

Materials Management SAP Implementation at IESCO

Training Document Contract Creation

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2. IESCO_SAP_ERP_MM_TD_Fiori_Contract Creation

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Contract Creation

1 Purpose

This scenario deals with the use of contracts in procurement activities.

Prerequisites

The user departments identify the need for a contract which can be Quantity Contract and Value Contract. Contract Creator receives a request from the user to create a new Contract as per their requirement.

1.1 Process Steps

1.1.1 Creating a Basic Agreement (Quantity Contract)

Use

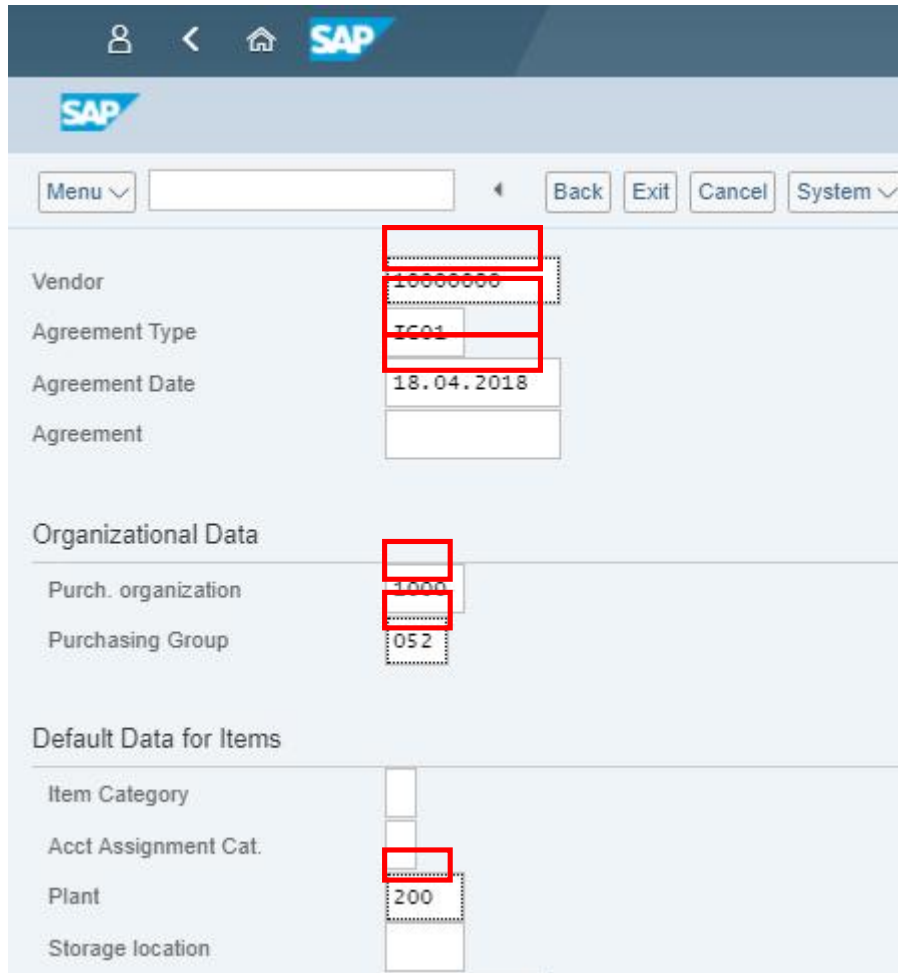
A quantity contract is an agreement between a purchasing organization and a supplier or vendor to supply a certain quantity of a product in an indicated period. The purchasing organization fulfills a contract by placing purchase orders against it. These purchase orders are called now as release orders (or call-offs). The supplier or vendor fulfills the contract by supplying the released quantity.

When you create a call-off, you refer to the relevant contract. The system automatically updates the released quantities in the contract.

