Materials Management
SAP Implementation at IESCO
Training Document
Contract Creation

LAST SAVED - 2018-08-30 6:54:00 AM

2. IESCO_SAP_ERP_MM_TD_Fiori_Contract Creation

Contents

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.

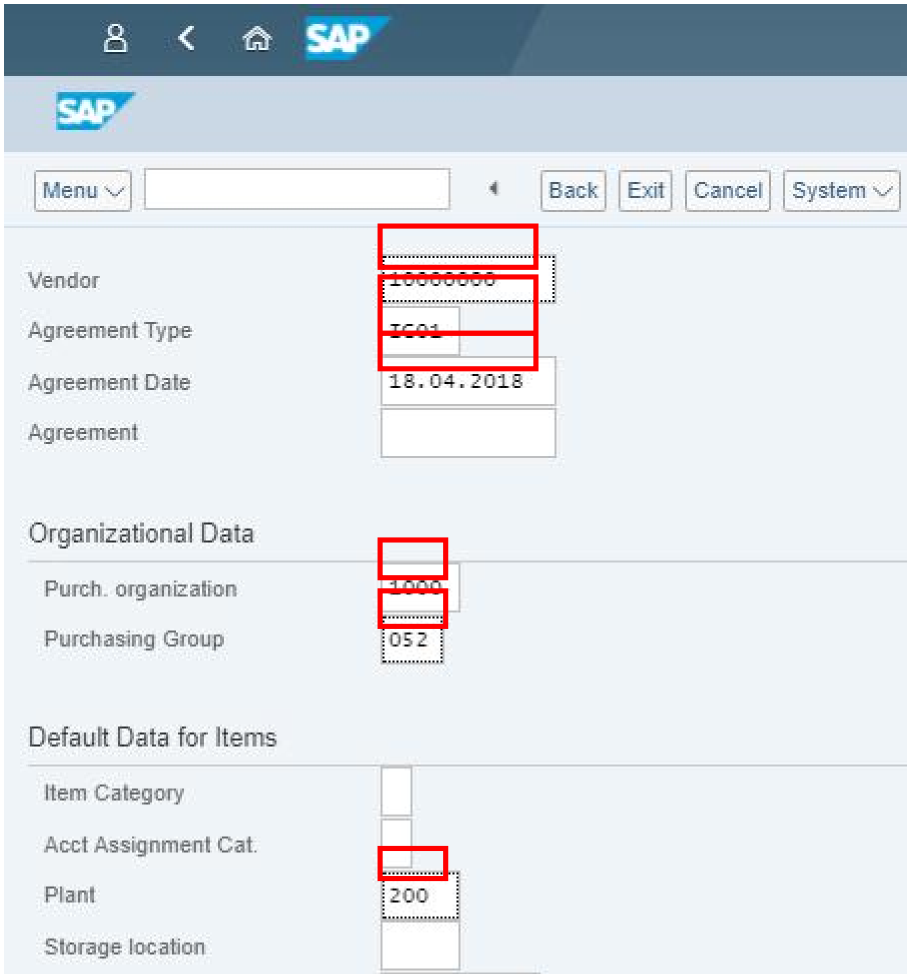
When you create a call-off, you refer to the relevant contract. The system automatically updates the released quantities in the contract.

