports and publications, specifications, standards, and other materials needed to clarify or support the work.

NOTE: Merely listing the documents in this section does not establish a contractual obligation to adhere to any provisions contained in them. You must state any such obligation within the PWS. Be sure to limit the obligation to document provisions which apply to specific tasks and which are clearly not in conflict with other provisions presented in the PWS.

- b. Explain where the materials may be obtained, or where and when it will be made available for review. If access is too difficult or expensive, it may limit the number of willing offerors, or, in extreme circumstances, serve as a basis for a protest.

14 FAH-2 H-341.2-8 Attachments

(CT:COR-1; 12-20-2005)

- a. It may sometimes be necessary to include rather lengthy materials in the solicitation itself, so that offerors will have sufficient information to prepare adequate proposals. The materials will be included in the solicitation as attachments to the Performance Work Statement (PWS).
- b. If you wish to include attachments to the PWS:
 - (1) Include only those materials that are necessary to the offeror's

- understanding of the requirement;
- (2) State in the body of the PWS (in the background section or the detailed work requirements section, for example) that such attachments are provided;
 - (3) Indicate, as a prefatory note to the attachments, whether the material is provided merely as background information or whether portions of the material set forth contractual obligations; and
 - (4) Include copies of the material to be attached in the procurement request.

14 FAH-2 H-342 FINAL POINTS IN DEVELOPING THE PERFORMANCE WORK STATEMENT (PWS)

(CT:COR-1; 12-20-2005)

- a. **Do not use "catch-all" paragraphs or phrases with the intent of pretending that anything else the Department may think of later was already included in the Performance Work Statement (PWS).** The practice is tempting because it seems to make changes unnecessary—i.e., all one has to do is reinterpret the existing words. But such catch-alls are a trap for two reasons: first, they force contractors to pad their estimates; second, they give contractors a chance to outmaneuver you and to include (and get paid for) things you do not want.
- b. **Do not include in the PWS itself any provisions dealing with legal, financial, or contract administration-related issues (e.g., cost/price estimate, U.S. Government option to extend, recommended type of contract).** Discuss these matters, as necessary, in a separate part of the procurement request.
- c. **Do not obscure your presentation of requirements by mixing proposal requirements and contractual requirements.** The PWS should address only the work and the end items required **after** a contract is awarded. The contracting officer will insert instructions for technical proposal preparation in the appropriate section of the solicitation. Should you require any special issues to be addressed in the proposals, you should provide special instructions in a separate part of the procurement request package.

14 FAH-2 H-343 THROUGH H-349 UNASSIGNED

14 FAH-2 EXHIBIT H-341

CHECKLIST FOR PREPARATION OF THE PERFORMANCE WORK STATEMENT (PWS)

(CT:COR-1; 12-20-2005)

GENERAL INFORMATION

1. State tasks in such a way that the contractor knows what is required.

- Specific and clearly defined contract goals.
- Technical and schedule requirements stated in terms of desired results or outcomes.
- Methods of performance measurement.
- Clearly established deliverables and other reporting requirements.
- Mandatory requirements that are limited to the U.S. Government's actual needs.

2. Correctly cite references. Thoroughly review all references and sub-tier references (to other documents) to weed out unnecessary requirements. Provide electronic links if available.

3. Develop formal, measurable performance standards and assurance/surveillance plans.

4. State references to data requirements in any task that generates a deliverable. Ensure that there is a clear task/data relationship.

5. Correctly cite specifications and standards, if required. Have the latest revisions been cited? Specifications and standards must be a last resort, when no other alternative or cost effective solution exists.

6. State task completion criteria. The Performance Work Statement (PWS) should define what will constitute performance completion under the contract. Be explicit in describing how acceptance will be accomplished.

7. Avoid vague task statements that may hinder proposal and source selection by limiting understanding of the U.S. Government's critical objectives.

8. Avoid unnecessary "how-to" requirements that preclude "best value" source selection by not allowing offerors to propose their most efficient/innovative operations. "How-to" requirements may cost more and accomplish less.

9. Avoid incomplete or unclear task descriptions that may be misinterpreted or inconsistently applied by offerors and source-selection officials. The performance work statement should clearly and unambiguously describe the tasks the contractor is expected to accomplish.

10. Avoid over-specifying requirements. Identify what is needed without overdoing it.

U.S. GOVERNMENT-FURNISHED PROPERTY, EQUIPMENT OR DATA

1. State what U.S. Government property, equipment or data is to be furnished and when it will be made available to the contractor.

2. State the condition and value of the property, equipment or data.

3. Ensure contractor responsibility is established.

4. State whether the contractor is required to insure the property or equipment.

SPECIAL CONSIDERATIONS

1. Determine what additional, relevant information should be made known to the contractor.

2. State where performance is to take place.

3. State whether travel will be required.

4. State whether there are any special safety, security, or operational considerations.