Procedure

1. Open “Create Purchase Contract” App. from Fiori Launchpad.
2. On the *Create Contract: Initial Screen*, enter the following values and choose *Enter*:

Field name	Description	User action and values	Comments
Vendor		As per requirement	For example: 10000000
Agreement type		As per requirement	Choose quantity contract: IC01
Agreement date		Today's date	Start date of the contract: 18.04.2018
Purchasing Organization		As per requirement	For example 1000
Purchasing Group		As per requirement	For example: 052
Plant		As per requirement	For example 200



The screenshot shows the SAP S/4HANA 'Vendor Agreement' transaction. The interface includes a top navigation bar with user, navigation, and SAP logos. Below this is a menu bar with a 'Menu' dropdown, a search field, and buttons for 'Back', 'Exit', 'Cancel', and 'System'. The main content area is divided into three sections: 'Vendor', 'Organizational Data', and 'Default Data for Items'. Each section contains several data fields, some of which are highlighted with red boxes. The 'Vendor' section includes 'Vendor' (100000000), 'Agreement Type' (IC01), 'Agreement Date' (18.04.2018), and 'Agreement'. The 'Organizational Data' section includes 'Purch. organization' (1000) and 'Purchasing Group' (052). The 'Default Data for Items' section includes 'Item Category', 'Acct Assignment Cat.', 'Plant' (200), and 'Storage location'.

Field	Value
Vendor	100000000
Agreement Type	IC01
Agreement Date	18.04.2018
Agreement	
Organizational Data	
Purch. organization	1000
Purchasing Group	052
Default Data for Items	
Item Category	
Acct Assignment Cat.	
Plant	200
Storage location	

3. On the *Create Contract: Header Data* screen, in the *Validity End* field, enter end date (for example, two years in the future) of the contract and choose *Enter*.

SAP Create Contract : Head

Create Contract :

Save Back Exit Cancel System Overview Header Conditions Header Texts

Company Code 1000 Purchasing Group 052
 Agreement Type IC01 Purch. organization 1000
 10000000 Pak Elektron Limited

18.04.2018 Item Number Interval 10 Subitem Interv. 1
 18.04.2018 Validity End 18.04.2019 Language EN
☐ GR Message

Payment

0001 Targ. Val. PKR
 Days % Exch. Rate 1.00000 Ex. Rate Fx ☐
 Days %

4. On the *Create Contract: Item Overview* screen, enter the following values:

Field name	Description	User action and values	Comments
Material		As per requirement	For example: 10123
Target Quantity		As per requirement	Enter total quantity: 500
Net price		As agreed	Enter net price:2000

SAP Create Contract : Item O

SAP Create Contract : It

Menu **Save** **Back** **Exit** **Cancel** System **Select All Items** **Deselect All** **Select Start/End**

Agreement Agreement Type Agmt Date
 Vendor Pak Elektron Limited Currency

Outline Agreement Items

Item	I	A	Material	Short Text	Targ. Qty	OUn	Net Price	Per	OPU
10			10123	Meter Wire	500	M	2,000.00	1	M
20									
30									
40									

5. Press Save.

Result

The contract is created. **8100000000**

1.1.2 Creating a Basic Agreement (Value/Rate Contract)

Use

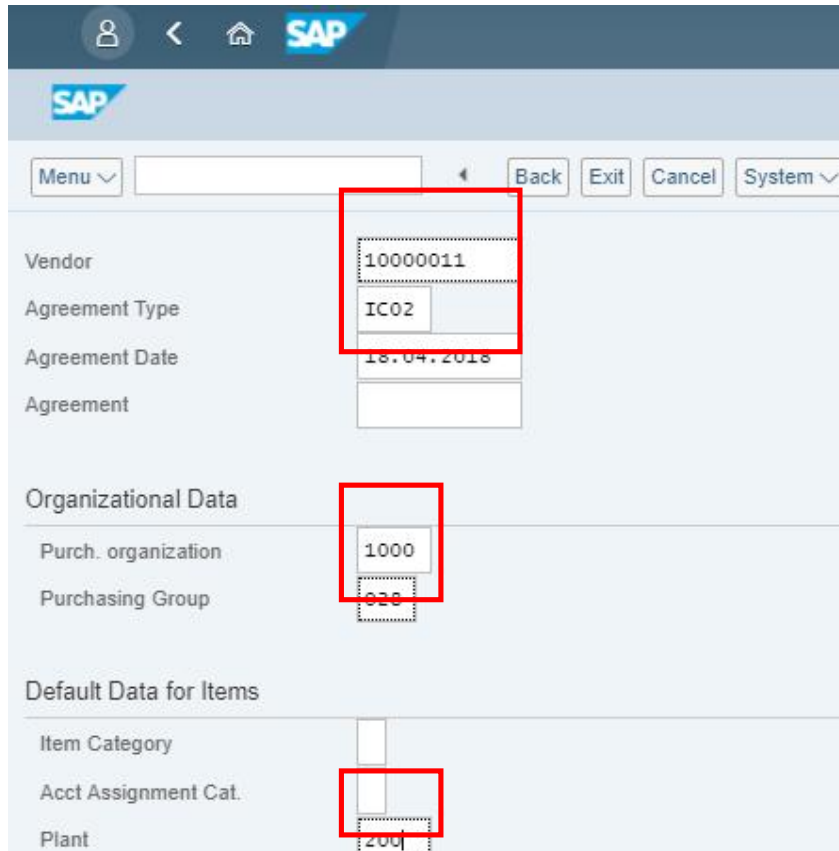
A value contract is an agreement between a purchasing organization and a supplier or vendor to supply a certain Value of a product in an indicated period. The purchasing organization fulfills a contract by placing purchase orders against it. These purchase orders are called now as release orders (or call-offs). The supplier or vendor fulfills the contract by supplying the released quantity of that value.

