



DEFENSE SECURITY COOPERATION AGENCY

201 12 STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

SEP 26 2013

DBO-CON

SUBJECT: Contractor Support during a Potential Lapse in Appropriations

Dear Industry Partners,

This letter serves as notice that there may be a potential lapse in appropriations after the expiration of the Consolidated Further Continuing Appropriations Act, 2013 (P.L. 113-6) at 11:59 p.m. on Monday, September 30. The Antideficiency Act prohibits agencies from incurring obligations that are in advance of, or that exceed, an appropriation.

In the event that either full appropriations or a continuing resolution is not passed by Congress, new contracts (including contract renewals or extensions, issuance of task orders, exercise of options) will not be executed, nor will increments of funding be placed on incrementally funded contracts to cover cost overruns, unless the contractor is supporting an excepted activity. "Excepted activities" are defined in guidance issued by the Deputy Secretary of Defense on 25 September 2013. No funds will be available to pay such new contract or place additional increments of funding on contracts until Congress appropriates additional funds. However, contractors performing under a fully funded contract (or contract option) that was awarded prior to the expiration of the appropriation may be authorized by the Government to continue to provide contract services, whether in support of excepted activities or not.

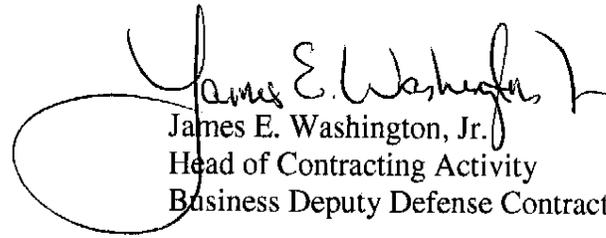
If a new obligation of funds is required and the contract is not to support an excepted activity, a stop-work order or contract termination may be required.

In support of excepted activities, DSCA may enter into new contracts or place orders under existing contracts to obtain supplies and services necessary to carry out or support excepted activities even though there are no available appropriations. DSCA may exercise this authority only where delay in contracting would endanger national security or create a risk to human life or property.

Continued contract performance may also be affected by a reduction or absence of Federal personnel who perform contract oversight, inspection, accounting, administration, payment processing, and other contracting management and administration activities.

We greatly appreciate your cooperation should a Government shutdown occur due to the absence of appropriations and you are requested to provide notice to your employees that

are affected during this period. Should you have any additional questions on whether your firm is supporting an excepted activity, please feel free to contact the Contracting Officer listed in your contract or the undersigned at (703) 604-6566.



James E. Washington, Jr.
Head of Contracting Activity
Business Deputy Defense Contracting