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## **PSC Opposes Performance-Based Payments and Progress Payments**

*PSC EVP and Counsel Alan Chvotkin Discussed Proposed Rule at Sept. 14 Defense Department Meeting*

*Arlington, Va. (Sept. 17, 2018)*—The Professional Services Council (PSC) opposes [an Aug. 24 proposed rule](#) to streamline the performance-based payment process and revise progress payments and performance-based payments policies for Department of Defense (DoD) contracts.

PSC executive vice president and counsel Alan Chvotkin [presented PSC's views](#) at a Sept. 14 public meeting on the proposed rule.

Chvotkin said that the rule creates inconsistencies with Section 831 of the fiscal year 2017 National Defense Authorization Act that establishes a preference for the use of performance-based payments. In addition, criteria in the proposed rule to potentially increase the percentage rate of progress payments introduces huge variables for both government and industry, introduces components that are unrelated to contractor performance, and includes subjective criteria for government decision-making over which a contractor has little control.

“While we support meaningful efforts to relieve the administrative burden on contractors and DoD acquisition officials by deleting or modifying current regulations, we do not believe the rules changes will improve contractor performance or will distinguish and meaningfully recognize high performance segments of companies or entire companies,” Chvotkin said. “We appreciate the department holding a public meeting on this rule, and we will continue to gather input from industry to share with DoD leaders on this matter.”

PSC will respond to DoD with written comments on the rule before the Oct. 23 deadline.

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**About PSC:** PSC is the voice of the government technology and professional services industry. PSC's nearly 400-member companies represent small, medium and large businesses that provide federal agencies with services of all kinds, including information technology, engineering, logistics, facilities management, operations and maintenance, consulting, international development, scientific, social, environmental services, and more. Together, the trade association's members employ hundreds of thousands of Americans in all 50 states. Follow PSC on Twitter [@PSCSpeaks](#). To learn more, visit [www.pscouncil.org](http://www.pscouncil.org).