

32.1007 Administration and payment of performance-based payments.

(a) *Responsibility.* The *contracting officer* responsible for administering performance-based payments (see [42.302\(a\)\(13\)](#)) for the contract *shall* review and approve all performance-based payments for that contract.

(b) *Approval of financing requests.* Unless otherwise provided in agency regulations, or by agreement with the appropriate payment official-

(1) The *contracting officer shall* be responsible for receiving, approving, and transmitting all performance-based payment requests to the appropriate payment office; and

(2) Each approval *shall* specify the amount to be paid, necessary contractual information, and the appropriation account(s) (see [32.1004\(c\)](#)) to be charged for the payment.

(c) *Reviews.* The *contracting officer* is responsible for determining what reviews are required for protection of the Government's interests. The *contracting officer should* consider the contractor's experience, performance record, reliability, financial strength, and the adequacy of controls established by the contractor for the administration of performance-based payments. Based upon the risk to the Government, post-payment reviews and verifications *should* normally be arranged as considered appropriate by the *contracting officer*. If considered necessary by the *contracting officer*, pre-payment reviews *may* be required.

(d) *Incomplete performance.* The *contracting officer shall* not approve a performance-based payment until the specified event or performance criterion has been successfully accomplished in accordance with the contract. If an event is cumulative, the *contracting officer shall* not approve the performance-based payment unless all identified preceding events or criteria are accomplished.

(e) *Government-caused delay.* Entitlement to a performance-based payment is solely on the basis of successful performance of the specified events or performance criteria. However, if there is a Government-caused delay, the *contracting officer may* renegotiate the performance-based payment schedule to facilitate contractor billings for any successfully accomplished portions of the delayed event or criterion.

Parent topic: [Subpart 32.10 - Performance-Based Payments](#)