NOTE: THIS DOCUMENT IS MADE AVAILABLE SINCE THERE IS A DEMAND FOR THE RESULTS OF THIS PROJECT AND THE TEXT IS COMPLETE. (MANY TABLES ARE MISSING AND SOME EXHIBITS ARE MISSING, THEY WILL BE MADE AVAILABLE AS SOON AS POSSIBLE.)

A Report on the Performance-Based Service Contracting Pilot Project

Office of Federal Procurement Policy
Office of Management and Budget
Executive Office of the President

MAY 1998

FORWARD

Reforming the procurement process is one of the essential elements identified by the National Performance Review to increase the efficiency of the day-to-day operation of the Government. Approximately $200 billion is spent annually through contracts, of which about half is spent on services. Contractors not only provide support to Government operations, but are increasingly providing services directly to the public. The cost and performance of service contracts determine to a large extent how well many agencies are able to fulfill their missions.

Performance Based Service Contracting (PBSC) can make a major contribution toward increasing the value of contracted services. In addition, PBSC is consistent with the goals of the Government Performance and Results Act and this Administration's objective of providing better government at less cost. While PBSC has been in existence for many years, it has not been widely adopted. Under this Administration, PBSC has been brought to the forefront of the procurement reform agenda. As part of our effort to broaden the use of PBSC, this governmentwide project was commissioned to measure PBSC's effects.

The project's results clearly demonstrate PBSC's benefits. The average 15% price reduction and comparable increase in agency satisfaction with contractor performance occurred across all price ranges and types of services for the contracts surveyed. These results create a significant potential for savings and mission attainment in service contracts that must not be ignored.

Clearly, the report calls for increasing our efforts to expand the use of PBSC. As the report indicates, I have instructed my budget and management staffs to adopt a priority objective of increasing PBSC governmentwide, emphasizing oversight of agencies that award the most service contracts, and have asked them to report to me regularly on their progress. I encourage agency officials to actively promote PBSC, with particular emphasis on convincing their program staffs to convert to this methodology. The potential billions of dollars in savings and enhanced contractor performance will greatly contribute to furthering program objectives within agency budgets.

Signed By:
Franklin D. Raines
Director
Office of Management and Budget

PERFORMANCE-BASED SERVICE CONTRACTING PILOT PROJECT REPORT

EXECUTIVE SUMMARY

This report describes a governmentwide pilot project to implement Performance-Based Service Contracting (PBSC) methods on contracts for recurring services, and to measure PBSC's impact. This project tests the hypothesis, based on anecdotal evidence, that PBSC saves money and brings about contractor performance that better supports mission attainment.

Some agency contracting activities, most notably within the Department of Defense, have implemented PBSC over time, and have anecdotally and consistently reported positive results. As part of a comprehensive approach to encourage governmentwide acceptance of PBSC, OFPP designed this pilot project to generate data and evidence addressing the advantages of PBSC.

In October 1994, executive officials of 27 agencies signed an OFPP-sponsored pledge to participate in the project. The pledge committed them to implement PBSC and measure its effects on volunteered contracts, conform to stipulated project design criteria, and cooperate with each other to institutionalize PBSC. Four industry associations representing over 1,000

companies endorsed the project and signed an industry pledge to cooperate with the project and otherwise promote the use of PBSC among their member firms.

Agencies designated non-PBSC contracts that were due to expire, and resolicited them using PBSC methods. Twenty-six contracts from 15 agencies with a combined award value of approximately $585 million are included in this project. The contracts range in amount from $100,000 to $325 million.

The project's findings are based on a comparison of before-and-after measurements on the following variables: contract price; agency satisfaction with contractor performance; type of work performed; type of contract; competition; procurement leadtime; and audit workload. The results strongly validate PBSC and support its use as a preferred acquisition methodology. PBSC, when fully and properly applied, enables agencies simultaneously to obtain significantly improved performance at significantly reduced prices. However, based on experiences outside of this project, agencies are cautioned that application of only selected aspects of the total PBSC methodology is not likely to be nearly as successful, and can even cause a reduction in the value of services provided.

Effect on Price

On average, contract price decreased by 15% in nominal dollars after the introduction of PBSC. This does not consider that, absent the conversion to PBSC, additional inflation-related price increases of 16% could have been expected (based on Bureau of Labor Statistics figures).

