

April 29<sup>th</sup>, 2025

To: Dr. Paul Kunde, APHIS-Veterinary Service (VS) District Director  
Through: Dr. Avery Strait, APHIS-VS HPAI in Livestock Program Manager

Your concurrent is requested to allow pre-award costs in the amount of \$320,604.06 for the Cooperative Agreement between APHIS-VS and the Wisconsin Department of Agriculture, Trade & Consumer Protection (DATCP) beginning on April 15<sup>th</sup>, 2025. This request is for a period not to exceed 90 days or July 14<sup>th</sup>, 2025. It is necessary to begin work on this project prior to a fully signed award because initiating timely milk surveillance testing in Wisconsin is a key piece of addressing HPAI in livestock and bringing the disease outbreak under control nationally.

The DATCP workplan includes coordinating with eight (8) NCIMS certified milk laboratories to collect sub-samples from existing individual farm samples that are already collected for other regulatory purposes and submit them to the Wisconsin Veterinary Diagnostic Laboratory on DATCP’s behalf. This work requires contracting with industry labs to conduct the needed work activities and obtaining the required sampling supplies. The plan includes collecting up to 5,600 samples monthly. Samples will be collected from all farms for at least four consecutive months of negative results, with reduced maintenance sampling rates after demonstrating a negative status.

DATCP is requesting a contracted sampling rate of \$16.66/sample. This rate was set based on negotiations, discussions, and estimates provided by Lab #2. This lab had the most detailed breakdown based upon cost assessments tied to the sample submission process. This lab will be required to hire a full-time temporary employee through a temp agency and manage and oversee a manual sampling process. As they are a highly automated lab, this lab location also incurs a corporate assessed fee for conducting sampling activities manually as it requires deviation from their normal quality control processes used to handles 1000’s of samples daily. The breakdown of costs used to develop the sampling rate are included here:

Monthly Total Cost (Sum of inputs)	\$17,859.52
Full Time Temporary Employee Cost (through Temp Service)	\$ 8,492.00
Courier Cost	\$ 700.00
Manual Processing Fee (40% estimated)	\$ 3,396.80
Laboratory supplies	\$ 300.00
IT support (sample ID, manifest coordination), Logistics and Management Oversight (Staff)	\$2,291.80
Revenue Allowance (15%)	\$2,678.92
Number of Samples / Month (Lab #2)	1,072
Cost / Sample	\$16.66

Contractual rates include sample processing listed above including employee salaries, oversight costs, LTE employees, courier fees, and associated overhead costs. Costs and inputs were discussed and identified on a per month basis. Laboratories with larger sample numbers will need to hire full-time temporary employees through a temp agency which requires additional oversight and costs. Laboratories with smaller sample numbers have indicated that they will need to pay staff overtime or may opt to hire a temporary employee for support. DATCP will contract to pay the same sample rate to all laboratories as their overall work activities are the same as the sample lab provided (above) in the cooperative agreement. The per sample payment rate allows laboratories to be paid proportional to their workload.

The requested pre-award amount represents a realistic estimate of costs that may be incurred prior to finalizing the Notice of Award. These costs will not exceed the planned obligations requested on the SF-424, Application for Federal Assistance. Enclosed is a schedule supporting the anticipated costs during the requested 90-day pre-award period (25% of the estimated project costs).

I agree to manage the Cooperative Agreement funded by APHIS-VS in accordance with Title 2 Code of Federal Regulations Part 200 and the associated Office of Management and Budget (OMB) Circular governing costs allowed, and all other applicable laws, regulations, and guidelines. I understand that APHIS-VS is under no obligation to reimburse these pre-award funds in the absence of a Federal Appropriation, if the award is not finalized, or if an award is made for an amount less than requested. Further, I understand that reimbursements of such costs are contingent upon full execution of the Notice of Award for this project.

Date