

**§ 437. Incentives for efficient performance of services contracts**

**(a) Incentive for use of performance-based services contracts**

A performance-based contract for the procurement of services entered into by an executive agency or a performance-based task order for services issued by an executive agency may be treated as a contract for the procurement of commercial items if—

- (1) the value of the contract or task order is estimated not to exceed \$25,000,000;
- (2) the contract or task order sets forth specifically each task to be performed and, for each task—
  - (A) defines the task in measurable, mission-related terms;
  - (B) identifies the specific end products or output to be achieved; and
  - (C) contains firm, fixed prices for specific tasks to be performed or outcomes to be achieved; and
- (3) the source of the services provides similar services to the general public under terms and conditions similar to those offered to the Federal Government.

**(b) Regulations**

The regulations implementing this section shall require agencies to collect and maintain reliable data sufficient to identify the contracts or task orders treated as contracts for commercial items using the authority of this section. The data may be collected using the Federal Procurement Data System or other reporting mechanism.

**(c) Report**

Not later than two years after November 24, 2003, the Director of the Office of Management and Budget shall prepare and submit to the Committees on Governmental Affairs and on Armed Services of the Senate and the Committees on Government Reform and on Armed Services of the House of Representatives a report on the contracts or task orders treated as contracts for commercial items using the authority of this section. The report shall include data on the use of such authority both government-wide and for each department and agency.

**(d) Expiration**

The authority under this section shall expire 10 years after November 24, 2003.

(Pub. L. 93-400, § 41, as added Pub. L. 108-136, div. A, title XIV, § 1431(a), Nov. 24, 2003, 117 Stat. 1671.)

**CHAPTER 8—FEDERAL GRANTS AND COOPERATIVE AGREEMENTS**

**§§ 501 to 509. Repealed. Pub. L. 97-258, § 5(b), Sept. 13, 1982, 96 Stat. 1083**

Section 501, Pub. L. 95-224, § 2, Feb. 3, 1978, 92 Stat. 3, set out the Congressional findings and statement of purposes in enacting the Federal Grant and Cooperative Agreement Act of 1977 [this chapter]. Sections 1 and 10(b) of Pub. L. 95-224, setting out the short title provisions and savings provisions respectively of that Act, were set out as notes under this section, and were repealed by Pub. L. 97-258, § 5(b), Sept. 13, 1982, 96 Stat.

1083. Section 10(d) of Pub. L. 95-224, as amended by Pub. L. 97-162, Apr. 1, 1982, 96 Stat. 23, setting out the excepted transactions provisions of that Act was set out as a note under this section, and was repealed by Pub. L. 97-258, § 5(b), Sept. 13, 1982, 96 Stat. 1083. See sections 6301 and 6307(2) of Title 31, Money and Finance.

Section 502, Pub. L. 95-224, § 3, Feb. 3, 1978, 92 Stat. 4, defined “State government”, “local government”, “other recipient”, “executive agency”, and “grant or cooperative agreement”. See section 6302 of Title 31.

Section 503, Pub. L. 95-224, § 4, Feb. 3, 1978, 92 Stat. 4, provided for use of procurement contracts by executive agencies. See section 6303 of Title 31.

Section 504, Pub. L. 95-224, § 5, Feb. 3, 1978, 92 Stat. 4, provided for use of grant agreements by executive agencies. See section 6304 of Title 31.

Section 505, Pub. L. 95-224, § 6, Feb. 3, 1978, 92 Stat. 5, provided for use of cooperative agreements by executive agencies. See section 6305 of Title 31.

Section 506, Pub. L. 95-224, § 7, Feb. 3, 1978, 92 Stat. 5, pertained to required and discretionary authorities. See section 6306 of Title 31.

Section 507, Pub. L. 95-224, § 8, Feb. 3, 1978, 92 Stat. 5, directed Director of Office of Management and Budget to undertake a study to develop a better understanding of alternate means of implementing Federal assistance programs.

Section 508, Pub. L. 95-224, § 9, Feb. 3, 1978, 92 Stat. 6, authorized Director of Office of Management and Budget to issue supplemental interpretive guidelines to promote consistent and efficient use of contracts, grant agreements, and cooperative agreements. See section 6307(1) of Title 31.

Section 509, Pub. L. 95-224, § 10(c), Feb. 3, 1978, 92 Stat. 6, related to use of multiple relationships for different components of jointly funded projects. See section 6308 of Title 31.

**CHAPTER 9—CONTRACT DISPUTES**

Sec.	
601.	Definitions.
602.	Applicability of law. <ol style="list-style-type: none"> <li>(a) Executive agency contracts.</li> <li>(b) Tennessee Valley Authority contracts.</li> <li>(c) Foreign government or international organization contracts.</li> </ol>
603.	Maritime contracts.
604.	Fraudulent claims.
605.	Decision by contracting officer. <ol style="list-style-type: none"> <li>(a) Contractor claims.</li> <li>(b) Review; performance of contract pending appeal.</li> <li>(c) Amount of claim; certification; notification; time of issuance; presumption.</li> <li>(d) Alternative means of dispute resolution.</li> <li>(e) Termination of authority to engage in alternative means of dispute resolution; savings provision.</li> </ol>
606.	Contractor's right of appeal to board of contract appeals.
607.	Agency boards of contract appeals. <ol style="list-style-type: none"> <li>(a) Establishment; consultation; Tennessee Valley Authority.</li> <li>(b) Appointment of members; chairman; compensation.</li> <li>(c) Appeals; inter-agency arrangements.</li> <li>(d) Jurisdiction.</li> <li>(e) Decisions.</li> <li>(f) Accelerated appeal disposition.</li> <li>(g) Review.</li> <li>(h) Procedural guidelines.</li> </ol>
608.	Small claims. <ol style="list-style-type: none"> <li>(a) Accelerated disposition of appeals.</li> <li>(b) Simplified rules of procedure.</li> <li>(c) Time of decision.</li> <li>(d) Finality of decision.</li> </ol>