PBSC reduced contract prices at all price ranges. PBSC reduced contract prices for both

nontechnical and professional and technical services. PBSC reduced contract prices when fixed price non-PBSC contracts were converted to fixed price PBSC contracts, and was particularly effective when cost reimbursement non-PBSC contracts were converted to fixed price PBSC contracts.

Effect on Performance

Information regarding customer (agency) satisfaction with the contractors' performance was obtained from the Government technical project officers. Ratings were obtained on five factors: quality; quantity; timeliness; cost effectiveness; and overall performance. Customer satisfaction improved over 18%, from 3.3 to 3.9 on a scale ranging from 1 to 5. PBSC significantly increased customer satisfaction with the contractors' work on all criteria. These improvements occurred despite the agencies' satisfaction with performance on the prior, non-PBSC contracts and learning curve problems that normally result from changing contracting methodology and/or contractor.

Customer satisfaction increased at all contract price levels, for both nontechnical services and professional and technical services, and whether the contract was changed from cost reimbursement to fixed price or remained fixed price when converted to PBSC. PBSC generated higher customer satisfaction ratings when cost reimbursement requirements were converted to fixed price contracts.

Effect on Competition

The average number of offers increased from 5.3 to 7.3 when PBSC was introduced, although half of the solicitations resulted in the same or fewer offers. No correlations were found between the number of offers and either contract price, customer satisfaction ratings, type of work, or type of contract. Perhaps by better communicating the Government's requirements and giving contractors more freedom to propose solutions, PBSC stimulated better proposals from firms better qualified to meet the Government's needs at lower prices.

Fifteen of the 26 contracts were awarded to non-incumbent companies. This suggests that PBSC stimulated competition by non-incumbent companies. Data on price and customer satisfaction indicated PBSC contracts awarded to non-incumbent companies resulted in greater rates of improvement than contracts awarded to incumbents, although incumbents still significantly reduced their prices and improved performance when converted to PBSC.

The number of contracts awarded to small businesses was identical for the original and PBSC acquisitions. This indicated PBSC does not impede small business participation.

Effect on Audit Workload

The total number of contract audits decreased 93%. This result was expected in view of the conversions from cost reimbursement to fixed price arrangements that occurred in many of the contracts, and reflected the reduced process-oriented expense that PBSC promises to offer.

Effect on Procurement Leadtime

The average total procurement leadtime increased by 38 days from 237 to 275, and a subset

of this variable, the average solicitation-to-award leadtime, increased by 33 days from 140 to 173 when awarded using PBSC methods. Average leadtime increases were greater for professional and technical services while average leadtime did not increase for nontechnical services.

It was surprising to note, however, that almost half of the contracts experienced decreases or remained the same. Because the awarding agencies had to develop new statements of work, performance standards and quality assurance plans, and institute untried and significantly different contracting methods in order to incorporate PBSC, across-the-board increases in leadtime were anticipated. It is expected that the excess procurement leadtimes would be eliminated on subsequent follow-on acquisitions, as has been reported anecdotally by contracting activities with longer-term experience using PBSC, due to the fact that statements of work, performance standards, and quality assurance plans no longer need to be developed from scratch, but only need to be updated.

Conclusion

The results of the project strongly support the hypothesis that PBSC, when fully and properly applied, enables agencies simultaneously to obtain improved performance and reduced prices. PBSC is appropriate for professional and technical services as well as nontechnical services, and for large, complex contracts as well as small contracts. Moreover, PBSC's benefits are amplified when awarded using fixed price contracts.

Questions or comments regarding this report should be directed to the Office of Federal Procurement Policy, 725 17th Street, NW, Washington, DC 20503, Attention: Stanley Kaufman, Deputy Associate Administrator.

PERFORMANCE-BASED SERVICE CONTRACTING PILOT PROJECT REPORT

BACKGROUND

Introduction

This report describes a governmentwide project to implement Performance-Based Service Contracting (PBSC) methods on contracts for recurring services, and to measure and assess PBSC's impact. This project tests the hypothesis, based on anecdotal evidence, that PBSC saves money and effects contractor performance that better supports mission attainment.

