



MAR 12 2013

United States  
Department of  
Agriculture

Office of the  
Assistant Secretary  
for Administration

Office of  
Procurement and  
Property  
Management

300 7<sup>th</sup> Street  
Southwest  
Room 302  
Reporters Building

Washington, DC  
20024-9300

Dear Contractor,

As you are likely aware, effective March 1, 2013, the Budget Control Act mandated budget reductions totaling \$85 billion across the Federal government for the remainder of the Federal fiscal year.

As contractors with the United States Department of Agriculture (USDA), we are writing to provide you with timely and clear information about how these budget cuts impact us, and in turn what it means for funds provided to you.

At this time, USDA is taking steps to mitigate the effects of these cuts, but based on our initial analysis, it is likely that your company's workforce, revenue, and planning processes may be affected. For example, USDA may decide not to exercise an option on your contract or may need to negotiate lower prices or other terms via a bilateral modification to meet the constraints imposed by sequestration. The Department may also determine it necessary to stop or suspend work, reduce the scope of work, or partially or completely terminate your contract for convenience. Additionally, planned contract actions for new work may be rescoped, delayed, or canceled depending on the nature of the work and the degree to which it directly supports the agency's missions.

To the extent that your contract is affected due to these budget cuts, you will be contacted by the appropriate Contracting Officer with additional details. Thank you for your continued work and cooperation as we manage these circumstances.

Sincerely,

Lisa M. Wilusz

Director, Office of Procurement and Property Management  
and Senior Procurement Executive