Procedure

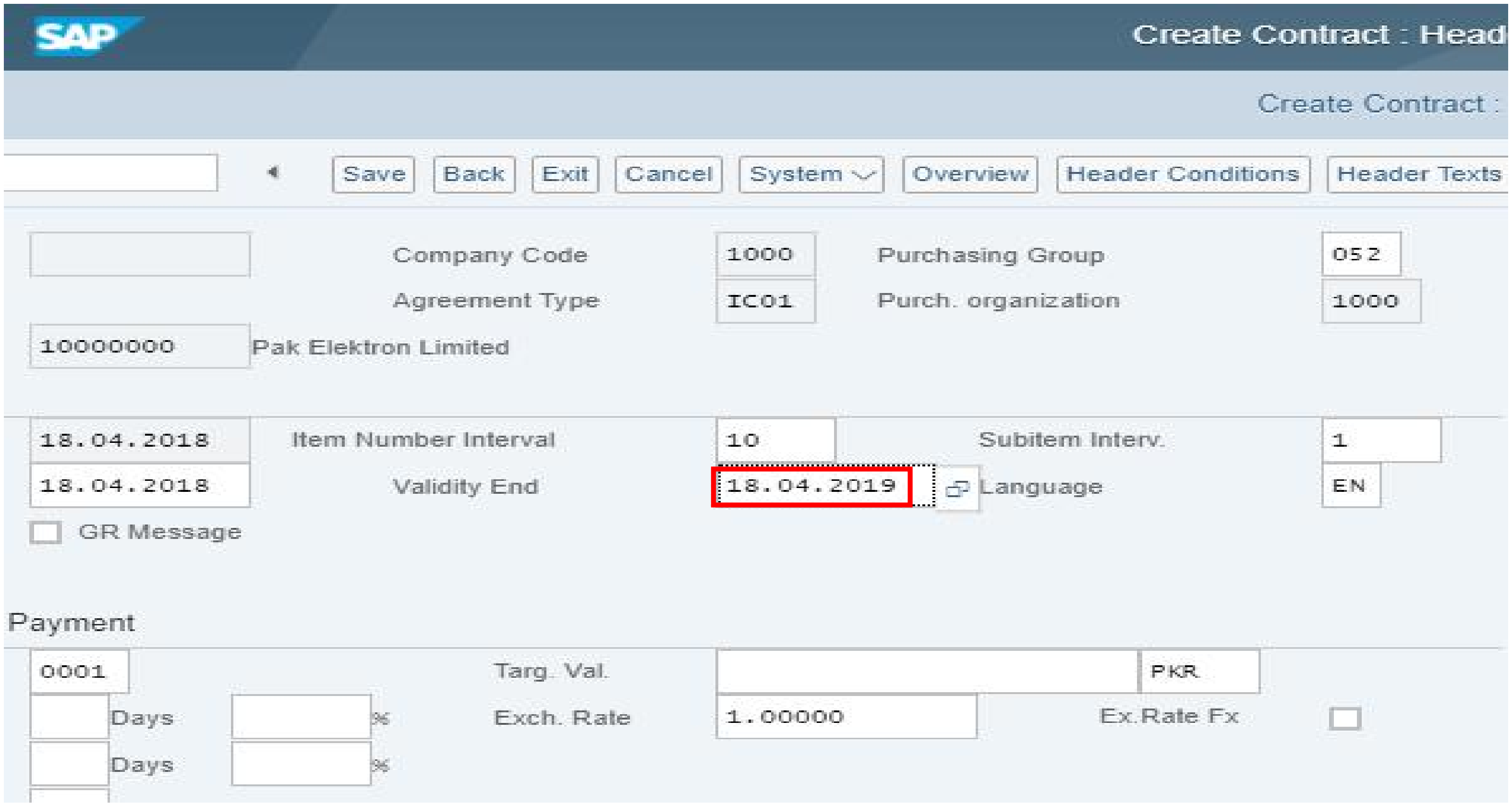
1. Open “Create Purchase Contract” App. from Fiori Launchpad.