The Government spends about $200 billion annually through contracts. Services account for about $100 billion, or half of this total, and has steadily grown from an almost negligible amount during World War 2. Historically, most of the policies, regulations and attention directed at Government contracting were developed for acquisitions of supplies, not services. Perhaps as a result, General Accounting Office and agency Inspectors General reports and Congressional hearings too often revealed problems surrounding service contracts: poor planning, inadequate definition of requirements and resulting selection of less than optimal contract types and pricing arrangements, and lax or nonexistent contract administration prevented the Government from getting good value for the money spent. Many

agencies routinely contended with cost overruns, time extensions and performance problems.

To address these problems, OFPP issued Policy Letter 91-2, Service Contracting. The Policy Letter defines PBSC, requires the use of PBSC methods where practicable, and requires agencies to better match their acquisition and contract administration strategies to the specific requirements. Essentially, PBSC requires structuring the acquisition around "what" is required as opposed to "how" the contractor should do the work. PBSC is based on the development of a performance work statement, which defines the work in measurable, mission-related terms. Performance standards (i.e., quantity, quality, timeliness) are assigned to the performance requirements, and a Government quality assurance (QA) plan describes how the contractor's performance will be assessed against the standards. Positive and negative incentives, based on the QA measurements, are assigned to stimulate desired performance.

PBSC complements the Government's overall approach to managing for results, not to process. Under PBSC, the Government pays for results, not effort or process, and contractors are free to determine the best and most cost effective ways to fulfill the Government's needs. PBSC also reduces unnecessary contract administration costs by moving
agencies away from audit-oriented, cost reimbursement and level-of-effort contracts to fixed price completion contracts. PBSC requires formally developed contract administration plans which define the most cost effective use of Government resources to measure contractor performance. Contractors obtain a clearer understanding of the Government's expectations, and so disputes and inherent learning curve waste are reduced.

For a more detailed understanding of PBSC, refer to Federal Acquisition Circular 97-01, which amended the Federal Acquisition Regulation to incorporate Policy Letter 91-2, and the OFPP Guide to Best Practices for PBSC (which contains the Policy Letter). The Guide can be obtained by contacting the Executive Office of the President's Office of Publications, (202) 395-7332 or the Acquisition Reform Network, www.arnet.gov.

Vice President Gore, four consecutive Directors of OMB covering two Administrations, the President's Management Council (PMC) and the National Performance Review have endorsed PBSC. They all concluded that PBSC offers a way to save money and enhance mission attainment during a time of reduced Government spending.

Some contracting activities, most notably within the Department of Defense, have implemented PBSC for as much as 20 years, and anecdotally have reported positive results. Despite their experiences and the compelling logic of PBSC, implementation has not been fully pursued. There are many possible reasons for this, among them: downsized procurement and program staffs trying to incorporate many contract reform initiatives in a relatively short time frame; bureaucratic inertia; resistance to change; fear of giving up day to-day control over contractor work processes; and concern over a perceived loss of flexibility in directing contractors.

As a result, a comprehensive, multi-faceted outreach approach was required to change the culture. Therefore, the benefits of PBSC were presented to the PMC, which endorsed the initiative. Four industry associations representing over 1,000 companies agreed to actively endorse PBSC: Contract Services Association; Electronic Industries Association; Information Technology Association of America; and Professional Services Council. OFPP worked closely with the Acquisition Regulatory Councils and provided much input

into the Federal Acquisition Circular that implemented Policy Letter 91-2, which codified the preference for PBSC.

OMB Director Rivlin formally requested heads of agencies to develop structured plans for identifying and converting contracts to PBSC (see Exhibit 1), and her successor, Director Raines, further designated PBSC implementation a Priority Management Objective. As part of this effort, OMB's Deputy Director for Management and the OFPP Administrator lead an ongoing working group of OMB budget analysts assigned to agencies that engage in significant service contracting to ensure substantive PBSC implementation. OFPP also has provided direct technical assistance to procuring agencies on their PBSC efforts.

PBSC experience and reference information were scarce and widely scattered, and agencies needed a baseline of resource material. To this end, an introductory PBSC training session for interested agencies was convened, and a list of entities that provide training in PBSC was published. Most agencies designated PBSC points of contact to disseminate and exchange information, successes and lessons learned (see Exhibit 2). To assist agencies in formulating and administering this methodology, agency experiences with PBSC were gathered and published in the Best Practices Guide. Interagency working groups consisting of program and procurement personnel developed PBSC templates for selected professional and technical services of common interest. These materials can be obtained from the Executive Office of the President's Office of Publications or the Acquisition Reform Network. OFPP developed and published a PBSC solicitation/contract/task order review checklist to help agencies properly implement and evaluate their PBSC acquisitions (see Exhibit 3).

