

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**Current Report
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **November 6, 2008**

LIQUIDITY SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

0-51813

(Commission
File Number)

52-2209244

(IRS Employer
Identification No.)

1920 L Street, N.W., 6th Floor, Washington, D.C.

(Address of principal executive offices)

20036

(Zip Code)

Registrant's telephone number, including area code **(202) 467-6868**

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Other Events.

On November 6, 2008, in connection with (i) the phase-in of the Surplus Usable Property Sales Contract (Sales Contract Number 08-0001-0001) (the "New Surplus Contract") between Liquidity Services, Inc. (the "Company") and the Defense Reutilization and Marketing Service of the U.S. Department of Defense (the "DRMS") and (ii) the wind-down of Commercial Venture II (CV-II) (Sales Contract Number 99-0001-0002) (the "Surplus Contract") between the DRMS and the Company, the Company and DRMS entered into Supplement Agreement 18, extending the performance period of the Surplus Contract from November 1, 2008, until December 17, 2008. The Company expects to commence operations under the New Surplus Contract on or about December 18, 2008.

The New Surplus Contract was awarded to the Company on July 31, 2008, and was filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 6, 2008. The DRMS had previously provided written notice to the Company on September 2, 2008 that the DRMS was terminating the performance period of the Surplus Contract effective as of November 1, 2008. This written notice was filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 5, 2008.

Supplemental Agreement 18 between the Company and DRMS, extending the performance period of the Surplus Contract through December 17, 2008, is attached hereto as Exhibit 10.1.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

The following exhibit is filed as part of this report:

10.1 Supplemental Agreement 18 (Sales Contract Number 99-0001-0002)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LIQUIDITY SERVICES, INC.
(Registrant)

Date: November 12, 2008

By: /s/ James E. Williams
Name: James E. Williams
Title: Vice President, General Counsel and
Corporate Secretary

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Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
10.1	Supplemental Agreement 18 (Sales Contract Number 99-0001-0002)

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SALE OF GOVERNMENT PROPERTY
 AMENDMENT OF INVITATION FOR BIDS/MODIFICATION OF CONTRACT

1. AMENDMENT TO INVITATION FOR BIDS NO.:
 SUPPLEMENTAL AGREEMENT NO.: 18
 3. ISSUED BY
 DEFENSE REUTILIZATION AND MARKETING SERVICE
 INTERNATIONAL SALES OFFICE, ATTN:DRMS-J362
 74 N WASHINGTON STREET
 BATTLE CREEK MI 49017-3092

2. EFFECTIVE DATE
 11/6/08

NAME AND ADDRESS WHERE BIDS ARE RECEIVED
 DEFENSE REUTILIZATION AND MARKETING SERVICE
 INTERNATIONAL SALES OFFICE, ATTN:DRMS-J362
 74 N WASHINGTON STREET
 BATTLE CREEK MI 49017-3092

o AMENDMENT OF INVITATION FOR BIDS NO. (See Item 6) DATED x MODIFICATION OF CONTRACT NO. (See Item 8) DATE
 99-0001-0002 06/13/01

6. THIS BLOCK APPLIES ONLY TO AMENDMENTS OF INVITATIONS FOR BIDS
 The above numbered invitation for bids is amended as set forth in Item 9. Bidders must acknowledge receipt of this amendment unless indicated otherwise in Item 11 prior to the hour and date specified in the invitation for bids, or as amended, by one of the following methods:
 (a) By signing and returning copies of this amendment;
 (b) By acknowledging receipt of this amendment on each copy of the bid submitted; or
 (c) By separate letter or telegram which includes a reference to the invitation for bids and amendment number.
 FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE ISSUING OFFICE PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR BID. If by virtue of this amendment you desire to change a bid already submitted, such change may be made by telegram or letter, provided such telegram or letter makes reference to the invitation for bids and this amendment, and is received prior to the opening hour and date specified.

