

**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) **September 22, 2011**

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. Entry into a Material Definitive Agreement.

On September 22, 2011, Liquidity Services, Inc. (the "Company") and the Defense Logistics Agency Disposition Services (the "DLA Disposition Services") entered into a Supplemental Agreement (the "Amendment") relating to the Contract for Multi-Year Sale of Surplus Scrap Material at Locations Nationwide (Contract Number 99-4001-0004), effective as of June 9, 2005 between the Company and the DLA Disposition Services (the "Scrap Contract"), which was previously filed by the Company as Exhibit 10.2 to the Company's Registration Statement on Form S-1 (Registration No. 333-129656), filed with the Securities and Exchange Commission (the "SEC") on November 14, 2005. A copy of the associated press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Pursuant to the Amendment, which is effective as of September 22, 2011, the DLA Disposition Services exercised its option to extend the performance period of the Scrap Contract by one year to June 8, 2013.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are filed as part of this report:

- 10.1 Supplemental Agreement to Contract for Multi-Year Sale of Surplus Scrap Material at Locations Nationwide (Contract Number 99-4001-0004), dated as of September 22, 2011, between Liquidity Services, Inc. and the Defense Logistics Agency Disposition Services.
- 99.1 Press Release, dated September 26, 2011, with respect to the amendment to the Scrap Contract.

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: September 26, 2011

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 to Contract for Multi-Year Sale of Surplus Scrap Material at Locations Nationwide (Contract Number 99-4001-0004), dated as of September 22, 2011, between Liquidity Services, Inc. and the Defense Logistics Agency Disposition Services.
99.1	Press Release, dated September 26 , 2011

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DEFENSE REUTILIZATION AND MARKETING SERVICE
74 WASHINGTON AVENUE NORTH
BATTLE CREEK, MICHIGAN 49037-3092

IN REPLY DLA Disposition Services -- J422
REFER TO

September 22, 2011

Liquidity Services, Incorporated
Mr. William Angrick
1920 L Street, NW, 6th Floor
Washington, DC 20036

Dear Mr. Angrick:

This letter is provided to inform you of a change in the contract terms set forth in contract 99-4001-0004 between Liquidity Services, Inc. and DLA Disposition Services, signed June 9, 2005. Specifically Part II, Section D of the Scrap Venture Invitation for Bid provides:

"The minimum Performance Period for the contract is eighty-four (84) months. DRMS may exercise options to extend the Performance Period for up to an additional thirty-six (36) months."

In addition, Article Two, section 4, found in part VI provides:

"The basic Performance Period under this contract is eighty-four (84) calendar months beginning with the date of submission to Purchaser of the initial Pickup Notice. The Government has the unilateral right to extend that eighty-four (84) calendar month Performance period for three twelve (12) month option periods by notice thereof to Purchaser or Contractor:

DLA Disposition Services has determined the additional three twelve (12) month options that are unilaterally available to the Government for extending the performance period of contract 99-4001-0004 to be in the best interest of the Government. Therefore, DLA Disposition Services exercises the first 12-month option under this provision which will extend the SV contract through June 8, 2013.

Sincerely,

GREGORY E. ORTIZ,
Sales Contracting Officer

Liquidity Services, Inc. Receives One Year Contract Extension for DoD Scrap Property Sales

WASHINGTON — September 26, 2011 — Liquidity Services, Inc. (NASDAQ: LQDT) today announced that the Defense Logistics Agency (DLA) has determined the additional three 12-month extension options under its Scrap Property sales contract (Scrap Contract) with Liquidity Services to be in the best interest of the U.S. Government and has elected to exercise the first 12-month extension period for continued sale of scrap assets of the U.S. Department of Defense (DoD). Through this election, the Scrap Contract's performance period has been extended through June 8, 2013. During the extended performance period, the DoD will continue to use Liquidity Services as the primary channel for the disposition of scrap property that is approved by the DoD for sale to the public.

Under the Scrap Contract, Liquidity Services manages the receipt, storage, marketing and disposition of virtually all scrap property generated by DoD installations throughout the United States. Assets are offered for sale through Liquidity Services' online auction marketplace, www.govliquidation.com, to a global buyer base, generating over \$35 million per year in distributions back to the U.S. Treasury. The DLA recently honored Liquidity Services with the Recognized Cost Saver vendor excellence award for its continued outperformance in efficiently handling the DoD's scrap sales, while increasing revenue to the government and significantly reducing operational costs.

"As an innovative solution provider and recognized cost saver for the DoD for over ten years, we are pleased that the DLA has elected to extend our scrap contract for the initial 12-month period," said Bill Angrick, Chairman and CEO of Liquidity Services. "Each week, we receive an average of 30 million pounds of DoD scrap material which we must identify, process and prepare for sale. Our unyielding focus remains on maximizing efficiency and revenue enhancement on each pound of scrap we receive while also protecting our nation's security and maintaining 100% compliance with each sale."

The principal terms of the modification to the Scrap Contract are described in an 8-K to be filed today with the SEC. All other principal terms of the original contract remain in effect.

About Liquidity Services, Inc. (LQDT)

Liquidity Services, Inc. (NASDAQ: LQDT) provides leading corporations, public sector agencies and buying customers the world's most transparent, innovative and effective online marketplaces and integrated services for surplus assets. On behalf of its clients, Liquidity Services has completed the sale of over \$2.0 billion of surplus, returned and end-of-life assets, in over 500 product categories, including consumer goods, capital assets and industrial equipment. The company is based in Washington, D.C. and has approximately 700 employees. Additional information can be found at: www.liquidityservicesinc.com.

Forward-Looking Statements

This document contains forward-looking statements regarding the contract extension and other matters that are made pursuant to the Private Securities Litigation Reform Act of 1995. The outcome of the events described in these forward-looking statements is subject to known and unknown risks, uncertainties and other factors that may cause our actual results to differ materially from any future results expressed or implied by these forward-looking statements. Important factors that could cause our actual results to differ materially from those implied by the forward-looking statements are set forth in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2010, including, but not limited to, those set forth in Part I, Item IA (Risk Factors). There may be other factors of which we are currently unaware that may adversely affect our actual results. All forward-looking statements apply only as of the date of this document and are expressly qualified in their entirety by the cautionary statements included in this document. Except as may be required by law, we undertake no obligation to publicly update or revise any forward-looking statement occurring after the date of this document.

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Media and Investor Contact

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