The Pilot Project

As part of its comprehensive approach to encourage governmentwide acceptance of PBSC, OFPP designed this pilot project to evaluate the effects of PBSC. When the idea for the pilot project was first conceived, OFPP met individually with senior officials of the major contracting agencies to enlist their support. OFPP also met with several industry associations whose members provide services to the Government to see if the contractor community would support this concept. Encouraged by positive responses from almost everyone contacted, OFPP received the support of the Deputy Director of OMB to approach the PMC for official endorsement. The PMC endorsed the project April 1994. OMB Director Panetta then requested heads of agencies to support and participate in the project (see Exhibit 4).

The project was launched October 1994, in conjunction with the President's signature of the Federal Acquisition Streamlining Act. Vice President Gore designated it as an integral aspect of the National Performance Review, and Director Rivlin led the kick-off ceremony. At the ceremony, executive officials of the participating agencies signed a governmentwide pledge to participate in the project (see Exhibit 5). The pledge committed them to implement PBSC for the volunteered contracts and measure its effects, conform to stipulated project design criteria, and cooperate with each other to institutionalize PBSC. Presidents of the four industry associations that endorsed the project also signed an industry pledge to cooperate with the project and promote the use of PBSC among their member firms (see Exhibit 6) .

When OFPP obtained preliminary project results from the participating agencies that indicated 15-20% savings and anecdotally reported increased satisfaction with contractor

performance, the results were deemed sufficiently promising that Director Rivlin decided not to wait until the project was completed and, as mentioned above, requested agencies to develop formal plans to convert appropriate contracts to PBSC. As a result, 20 agencies submitted plans to convert more than 1,000 contracts valued at over $20 billion to PBSC over the next few years.

OFPP would like to thank the many executive, program and contracting personnel of the participating agencies who volunteered their contracts for inclusion into this project. In addition, OFPP would like to thank the industry associations who endorsed this project and otherwise have supported PBSC as a means of improving Government efficiency.

METHODOLOGY

The purpose of this pilot project is to demonstrate the impact of PBSC on contracted services. Agencies designated contracts awarded under non-PBSC methods that were due to expire, and resolicited them using PBSC methods. This report's findings are based on the comparison of before-and-after measurements on the following variables: contract price; agency satisfaction with contractor performance; type of work performed; type of contract; competition, including small business participation and the effects of incumbency; procurement leadtime; and audit workload. Analysis of the results was based on agency-generated data using a format that was provided for both the outgoing, non-PBSC contracts and the PBSC awards (see Exhibit 7).

The project was intended to be relatively long-term, due to the length of the award process and the staggered contract expiration dates of the participating contracts. Moreover, data for the PBSC contracts were collected from several months to over one year after award to incorporate learning curve problems and more comprehensively reflect conditions the agencies encountered as they converted to PBSC.

The project was designed to provide credible data on the impact of conversion to PBSC. Agencies were not restricted to the types of services volunteered and, indeed, were encouraged to choose services not traditionally acquired by PBSC methods. However, a high degree of control over the process was necessary to rule out, as much as possible, alternative explanations for the results. Thus, OFPP levied a strict set of admission criteria.

For example, participating contracts were required to be competed. Admitting sole source acquisitions into the project would have meant that the agencies would not be able to use the competitive marketplace to generate the best ideas or use common commercial practices. And, sole source contractors would not have been under competitive pressure to provide their best prices or work methods, thus offsetting the benefits of PBSC.

Contract documents (solicitations and/or contracts) were required to be reviewed by OFPP to ensure that they addressed the minimum essential PBSC components: performance requirements; measurable performance standards; government QA plans based on measurements of the work against the performance standards; and incentives based on the QA measurements. Contracts lacking these essential elements would not likely have obtained the benefits of PBSC, and the project's results would have been contaminated accordingly. Moreover, these essential components had to be communicated to potential offerors in time to be factored into their proposals. Otherwise, full PBSC benefits would not have accrued to the contracts. The documents also were reviewed to cull out process-oriented requirements (e.g., job descriptions, educational requirements) that inhibit

contractor flexibility, cost unnecessary money and are contrary to PBSC.

