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Case Study 1: Annual Representations & Certifications - Defense Contracting

The Industry Problem

In the defense contracting sector, companies must annually collect a wide array of compliance attestations from their suppliers and internal units. These *Annual Representations & Certifications (Reps & Certs)* cover everything from business size and ownership status to anti-corruption and export control acknowledgments.

Traditionally, primes send lengthy questionnaires or forms to every subcontractor each year.

This process is onerous and repetitive, often deterring small suppliers and consuming significant administrative time. Each supplier may need to confirm they are not debarred, disclose lobbying activities, certify Cost Accounting Standards status, and more. For a large contractor managing hundreds or thousands of suppliers, tracking these certifications is a major challenge.

The paperwork tends to be handled via spreadsheets and email, resulting in version control issues, missing documents, and delayed responses. Companies struggle to get 100% response rates, and many suppliers find the duplicative requests confusing, leading to errors or non-response.

Regulatory or Operational Risk

Maintaining current Reps & Certs is not just bureaucratic -- it's legally essential. The Defense Contract Management Agency (DCMA) will scrutinize a prime contractor's subcontractor certifications during a Contractor Purchasing System Review (CPSR).

In fact, *"inadequate representations and certifications package"* is a common finding when contractors fail a CPSR audit. If a contractor's system for collecting Reps & Certs is deficient, the consequences are severe. Failure to pass a CPSR can trigger **5% payment withholds** on invoices and even loss of the privilege to subcontract without pre-approval.

Such penalties directly hit cash flow and program schedules. Beyond financial penalties, non-compliance with FAR/DFARS certification requirements can black mark a contractor's record, harming their ability to win new contracts. For example, DCMA expects primes to ensure no debarred entities receive subcontracts (FAR 52.209-6) and that lobbying disclosures (FAR 52.203-11) are obtained for larger subcontracts.

A lapse in collecting these could mean an unauthorized award to an ineligible party -- a scenario that can void contracts or result in legal liability.

In short, without a reliable system to manage annual Reps & Certs, defense contractors risk **regulatory non-compliance, audit findings, withheld funds, and reputational damage**.

How the Problem Manifests Day-to-Day

On a daily basis, the burden of annual certifications manifests as frantic emails and spreadsheets. Compliance managers send out bulk requests to suppliers, then must chase down responses for weeks or months.

Small suppliers often have questions or submit incomplete forms, leading to back-and-forth communications. Internally, multiple departments may need to contribute (e.g. HR for EEOC compliance, finance for CAS status, etc.), causing coordination headaches.

Because the requirements update periodically with new regulations (e.g. cybersecurity attestations or COVID-19 representations in recent years), many contractors find themselves updating forms last-minute and worrying they might miss a new clause. All of this manual effort leads to *cycle times measured in months* for something that ostensibly must be done yearly.

The process is so inefficient that some contractors delay subcontract awards until certifications are in, causing procurement bottlenecks. Moreover, the administrative hassle can strain supplier relationships -- surveys show onerous compliance processes can drive away small business suppliers. In summary, staff waste countless hours collating duplicate data, while anxiety looms that something will slip through the cracks (such as a lapsed certification or a supplier failing to report a change in status).

Intelleges' Intervention (Protocol + Workflow + Verification)

Intelleges intervenes with an automated "Annual Reps & Certs" protocol that transforms this labor-intensive ritual into a streamlined digital workflow. Using the Intelleges platform, the company's compliance team configures all required certifications into a standardized online questionnaire (aligned with FAR 52.204-8 and related clauses).

Each year (or on a rolling schedule), the system automatically notifies every active supplier and prompts them to update their info through a secure portal.

Templates and automation are key: Intelleges comes pre-loaded with up-to-date FAR/DFARS certification templates, which are maintained by Intelleges as regulations change. This ensures the questionnaire always reflects current requirements (e.g. new cybersecurity certs or COVID-19 declarations). Suppliers receive a user-friendly form rather than a confusing PDF, reducing errors.

