

**SUMMARY**

Implementing TRACK at a major electric utility provider led to greater visibility into contractor activity across utility site operations. By establishing cost controls of contractor labor, equipment, and material spend, the power generation company realized it could save as much as \$8 million annually with TRACK.

**THE CLIENT**

Large electric utility provider in New Mexico

**INDUSTRY**

Utilities

**HEADQUARTERS**

Albuquerque, New Mexico

**COMPANY SIZE**

1,800 Employees  
500,000 Electricity Customers

**PRODUCT USED**

TRACK

## Large Electric Utility Provider Saves More Than \$8 Million Annually with TRACK

A large electric utility company in New Mexico had over 500,000 customers in its state, as well as wholesale customers throughout the Southwest. The company, which has 1,800 plus employees, spent \$100 million annually on its contractor workforce.

Spending for contractor services was tracked manually. The company implemented TRACK and gained visibility into contractor activity across their utility site operations. Plus, they gained real-time data insights so they could course correct as needed. This led to savings of nearly 10% of total contractor spend.

### No Visibility into \$100 Million in Contractor Spend

The electric utility provider is a major player in its geographical location. Despite the utility's heavyweight status, the provider was stagnant in their contractor workforce processes. They handled contractor spend—from time sheets to invoicing—manually.

Because contractor spend was in the \$100 million range, overseeing where the dollars were going was extremely challenging. The company lacked insights and visibility into how their contractors spent their time and their activities.

For example, hundreds or even thousands of contractors could be on a site at any given time working under a wide variety of contracts. On-site management typically did not know the contract details of the workers. So, the on-site staff just took the information provided by the contractors and manually entered their invoices.

Ultimately, the invoices were paid. Again, the presumption was that everything on the invoice—labor, equipment, and material—complied with the contract. In the end, there were no checks and balances to ensure the accuracy of the invoices.

Finally, the process moved slowly. It could take weeks for issues to be discovered and even longer until management at the utility provider could make decisions based on the information.



### The Challenge: Manual Processes for Contractor Spend

AT-A-GLANCE

## Problems Identified

- No checks and balances for accuracy.
- Invoices entered manually.
- Lack of visibility into contract details.
- Field supervisors unaware of contractual terms and conditions.



## The Solution:

TRACK Delivers Accuracy & Visibility

## TRACK Brings Certainty to 100-Year-Old Utility Provider

The large utility provider needed to understand how they managed and paid for labor, materials, and equipment. The uncertainty also resulted in inefficiencies, slowing the company's decision-making process. The data was unverifiable, so their ability to make future business decisions was hampered.

They turned to Management Control (MCI)'s TRACK software for help. It allowed them to manage contractors with confidence and took the uncertainty out of their contractor data management.

Upon implementing TRACK, the more than 100-year-old utility provider eliminated its manual processes.

"TRACK's software design matched our workflow from the creation of the initial contract through payment processing and TRACK required the same key data as our processes did from start to finish," said the TRACK Administrator at the electricity provider.



**With the results demonstrated during the pilot phase, it was easy to convince management to implement TRACK plant-wide.**

– TRACK Administrator at the electricity provider.



TRACK also empowered the utility company to proactively manage their locations and know who is on-site in real time. It improved site efficiency, productivity, and safety. By improving invoice accuracy, the company also gained insights into their equipment and materials management.

## TRACK Delivers Real-Time Data Insights

Power generation companies deal with increased complexity, disruptive events, and growing customer expectations. They need to effectively manage their contract labor and maintain their budgets if they hope to meet the increasingly intricate issues they face.

By implementing TRACK, the large New Mexico regional utility provider said goodbye to manual systems related to contractor spend. The positive impact was quickly felt. "With the results demonstrated during the pilot phase, it was easy to convince management to implement TRACK plant-wide," said the TRACK Administrator at the electricity provider.

