



Customer Success Story

Running double the RFPs while transitioning to remote work

Bonfire & Pedernales Electric Cooperative

Pedernales Electric Cooperative (PEC) is the largest electrical cooperative in the United States. Just as PEC valued first-class service for its members, their procurement team made it their mission to provide that same level of service for their internal clients. PEC implemented Bonfire to bring their paper and email processes into one centralized, online platform, all while working from home due to COVID-19. The result was more than a digital transformation—it was a cultural transformation. Through increased procurement transparency, reduced workload for internal staff and evaluators, and the seamless introduction of value-driven purchasing vehicles, PEC was able to garner internal client and vendor buy-in and adoption quickly and smoothly. In turn, procurement was empowered to step into the role of business partner to their internal clients.

KEY CHALLENGES

- Paper and email processes created a barrier for speed and responsiveness
- Lack of transparency in procurement management hindered visibility for internal stakeholders
- Departments would circumvent procurement, preventing procurement from being able to add strategic guidance or optimize contracts for best-value

KEY RESULTS

- With a quick implementation period, PEC got up-and-running even while working from home during COVID-19
- Built-in evaluation tools like Bid Tables, for efficient price list analysis, and Questionnaires, for side-by-side qualitative review, enabled significant cost savings
- PEC grew the volume of RFPs by over 150%, thereby driving better value in less time
- Improved efficiency, visibility, and strategic guidance have elevated procurement to the role of business partner at PEC



Challenge

Paper and email processes left little time for strategic partnership

Pedernales Electric Cooperative (PEC) services more than 346,000 active accounts across 8,100 square miles of service area in Central Texas. For 80 years, PEC has not only serviced its members, but has given back to the community in a variety of ways, including grants to area nonprofits, youth programs, and the newly-launched Masks for Members program, which collects masks on behalf of hospital partners that serve their members.

Just as PEC provides best-in-class service to their customers, the electrical cooperative's procurement team wanted to provide that same level of service to their internal clients.

Their paper and email processes, however, made it hard for procurement to run at the speed of demand from internal clients. As a result, some departments opted to operate their purchasing outside of procurement, preventing process standardization and limiting opportunities for procurement to provide strategic advice.

To truly solidify their role as a business partner—by adding value, not by rules and red tape—PEC's procurement team knew they needed to digitally transform their processes.

“We wanted to digitally transform the process, not just for the sake of it, but to encourage a cultural transformation as well. We wanted to do more than simply standardize the process; we wanted to enhance it so we could provide next-level client support,” said Nathan Fulmer, Director of Procurement and Contract Administration at PEC.



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Solution

Efficient digital transformation led to quick wins for procurement, internal clients, and vendors

In order to maintain momentum amidst the digital transformation, PEC required an online bidding solution that was cost-effective, easy to use, and allowed a quick implementation. “We couldn’t afford a 12-18 month implementation, which is common in the procurement software space. People lose faith in transformations if they’re too long or complicated,” said Fulmer.

Not only did PEC need to consider the digital transformation experience for internal clients, but also for their vendors. As such a large cooperative, many of their services are contracted out. Consequently, word of mouth from vendors could make or break a successful implementation. PEC needed to consider

the experience for vendors, and therefore needed a solution that allowed simple online bidding and was free-of-cost to suppliers.

Ultimately, ensuring buy-in during the digital transformation process meant that PEC needed a solution that provided intrinsic value to their internal clients and vendors. “If you really want a transformation to be successful, you can put as many slide decks and committee meetings together as you want, but what are you doing to add value to your organization? You get a transformation by adding value, not by talking,” said Fulmer.

After carefully considering several online bidding solutions, PEC selected Bonfire as their online bidding tool of choice.

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Result

Procurement transformation enhanced by digitization—all in the middle of COVID-19.

Improvements to process

PEC made the decision to adopt Bonfire in early March 2020, right before states and provinces across North America began declaring States of Emergency and stay at home orders due to COVID-19. Despite the fact that they were in the midst of their implementation period with Bonfire, PEC went from fully in-office to fully remote in a matter of days and the procurement team was able to continue business-as-usual with a centralized, online, and easy-to-use platform. “We went from 100% physically working in the office to 100% working remotely without a single glitch,” said Fulmer.

As a best-value organization, PEC used Bonfire to launch more creative purchasing vehicles. For instance, PEC was previously not able to run best and final offers (BAFOs) because they were strenuous and time-consuming when using paper and email. With Bonfire, PEC was able to save 8% on a vegetation management contract through a BAFO run in just 4 days.

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Improvements for internal departments

For Fulmer, one of the most impactful changes Bonfire has helped drive for PEC over the past 9 months is the lightened load on evaluators. “In the past, we had meetings every week, and people would come in lugging huge binders. Now, we may have one meeting to kick-off an evaluation, and one meeting to agree on who’s going to get an award. That’s it.”

Besides reducing meetings for evaluators, PEC has also made the scoring process more efficient. For instance, PEC’s safety department can login and evaluate only the safety-related questions, and Bonfire’s pricing analysis takes care of the pricing portion of a proposal. “For the average evaluator, we may have just cut down their workload by 75% because we assign them only specific questionnaires. They get in, they get out, and they’re done, allowing the evaluation to go faster, for there to be fewer meetings, and we can foster stronger consensus generally,” said Fulmer.

Because their RFPs can hit the streets faster and their evaluation team can score proposals more efficiently, PEC has seen 150% growth in the number of RFPs they’ve been able to run this year.

In fact, Fulmer recounted a story of a successful 18-hour procurement PEC was able to run with Bonfire. “We needed to award the contract same-day before energy prices changed the next day. Our load files are proprietary information, so we had NDAs in place. Instead of sending individual emails to each vendor, Bonfire’s Questionnaires feature allowed us to quickly

send the NDAs and then the confidential load files to all approved vendors in a mass message like a bcc email to each individual. When you're talking about an 18-hour turnaround, those little efficiencies are more than a nice trick. The contract was awarded at 10:00 at night and those efficiencies allowed it to happen."

Dashboards within Bonfire enable procurement to track things like project progress and volume of vendor submissions, allowing members of the procurement team to follow-up and check-in with their internal clients accordingly, offering strategic guidance where they can.

"We went from a governance, rule-based system to a business partner because we're using state of the art technology, we're fast, and we get you results," said Fulmer.

PEC's engineering department, which was previously decentralized from procurement, now uses procurement as a resource. The visibility into procurement timelines that Bonfire provides has been critical in informing their project meetings, and Bonfire's Bid Tables tool has automated the math in analyzing price spread among vendors.

"We have people saying, 'I know I don't have to use procurement for this threshold, but can we use Bonfire?' They loved the visibility of where projects are, and the assurance that the process is being done right," said Fulmer.

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Improvements for vendors

PEC's vendors have also reported a positive experience using Bonfire to submit their proposals online. PEC's pre-proposal kick-off meetings include a 3-minute video on how to submit a proposal through Bonfire, and that's all vendors need to feel equipped to navigate Bonfire's easy-to-use online bid submission. "I've heard vendors saying they've used other software, and this is by far the easiest to use," said Fulmer.



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