7. ACCOUNTING AND APPROPRIATION DATA (If required)

8. THIS APPLIES ONLY TO MODIFICATION OF CONTRACTS
 This Supplemental Agreement is entered into pursuant to authority of Mutual Agreement

9. DESCRIPTION OF AMENDMENT/MODIFICATION (Except as provided below all terms and conditions of the document referenced in Item 5 remain in full force and effect)


Whereas Contract 99-0001-0002 was entered into on June 13, 2001 by and between the United States of America, hereinafter referred to as the Government, and SURPLUS ACQUISITION VENTURE (SAV), LLC, hereinafter referred to as the Contractor, and GOVERNMENT LIQUIDATION (GL), LLC, formed by the contractor to serve as the entity that processes DRMS assets, hereinafter referred to as the Purchaser, and whereas the contract involved the following in Invitation For Bid 99-0001:


0001: All Federal Stock Classes (FSCs) listed in Table IV-1 of solicitation on the DRMS accountable record that are demilitarization code A, B, or Q, located at various U.S. (to include Alaska and Hawaii), Puerto Rico and Guam military installations.

THE HOUR AND DATE FOR RECEIPT OF BIDS o IS NOT EXTENDED, o IS EXTENDED UNTIL O'CLOCK
 (LOCAL TIME) DATE

10. BIDDER/PURCHASER NAME AND ADDRESS (Include ZIP Code)
 SURPLUS ACQUISITION VENTURE, LLC
 1920 L Street NW, 6th Floor
 Washington, DC 20036

11. o BIDDER IS NOT REQUIRED TO SIGN THIS DOCUMENT
 x PURCHASE IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN ORIGINAL AND 0 COPIES TO THE ISSUING OFFICE

12. SIGNATURE FOR BIDDER/PURCHASER

 BY
 (SIGNATURE OF PERSON AUTHORIZED TO SIGN)

15. UNITED STATES OF AMERICA

 BY
 (SIGNATURE OF CONTRACTING OFFICER)

13. NAME & TITLE OF SIGNER (Type or print) 14. DATE SIGNED 16. NAME OF CONTRACTING OFFICER (Type or print) 17. DATE SIGNED
 THOMAS B. BURTON 11/6/08 REBECCA BELLINGER 11/6/08
 President

GPO 1970 OF—390-461 (40-X)

STANDARD FORM 114D
 JAN. 1970 EDITION
 GENERAL SERVICES ADMINISTRATION
 FPMR (41 CFR) 101-45.3
 114-501

**CONTRACT NUMBER 99-0001-0002
 Supplemental Agreement 18**

WHEREAS, the Sales Contracting Officer's letter dated September 2, 2008, provided a DRMS decision that sales contract number 99-0001-0002 would terminate on November 1, 2008 pursuant to the early termination provision set forth in supplemental agreement 14.

NOW THEREFORE, it has been determined that the parties agree the following actions will serve in the best interest of the Government and the Contractor:

DRMS's decision to terminate sales contract number 99-0001-002, as detailed in the September 2, 2008 letter, is hereby revoked with the exception that the termination of the Controlled Property Centers (CPCs) property verification duties described in supplemental agreement 11 to contract number 99-0001-0002 and stated in the Sales Contracting Officer's letter dated September 2, 2008, remains in effect. As a result, property deliveries for this contract will continue until December 17, 2008 and DRMS may continue Delivery Orders for this property until December 17, 2008.

Additionally, as stated in supplemental agreement 14 to contract number 99-0001-0002, Contractor is required to remove property previously issued under this contract within 90 days from the date of the last Delivery Order.

Contractor's revenue sharing for property issued under this supplemental agreement is 39.5%. Contractor agrees to use its best efforts to resell all property associated with contract number 99-0001-0002 within one year of receiving the final Delivery Order. Contract wind-down for resulting reports will be completed within 120 days of final resale transaction.

All other reporting requirements previously stated in Modification 14 to contract 99-0001-0002 remain in effect. Contract terms and conditions not specifically addressed in this supplemental agreement shall remain in full force and effect except in the event of a conflict with this supplemental agreement in which case the supplemental agreement shall control.

//////////////////////////////////**NOTHING FOLLOWS**//////////////////////////////////