

## 1.102-2 Performance standards.

(a) Satisfy the customer in terms of cost, quality, and timeliness of the delivered product or service.

(1) The principal customers for the product or service provided by the System are the users and line managers, acting on behalf of the American taxpayer.

(2) The System *must* be responsive and adaptive to customer needs, concerns, and feedback. Implementation of *acquisition* policies and procedures, as well as consideration of timeliness, quality, and cost throughout the process, *must* take into account the perspective of the user of the product or service.

(3) When selecting contractors to provide *products* or perform services, the Government will use contractors who have a track record of successful *past performance* or who demonstrate a current superior ability to perform.

(4) The Government *must* not hesitate to communicate with industry as early as possible in the *acquisition* cycle to help the Government determine the capabilities available in the marketplace. Government *acquisition* personnel are permitted and encouraged to engage in responsible and constructive exchanges with industry ( e.g., see [10.002](#) and [15.201](#)), so long as those exchanges are consistent with existing laws and regulations, and do not promote an unfair competitive advantage to particular firms.

(5) The Government will maximize its use of *commercial products* and *commercial services* in meeting Government requirements.

(6) It is the policy of the System to promote competition in the *acquisition* process.

(7) The System *must* perform in a timely, high quality, and cost-effective manner.

(8) All members of the Team are required to employ planning as an integral part of the overall process of acquiring *products* or services. Although advance planning is required, each member of the Team *must* be flexible in order to accommodate changing or unforeseen mission needs. Planning is a tool for the accomplishment of tasks, and application of its discipline *should* be commensurate with the size and nature of a given task.

(b) Minimize administrative operating costs.

(1) In order to ensure that maximum efficiency is obtained, rules, regulations, and policies *should* be promulgated only when their benefits clearly exceed the costs of their development, implementation, administration, and enforcement. This applies to internal administrative processes, including reviews, and to rules and procedures applied to the contractor community.

(2) The System *must* provide uniformity where it contributes to efficiency or where fairness or predictability is essential. The System *should* also, however, encourage innovation, and local adaptation where uniformity is not essential.

(c) Conduct business with integrity, fairness, and openness.

(1) An essential consideration in every aspect of the System is maintaining the public's trust. Not only *must* the System have integrity, but the actions of each member of the Team *must* reflect integrity, fairness, and openness. The foundation of integrity within the System is a competent, experienced, and well-trained, professional workforce. Accordingly, each member of the Team is responsible and accountable for the wise use of public resources as well as acting in a manner which maintains the public's trust. Fairness and openness require open communication among team members, internal and external customers, and the public.

(2) To achieve efficient operations, the System *must* shift its focus from "risk avoidance" to one of "risk management." The cost to the taxpayer of attempting to eliminate all risk is prohibitive. The Executive Branch will accept and manage the risk associated with empowering local *procurement* officials to take independent action based on their professional judgment.

(3) The Government *shall* exercise discretion, use sound business judgment, and comply with applicable laws and regulations in dealing with contractors and prospective contractors. All contractors and prospective contractors *shall* be treated fairly and impartially but need not be treated the same.

(d) *Fulfill public policy objectives.* The System *must* support the attainment of public policy goals adopted by the Congress and the President. In attaining these goals, and in its overall operations, the process *shall* ensure the efficient use of public resources.

**Parent topic:** [1.102 Statement of guiding principles for the Federal Acquisition System.](#)