Further, the work required by participating contracts had to be primarily completion in nature. Requirements that can only be prescribed by term or level-of-effort work statements generally preclude the effective implementation of PBSC. However, contracts that contained relatively small level-of-effort portions needed to accommodate unpredictable spikes or changes to workload were admitted.

Adherence to these essential PBSC considerations caused many of the originally volunteered contracts to be rejected or withdrawn. Budget cutbacks and agency reorientation of priorities eliminated funding for several pledged contracts as well as severe reformation of many others which prevented meaningful before and after comparisons, often after the project's inception. Ultimately, 26 contracts from 15 agencies with a combined award value of approximately $585 million contributed to this report. The contracts ranged in amount from $100,000 to $325 million.

RESULTS

The project generated data on the effects of PBSC on contract price, agency satisfaction with contractor performance, competition (including small business participation and the ability of both non-incumbent offerors and incumbents to successfully compete), audit workload, and procurement leadtime. These data and related interpretations are provided below.

However, based on agency experiences reported outside of this project, agencies are cautioned that application of only selected aspects of the total PBSC methodology is not likely to be nearly as successful, and can even cause a reduction in the value of services provided. Such experiences include the failures to define the work in completion terms, to develop or enforce measurable Government quality assurance plans based on contract performance standards, and to place sufficient financial risk on the contractor.

Some isolated data elements were not available from some of the contracts. However, the missing data are few, and are not considered significant enough to affect any of the report's findings. In addition, two of the contracts contain significant portions of both nontechnical services and professional and technical services. The data from these contracts are included in calculations under both categories when the effects of PBSC on these categories are being compared. Furthermore, two of the requirements each were broken into two contracts when converted to PBSC. The data reported on the these PBSC awards were combined or averaged, as appropriate, for comparison purposes, and are considered one contract for purposes of the data analyses contained in this report.

Contract Price

Table 1 contains the changes to the contracts' prices after the introduction of PBSC. On average, contract price decreased by 15% in nominal dollars after the introduction of PBSC. Of the participating requirements, prices decreased on 20, and increased on only four.

These results do not consider that, absent the conversion to PBSC, additional inflation-related price increases could have been expected. Service contracts are typically awarded for five years; labor is the predominant cost component. The Bureau of Labor Statistics (BLS) Employment Cost Index for Private Services Industry Workers, the BLS category most closely aligned to the services provided under the project's contracts, reports a compensation

increase of 16% for the period 1993-97. Thus, it may be concluded that, after taking inflation into account, the contract price savings would have been substantially larger. It is important to point out that while inflation-related price increases have not been factored into the data contained in this report, the additional savings they represent should be considered in discussing the benefits of PBSC and agency decisions regarding whether to convert requirements to PBSC.

Table 1. Changes to Contract Price

Agency Requirement % Price Change

Department of Commerce Grounds maintenance - 4 Telecommunications support + 2

Department of Defense -- Air Force Air field operations * - 27

-- Army Air traffic control &

weather observation ** - 9

--Army Air traffic control &

weather observation - 8

-- Defense Logistics Janitorial - 9

-- Navy Logistics support - 2

Aircraft maintenance - 8

Department of Energy Security - 25

Department of Justice Drug testing - 28

Department of Transportation Inventory control + 6

Department of Treasury Base operations & maintenance * - 22

Elevator maintenance - 15

Veterans Affairs Shuttle van - 26

Environmental Protection Agency Telephone hotline - 31

Training - 6

Federal Emergency Management Agency Housing inspection ** + 4

General Services Administration Janitorial + 9 Janitorial - 4 Janitorial - 30

Janitorial - 36 Mechanical maintenance - 31

National Aeronautics & Space Administration Janitorial - 47

Railroad Retirement Board Data Entry - 14

* These contracts contain significant quantities of both nontechnical and professional and technical services.

** These requirements were awarded as two contracts when converted to PBSC.

The data were reviewed to determine the effect, if any, of overall contract size on average price reduction. Table 2 groups the price savings data according to contract price range. The data indicate that PBSC significantly reduced contract prices at all price levels.