When you create a call-off, you refer to the relevant contract. The system automatically updates the released value in the contract.

Procedure

1. Open "Create Purchase Contract" App. from Fiori Launchpad.
2. On the *Create Contract: Initial Screen*, enter the following values and choose *Enter*:

Field name	Description	User action and values	Comments
Vendor		As per requirement	For example: 10000011
Agreement type		As per requirement	Choose quantity contract: IC02
Agreement date		Today's date	Start date of the contract: 18.04.2018
Purchasing Organization		As per requirement	For example 1000
Purchasing Group		As per requirement	For example: 028
Plant		As per requirement	For example 200



The screenshot shows the SAP S/4HANA 'Vendor Agreement' screen. The interface includes a top navigation bar with a user icon, back, home, and SAP logos. Below this is a menu bar with a 'Menu' dropdown, a search field, and buttons for 'Back', 'Exit', 'Cancel', and 'System'. The main content area is divided into three sections: 'Vendor', 'Organizational Data', and 'Default Data for Items'. The 'Vendor' section contains fields for 'Vendor' (10000011), 'Agreement Type' (IC02), 'Agreement Date' (18.04.2018), and 'Agreement'. The 'Organizational Data' section contains 'Purch. organization' (1000) and 'Purchasing Group' (020). The 'Default Data for Items' section contains 'Item Category' (), 'Acct Assignment Cat.' (), and 'Plant' (200). Red boxes highlight the 'Vendor' and 'Purchasing Group' fields.

Field	Value
Vendor	10000011
Agreement Type	IC02
Agreement Date	18.04.2018
Agreement	
Organizational Data	
Purch. organization	1000
Purchasing Group	020
Default Data for Items	
Item Category	
Acct Assignment Cat.	
Plant	200

3. On the *Create Contract: Header Data* screen, in the *Validity End* field, enter end date (for example, two years in the future) of the contract and enter the target value and choose *Enter*.

SAP Create Co

Save Back Exit Cancel System Overview Header Conditions

Company Code 1000 Purchasing Group
Agreement Type IC02 Purch. organization
10000011 Mohsin Abbasi Test Abbasi

18.04.2018 Item Number Interval 10 Subitem Interv.
18.04.2018 Validity End 18.04.2018 Language
☐ GR Message

Payment
0001 Targ. Val. 100000 PKR
Days % Exch. Rate 1.00000 Ex.Rate Fx
Days %

4. On the *Create Contract: Item Overview* screen, enter the following values:

Field name	Description	User action and values	Comments
Material		As per requirement	For example: 10123
Net price		As agreed	Enter net price:2000

Create Contract : Item Overview

SAP

Menu Save Back Exit Cancel System Select All Items Deselect All Select Start/End of Block

Agreement Agreement Type Agmt Date

Vendor Mohsin Abbasi Test Abbasi Currency

Outline Agreement Items

Item	I	A	Material	Short Text	Targ. Qty	OUN	Net Price	Per	OPU	Mat. Grp
10			10123	Meter Wire		M	2,000.00		M	14000
20										
30										
40										
50										
60										

5. Press Save.

Result

The contract is created. **8200000004**