Being able to track labor and equipment to the penny meant the utility could identify equipment charges that were not in the contract or make changes that should be included in the labor rate. Visibility into contractor time and activities, along with new insights into equipment and material management, made it easier for the utility to keep critical plant construction and maintenance projects on schedule and within budget.

The proven savings during the pilot showed that TRACK could save the company nearly 10% of contractor spend annually.

## Key Outcomes

- Gained visibility into contractor activity across utility site operations.
- Identified out-of-contract charges for labor, equipment, and materials.
- Installed automated and precise contractual compliance self-auditing solution that eliminated manual invoice and contractor activity checks.
- Achieved real-time data insight and the ability to course correct.
- Improved overall site efficiency and productivity.



## Self-Auditing Solution Eliminates Manual Work

As an essential business, utility companies are subject to public scrutiny. Unexpected failures can lead to widespread frustration with and even government action against the electricity provider.

Consequently, utility providers must do everything they can to keep their equipment and facilities running as intended. To manage this responsibility, they frequently turn to contractor labor.

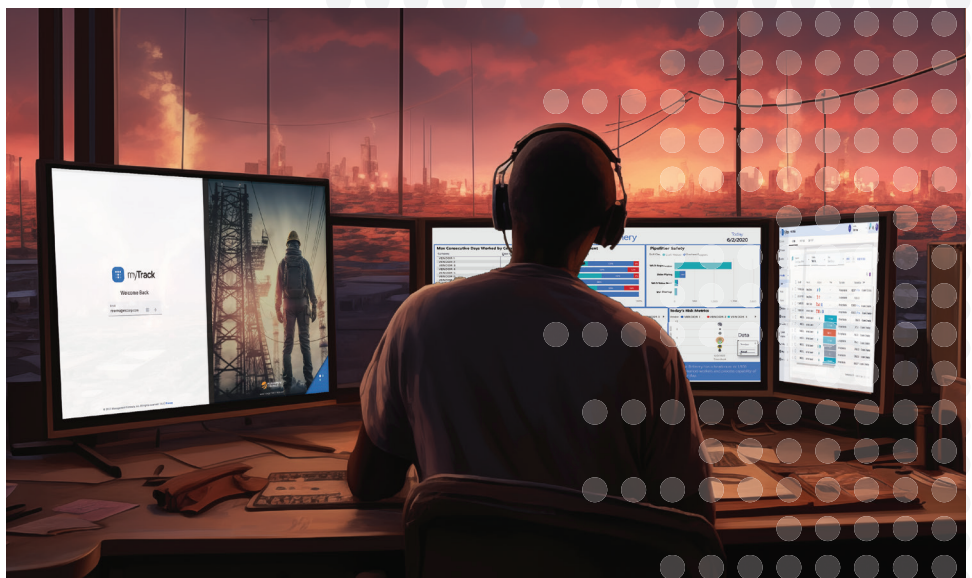
To enhance its operations, the utility company recognized the need to improve the management of the \$100 million it spends annually on contractor labor. Adopting TRACK and MCi technologies enabled the company to abandon outdated manual processes.

The transition to TRACK proved beneficial. The nearly 10% savings on contractor spend positively impacted budgets and schedules. Those who rely on the electricity provider can be confident the company will maintain reliable service.



## The Results:

Savings Up to  
**10%** Annually



## ABOUT MCI

Management Controls Inc. (MCI) is a developer of a Contractor Data and Spend Management platform designed for industries that rely heavily on contractors for operations, routine maintenance, turnarounds and capital projects. The company's TRACK software offers an end-to-end solution for all parties involved in tracking the costs of contractor labor, equipment, and materials, transforming the working relationship between owners and contractors by providing both parties full visibility, significant cost controls and immediate savings.

## Get Started with myTrack – the Next-Generation Platform

MCI helps companies of all sizes gain better visibility, control, and productivity from their workforce. myTrack is the next-generation TRACK Platform for contractor data management.

Learn more about the myTrack Platform and how it can help your company better manage and reduce contract labor, equipment, and material costs.

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