Table 2. Changes to Contract Price by Price Range

Price Range No. Contracts Average Change in Price

< $1 million 8 - 15

$1-5 million 6 - 12

$5-10 million 6 - 23

>$10 million 4 - 8

The data were reviewed to determine the effect, if any, of the type of requirement on average price reduction. Table 3 groups the price savings data according to predominant labor categories needed to perform the work. The data indicate that PBSC significantly reduced contract prices for both nontechnical services and professional and technical services, and dispels skepticism as to PBSC's effectiveness in reducing contract prices for professional and technical services.

Table 3. Changes to Contract Price by Type of Work

Type of Work No. Contracts Average Change in Price

Nontechnical 15 - 18

Professional and technical 11 - 13

The data were reviewed to determine the effect, if any, of the type of contract (i.e., fixed price, cost reimbursement) on average price reduction. Table 4 groups the price savings data according to contract type. The data indicate that PBSC significantly reduced contract price when fixed price non-PBSC contracts were converted to fixed price PBSC contracts, and was even more effective when cost reimbursement non-PBSC contracts were converted to fixed price PBSC contracts. The sample of one contract is too small to draw conclusions about non-PBSC cost reimbursement contracts remaining cost reimbursement when converted to PBSC.

Table 4. Changes to Contract Price by Contract Type

Information regarding customer (agency) satisfaction with the contractors' performance was obtained from the Government technical project officers. Ratings were obtained on five factors: quality; quantity; timeliness; cost effectiveness; and overall performance. Customer satisfaction improved over 18%, from 3.3 to 3.9 on a scale ranging from 1 to 5. PBSC significantly increased customer satisfaction with the contractors' work on all criteria. These improvements occurred despite the agencies' satisfaction with performance on the prior, non-PBSC contracts and learning curve problems that normally result from changing contracting methodology and/or contractor.

Customer satisfaction increased at all contract price levels, for both nontechnical services and professional and technical services, and whether the contract was changed from cost reimbursement to fixed price or remained fixed price when converted to PBSC. PBSC generated higher customer satisfaction ratings when cost reimbursement requirements were converted to fixed price contracts.

Effect on Competition

The average number of offers increased from 5.3 to 7.3 when PBSC was introduced, although half of the solicitations resulted in the same or fewer offers. No correlations were found between the number of offers and either contract price, customer satisfaction ratings, type of work, or type of contract. Perhaps by better communicating the Government's requirements and giving contractors more freedom to propose solutions, PBSC stimulated better proposals from firms better qualified to meet the Government's needs at lower prices.

Fifteen of the 26 contracts were awarded to non-incumbent companies. This suggests that PBSC stimulated competition by non-incumbent companies. Data on price and customer satisfaction indicated PBSC contracts awarded to non-incumbent companies resulted in greater rates of improvement than contracts awarded to incumbents, although incumbents still significantly reduced their prices and improved performance when converted to PBSC.

The number of contracts awarded to small businesses was identical for the original and PBSC acquisitions. This indicated PBSC does not impede small business participation.

Effect on Audit Workload

The total number of contract audits decreased 93%. This result was expected in view of the conversions from cost reimbursement to fixed price arrangements that occurred in many of the contracts, and reflected the reduced process-oriented expense that PBSC promises to offer.

Effect on Procurement Leadtime

The average total procurement leadtime increased by 38 days from 237 to 275, and a subset of this variable, the average solicitation-to-award leadtime, increased by 33 days from 140 to 173 when awarded using PBSC methods. Average leadtime increases were greater for professional and technical services while average leadtime did not increase for nontechnical services.

It was surprising to note, however, that almost half of the contracts experienced decreases or

remained the same. Because the awarding agencies had to develop new statements of work, performance standards and quality assurance plans, and institute untried and significantly different contracting methods in order to incorporate PBSC, across-the-board increases in leadtime were anticipated. It is expected that the excess procurement leadtimes would be eliminated on subsequent follow-on acquisitions, as has been reported anecdotally by contracting activities with longer-term experience using PBSC, due to the fact that statements of work, performance standards, and quality assurance plans no longer need to be developed from scratch, but only need to be updated.

Conclusion

The results of the project strongly support the hypothesis that PBSC, when fully and properly applied, enables agencies simultaneously to obtain improved performance and reduced prices. PBSC is appropriate for professional and technical services as well as non-technical services, and for large, complex contracts as well as small contracts. Moreover, PBSC's benefits are amplified when awarded using fixed price contracts.

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