

PRESS STATEMENT

Multi-Association Response to New York Times Report on DLA Contract Awards

October 7, 2020

Washington, D.C. - *The National Council of Textile Organizations (NCTO), Warrior Protection & Readiness Coalition (WPRC), American Apparel & Footwear Association (AAFA), U.S. Industrial Fabrics Institute and the Narrow Fabrics Institute of the Industrial Fabrics Association International (USIFI/NFI), Association of the Nonwoven Fabrics Industry (INDA), and The Association & Voice of the U.S. Sewn Products Industry (SEAMS), representing the full spectrum of the domestic textile, nonwovens, and sewn products industries issued the following joint statement in response to the New York Times investigative report on the Department of Defense Logistics Agency's (DLA) awarding of over \$1 billion in contracts for over 83 million disposable and reusable medical gowns for the Strategic National Stockpile replenishment.*

We are concerned by the report published today by the New York Times indicating that certain medical gown awardees who received multi-million dollar contracts may not have the capabilities and proficiencies to manufacture U.S.-made, Berry-compliant products to support the Personal Protective Equipment (PPE) needs of the Strategic National Stockpile. While we have a strong historic working relationship with Defense Logistics Agency (DLA), a relationship we value as an industry, this report raises serious questions about the vetting procedures and purchase criteria utilized by DLA in this process.

With this in mind, we respectfully request that the administration move forward and conduct a full and transparent independent review. Specifically, we have requested the following:

- Request onsite verification for all awardees and verification of their production chains to help ensure integrity in the process. This verification will help ensure that this essential PPE needed by front-line workers is using 100% American materials and workmanship, one of the critical requirements that was established by DLA as it awarded these for these products.
- Request DLA test the gowns independently to ensure compliance with required performance standards and other specifications and to ensure the health and safety of our front-line workers who will rely upon these items years from now.
- Review the utility of the “Lowest Price Technically Acceptable” criteria associated with these awards and urge the government to move forward with a purchase mechanism for “Best Value” that ensures quality products are procured at competitive pricing.

It is important to state that we are aware that some of the awardees are very legitimate and capable suppliers. **We want to ensure all verified legitimate producers are allowed to move their production forward for these essential PPE items. These companies and their workforce should not be hindered in this process.** For those who are not compliant, we request the government take the necessary appropriate action and give compliant and capable producers an opportunity to supply these critically needed items.

Since the beginning of the pandemic, the entire U.S. industry, from fiber to apparel producers, has played an enormous role in helping address America's PPE crisis, retooling production lines overnight. The work of our industry has been noted at the highest levels of government and our domestic supply chain is extremely proud to provide this critical service to the nation. We have jointly been calling on the administration to fully maximize U.S. manufacturing assets to put our industry to work making quality, compliant PPE. We are strong supporters of the Berry Amendment and were very pleased that DLA expressed an intention to maximize the industrial base with this purchase. We also are very aware that there are winners and losers in any competitive bid process.

However, when DLA announced the awards in mid-September, our industry associations immediately raised cautionary flags, as to the domestic manufacturing capacity, technical proficiency and capabilities of certain awardees and their overall compliance. The Berry Amendment, a cornerstone of our defense industrial base, requires the use of complying fiber, yarn, fabric, and assembly be performed in the United States. Further magnifying that concern, DLA stated it had awarded over 83 million gowns to the "domestic industrial base." However, with the exception of a few awardees there were questions that were raised about the places of performance (location for product final assembly), whether the materials being utilized are Berry compliant, and whether the gowns meet the technical specifications. Certain places of performance appeared to lack the workforce necessary for these larger orders or the equipment or space required. This is why an immediate and independent review is required.

Many of these strong concerns were raised directly with DLA in a [multi-association letter](#) on September 18th. Given our strong working relationship with the DLA over several decades, we felt it was important to reach out to them directly with our concerns. The response we received from DLA is that the government simply requires awardees to self-certify domestic production and Berry compliance. Self-certification of such sizable awards to non-traditional suppliers appears to be a serious flaw in the process that must be re-examined.

The domestic supply chain, representing nearly 600,000 American workers, wants nothing more than to be a resource for the federal government. We can help the U.S. government better understand production chains and manufacturing capabilities. We stand absolutely ready, willing, and able to manufacture the products the U.S. government needs for the Strategic National Stockpile and at the same time put our idle capacity and workforce to work. We are strong

supporters of onshoring the domestic production chain and believe the federal government is a critical partner in that effort.

We ask the U.S. government to immediately address this matter and take necessary actions regarding any non-compliant awardees. Simultaneously, we urge the administration to move forward with legitimate, compliant, and capable awardees – these companies and their workforce should not be punished, they should be maximized. It is critical that the Strategic National Stockpile is replenished immediately, and we stand ready to be part of that solution. Our American health care workers deserve no less.

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