

Centralized Procurement Contract Management System

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1. Background

Before the implementation of the Centralized Procurement Contract Management System, contract management relied heavily on offline manual processes, posing multiple challenges in efficiency, risk control, and collaboration:

- **Contract clauses could be arbitrarily modified, creating compliance risks:** Contract templates were stored as Word documents, allowing procurement officers to edit clauses directly without prior legal review, potentially introducing unauthorized risky content.
- **Manual contract drafting was inefficient and error-prone:** Key information was copied/pasted or manually entered, a cumbersome and time-consuming process prone to errors and omissions, affecting contract execution.

- **Isolated systems led to frequent duplicate data entry:** Contract approval and seal application processes were managed in separate systems, requiring repeated entry of the same information. This wasted manpower and caused data inconsistencies, disrupting workflow continuity.
- **Offline signing processes were lengthy and costly:** Contracts required printing, physical circulation for signatures, and postal mail, making the entire signing process time-consuming and labor-intensive, with high costs for physical handling and manual management.
- **Scattered data hindered statistical analysis:** Contract information was recorded in disparate manual logs with inconsistent formats and inaccurate data, leading to massive efforts for consolidation and making efficient data analysis and decision-making difficult.

2. Solutions

We built the "Centralized Procurement Contract Management System" on a low-code platform, with the following core solutions:

- **Template Standardization and Structuring:** Systematized and structured contract templates enable "fill-in-the-blanks" drafting.

Key clauses are locked to ensure compliance at the source, with special management for non-standard templates.

- **Granular Material Management:** Created unified material number master data for framework agreements and commonly used items, enabling precise price control. Users can place orders with one click via a shopping cart model, ensuring the implementation of centralized procurement results and improving procurement experience and efficiency.
- **Integrated End-to-End Process:** Connected contract approval and seal application workflows, allowing data to be entered once and flow throughout the entire process, eliminating system silos and repetitive work.
- **Seamless E-Signature Integration:** Integrated authoritative electronic signature services, enabling contracts to be initiated online and signed electronically throughout the entire process with automated archiving, possessing full legal validity.
- **Framework Agreement and Price Control:** Established material numbers within framework agreements. Unit prices for items under these agreements are strictly locked by the system and cannot be modified during ordering, ensuring the enforcement of centralized procurement pricing.

- **Automated Status Updates and Archiving:** The system automatically updates contract statuses based on business processes and completes electronic archiving, enabling visual management of the entire contract lifecycle.

3. Outcomes and Benefits

1. **Significant Efficiency Gains:** Using AY24–25 data as an example, out of 2,147 completed contracts, electronic signatures accounted for 53% (1,152 contracts).
 - E–signature contracts saw a **70% increase** in end–to–end operational efficiency (saving 40 minutes per contract).
 - Non e–signature contracts saw a **56% increase** in end–to–end operational efficiency (saving 14 minutes per contract).
2. **Enhanced Cost and Risk Control:** Achieved system–level precise control over prices for frequently purchased items and framework agreements, eliminating price execution deviations.
3. **Multiplied Data Accuracy and Value:** Enabled automatic data flow and real–time updates, fundamentally reducing manual entry errors and providing a high–quality data foundation for refined management and strategic decision–making.

4. Replicability and Promotion Value

Most contract management systems on the market focus on direct procurement, which involves relatively singular transaction models and fixed categories. This product draws on the concept of material management from direct procurement, forming a core model of "shopping cart ordering + standardized templates + online workflow + e-signature." It covers most indirect procurement category contract drafting and management scenarios, such as engineering construction, foreign currency transactions, book/database contracts, import contracts, and rate contracts. It is suitable for clients requiring refined management of multi-category indirect procurement businesses.

5. Next Steps

- **Deepen System Integration:** Plan to integrate with the financial control system to enable automatic contract creation and payment information feedback, further eliminating data silos and reducing manual intervention.
- **Enhance Data Analysis Capabilities:** Connect to a reporting platform to achieve automated transmission, real-time updates, and intelligent analysis of contract data, deeply mining data value to empower management decisions.