September 27, 2023

To: SRI Government Subcontractors

Attention: Subcontractor’s Contractual Representative

Subject: Potential Government Shutdown

Dear SRI Subcontractor:

In the event of a Government shutdown due to lack of appropriations, SRI expects all unfunded work and all work performed at Government Site to stop as of Close of Business (COB) Saturday, September 30, 2023. Where funding exists on the contract but the place of performance is a Government location, unless otherwise directed by the SRI Subcontract Representative, subcontractors **will not** be permitted access to Government spaces and therefore cannot charge SRI for time that would have been worked on the Government location. If the contract provides for both on-site and off-site place of performance and there is meaningful work for the subcontractor to perform at the subcontractor’s or SRI facility, the Government **may** agree to allow the subcontractor to perform work at the appropriate contractor facility during the shutdown until contract funds are exhausted. If the Government agrees to do so, the subcontractor **must** receive written approval from the SRI Subcontract Representative to continue work past the Government shutdown deadline.

The only exception to the above mandate is for subcontractor personnel required to perform essential/excepted activities, which includes critical work already in process or work pursuant to instructions by the Government Contracting Officer. SRI will notify the subcontractor in writing if its personnel or activities have been deemed essential. Absent such written authorization, subcontractors shall assume their personnel are not performing essential/excepted functions and not report to the Government site or continue performance at subcontractor or SRI sites without funding. Essential/Excepted status may change depending on the length of the Government shutdown. SRI will notify affected subcontractors if there is a change in the subcontractor’s status.

**For subcontractors that have contracts with obligated funding remaining, and place of performance is at the subcontractors or SRI facility, work may continue at the subcontractor or SRI facility until current obligated funding has been exhausted.**

During the Government shutdown, it is important to understand the following:

* An agency cannot incur a new obligation by signing a new contract or grant or by extending or exercising a renewal option
* Agencies can incur a new contractual or grant obligation **if** the new obligation is necessary to address emergency circumstances that immediately threaten the safety of human life or protection of property
* Contractors and grantees may continue performance in the absence of a Federal Government supervisory employee **if** supervision is not critical or performance is not required on a closed installation.
* In the case of a contract or grant that has been awarded and the funds obligated, but payment has not been made, Federal employees are not exempt from furlough in order to make contract payments during shutdown.
* Proposals due during a shutdown are still due on the specified date
* Deliverables such as reports due during the shutdown under contracts that can continue to be performed are due on the specified date. Other deliverables will probably require Contracting Officer guidance.
* Document any guidance/direction that the Government gives you during the shutdown or concerning performance during the shutdown
* Agency officials may not authorize at risk performance by contractors performing non-excepted activities or encourage contractor employees performing non-excepted functions to work.
* In addition to violating the Anti-Deficiency Act, there is no expectation that funds will ever be made available for non-exempt activities performed during a funding gap.

• When in doubt concerning contracting performance during shutdown, contact the SRI Contract Administrator

Please contact the undersigned at anton.lanier@sri.com for any questions regarding this letter.

Please note that Bob Stonick is no longer with the company.

Sincerely,



Anton Lanier

Senior Director of Subcontracts and Procurement

SRI International

(formerly PARC)