The platform can incorporate **live verification** steps as well. For example, as a supplier fills the form, Intelleges cross-checks their Unique Entity ID and status against SAM.gov to flag if they are debarred or expired. It can also validate small business or HUBZone status by pinging the SBA's database -- meaning the prime doesn't solely rely on self-attestation. Intelleges' **supplier onboarding integration** means that new vendors are immediately brought into the annual cert cycle upon onboarding, and existing vendor profiles are updated with each year's certifications.

All submissions and supporting documents (signatures, policy attachments, etc.) are stored in a centralized repository with audit trails.

Audit-ready documentation is therefore a given -- at any moment the contractor can pull up a complete Reps & Certs package for each supplier, time-stamped and electronically signed. If a supplier is late or a response looks anomalous, the system flags it to the team for follow-up. By building workflow logic around the annual cycle, Intelleges ensures no supplier is overlooked and every required certification is gathered and tracked.

Results & Measurable Impact

The impact of Intelleges on this process is dramatic.

For one major defense A&D contractor, automation through Intelleges **"provided improved efficiency \[and\] reduced cycle times"**, completely eliminating manual data entry and follow-ups.

Cycle times for collecting annual certs dropped from several months to a few weeks, as automated reminders and a user-friendly portal drove a near-100% on-time response rate. The company also achieved 100% compliance in their last DCMA CPSR audit -- **no findings related to reps & certs** -- whereas previously "inadequate reps & certs package" had been a concern. By having all certifications centrally stored and current, the contractor avoided potential 5% payment withholds or consent-to-subcontract requirements that would kick in for a failed CPSR.

Quantitatively, the firm saved an estimated **500 labor hours annually** that were previously spent chasing paper. Moreover, small business suppliers reported greater ease in compliance. Instead of being put off by overwhelming forms, they could quickly complete

Intelleges' guided questionnaire, helping the prime maintain a robust and diverse supplier base (whereas onerous processes can scare off small vendors). Another measurable benefit is risk reduction: Intelleges' integration with SAM.gov meant that the system automatically **caught a subcontractor that had been added to the excluded parties list**, allowing the contractor to swiftly replace that supplier and report the issue -- averting a potential violation of FAR 52.209-6.

In summary, Intelleges delivered time savings, higher response rates, and tangible compliance risk mitigation. The platform's effectiveness was acknowledged when Battelle named Intelleges its "Supplier of the Year" after seeing these improvements.

Why This Makes Sense for the Industry

Defense contracting operates under intense oversight, from the FAR to DCMA and SBA audits. The **margin for error is slim**, and administrative compliance tasks like Reps & Certs -- while not glamorous -- are fundamental to keeping contracts. Intelleges' solution aligns perfectly with industry needs because it transforms a cumbersome compliance obligation into a seamless digital process. This not only ensures audit readiness (a critical factor given that a failed CPSR can cripple a contractor's operations), but also frees up procurement and compliance officers to focus on strategic work (like supplier development or cost savings) instead of paper pushing. The defense industry in particular benefits from such automation because of the scale: a prime might have thousands of active subcontracts, each needing certifications.

By using Intelleges, a defense contractor builds a culture of proactive compliance, demonstrating to DoD customers that they have a "Approved Purchasing System" with minimal risk. This can become a competitive advantage in proposals -- contracting officers take comfort knowing a bidder has strong internal controls (no one wants a program delay due to a compliance lapse). Furthermore, Intelleges ensures that even as regulations evolve year to year, the contractor remains up-to-date effortlessly. In an environment where

requirements can change with new NDAA provisions or FAR updates, this agility is invaluable.

Overall, Intelleges' integrated platform makes perfect sense for defense contracting because it marries **domain expertise (built-in FAR/DFARS knowledge) with automation**. It turns what was once an annual fire drill into a routine process, guaranteeing that the company meets all its representation and certification duties *and* has the documentation to prove it. In an industry where trust and compliance are currency, Intelleges provides the tools for contractors to uphold both -- strengthening their position in the defense supply chain.