

Corridor Contract Management Enables Savings, Accountability for Procurement

The Business

Founded in 1938, Public Utility District No. 2 of Grant County, Washington (Grant PUD) generates more than 2,100 megawatts of energy, providing power to more than 40,000 customers in Grant County, Washington. They operate two Columbia River dams and two smaller hydro generators, in addition to over 4,000 miles of transmission and distribution lines. Grant PUD also operates high-speed fiber-optic network throughout most of the county.

Procurement at Grant PUD oversees contracts for goods and services spanning categories such as water resource management, power generation equipment, machine parts and maintenance, emergency response, and fiber optic expertise.

Challenges

As a highly regulated public utility, procurement requests at Grant PUD require extensive justification and review before a solicitation can be issued and a contract negotiated. Grant PUD lacked an efficient system to collect the data points needed to review and approve a contract request. The processes previously used to request, create, review, and manage contracts were manual and time-consuming, with greater opportunity for errors. It would require phone calls to the project manager or procurement officer to know the current status of an in-process contract. Routing a contract request for approval by email took days to complete.

After contracts were awarded, procurement lacked a single system to manage the contracts consistently. Few contract obligations were tracked, and the methods used for tracking varied depending on the project manager and procurement officer. This inconsistency put Grant PUD at risk of non-compliance, exposing the organization to potential audit and legal consequences.

“Corridor provided the only solution at that time that met all our Business Objectives at a reasonable cost.”

—Leah Mauceri, Legal Compliance Specialist



Industry

- Public utility district

Challenges

- Collect key data from contract requesters
- Guide contracts through complex or simple approval cycles, depending on type
- Report on obligations and contract spend quickly

Corridor Solution

- Simple dashboard and request forms collect all supporting information for contract creation
- Approval workflow and alerts keep in-process contracts on track
- Contract templates designed for different contract types and document assembly streamline contract creation
- E-signature allows for fast turn around

Benefits

- System efficiencies reduce process times by 67-90%, reduce opportunity for error
- Visibility across the system encourages consistency
- Dynamic reporting facilitates decision making in real time
- Contract management costs reduced

To run procurement efficiently, Grant knew it would need a contract management system with a repository, automated templates, clause library, approval workflow, obligation management and strong reporting.

Search & Selection

The team at Grant PUD were looking for a solution to improve efficiency and accuracy, reduce risk associated with non-compliance and missed contract obligations, and gain efficiency and accuracy in contract data reporting. They also needed a technical system that supported Grant PUD's IT Strategy to improve efficiency and customer service.

In a series of demos, including a test drive of the software, Grant PUD's procurement and IT personnel applied Corridor's system to their own exacting business and strategic objectives. This gave them a chance to experience how Corridor handles questions and offers suggestions on implementation.

Corridor's solution met the criteria of Grant PUD's carefully prepared business case. Impressed with the solution's combination of features including user-initiated contract requests, ability to customize content, obligation tracking, and reporting and export capabilities, Grant PUD was pleased to select Corridor.

Corridor Contract Management Solution

Corridor's Contract Management solution now gives Grant PUD the flexibility to meet a variety of pre-execution challenges.

At Grant PUD, contract requests for labor and materials involve complex approvals with access to

specific clause libraries. Contracts for professional services and change orders can be handled more simply. In all, Grant PUD uses Corridor's solution to manage 20 contract templates and 23 supporting document templates.

Contract workflow is routed in accordance with Grant PUD's three contract methods: Bid, Non Bid, and Change Order. For each of these, Grant PUD's use of Corridor's solution processes the initial request, development, review, approval, and signature process in one workflow.

Non-procurement staff can now initiate contract requests through a direct, easy-to-navigate interface that guides them through the pre-approval process.

“Our process is now more efficient, but just as important, we have the reporting and visibility we need.”

—Carol Mayer, Procurement & Warehouse Manager

An automated check list ensures that internal business users provide all details necessary to produce a valid contract that will meet requirements for different levels of management.

Email notifications alert procurement officers when the documents are ready for their attention. The status of contract requests (Draft, Submitted, Pending Legal Review, Approved, etc.) can be known across the system from a simple dashboard.

Once contracts are executed, Corridor supports Grant PUD's ability to automatically route change



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orders and commission approvals to senior management. Calculation of total contract value is also handled automatically by the solution, reducing the chance of human error and freeing procurement officers to focus on the substance of the change orders. The system alerts business users, such as project managers, to any obligations which require their attention in a “My Obligations” section.

Grant PUD also has a separate workflow for contract closeout, which initiates when the completion date has been reached.

Benefits

With manual contract processing a thing of the past at Grant PUD, contract processing times have been reduced by 67%, and for some tasks by 85-90%. Overall contract processing costs, including business user process costs, are 25% of what they were under the manual system.

ROI is substantial. Even a conservative estimate puts ROI at three times what Grant PUD invested in the contract management system. Using Corridor’s solution, Grant PUD met its strategic objective of achieving cost efficiencies.

Initiating a contract request and obtaining signatures from required approvers took days under the manual system. Through Corridor’s dynamic contract initiation forms and workflow, the process now takes minutes.

Corridor’s integration with DocuSign allows Grant PUD to send and receive contracts for signature with much less trouble and expense. What often took one to three weeks now takes minutes.

As contracts are assembled, clause libraries ensure consistent use of up-to-date contract language. Language can be more readily reviewed by legal counsel.

Reporting is a key benefit of Corridor’s software. At any time, managers can view up-to-date reports on contracts initiated, contracts executed, and renewal and expiration dates. The system can email automated reports, allowing planners to stay on top of contract renewals or contract close outs, reducing the organization’s exposure to unexamined, out-of-date terms and agreements.

At the end of each month, four reports are auto-generated for Grant PUD’s Board of Commissioners. Corridor’s solution eliminated the days of time it once took to manually pull those reports together.

What Corridor Provides

Corridor provided Grant PUD with a Contract Management system that could handle complex contract processes and reporting, but with the flexibility to manage simple agreements simply. For a demo or to see more real-life solutions, contact us at www.corridorcompany.com.

About Corridor Company

Corridor Company, Inc. is a leading provider of contract lifecycle management solutions on the Microsoft Cloud and Office 365. With thousands of users globally, Corridor Contract Management solutions are trusted by Intel, Hyundai, Logitech, BAE Systems and other world-class organizations.



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