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

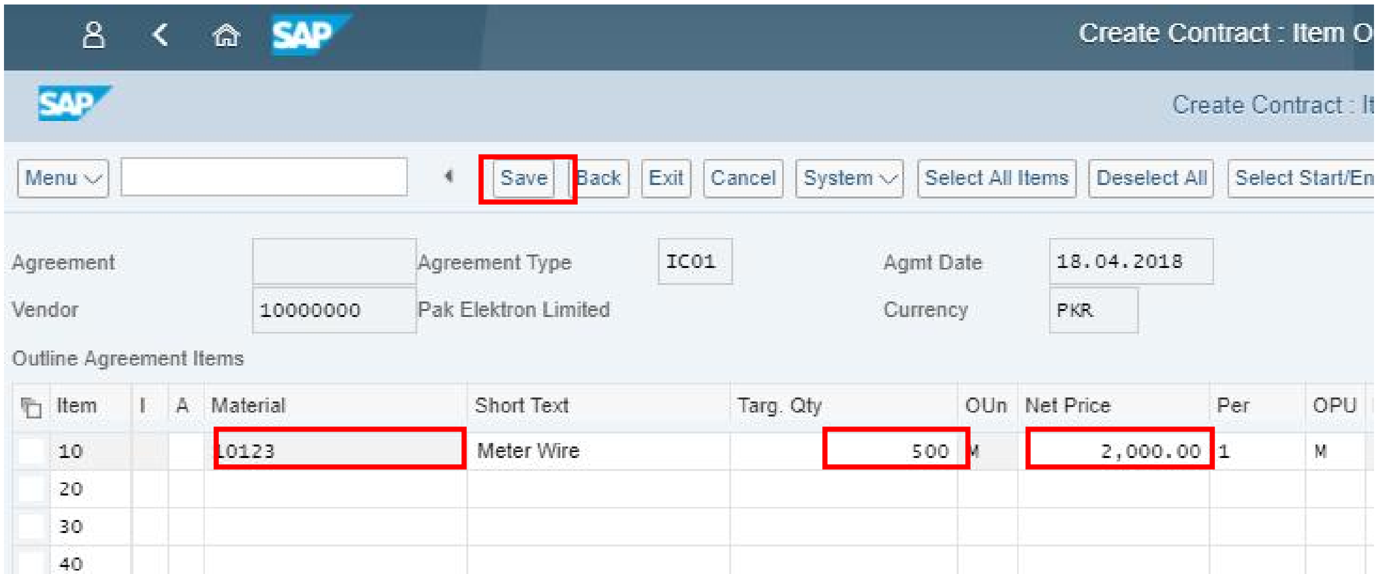

SAP
SAP
Menu
Back
Exit
Cancel
System
Vendor
Agreement Type
Agreement Date
18.04.2018
Agreement
Organizational Data
Purch. organization
Purchasing Group
052
Default Data for Items
Item Category
Acct Assignment Cat.
Plant
200
Storage location

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*.



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

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



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.

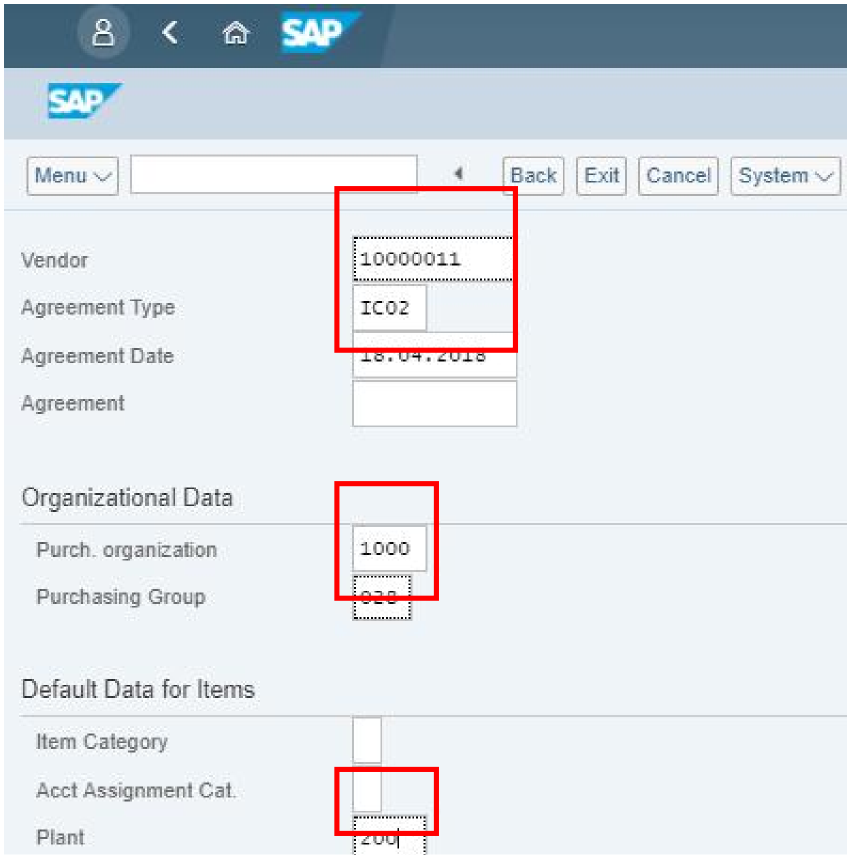
When you create a call-off, you refer to the relevant contract. The system automatically updates the released value in the contract.

Procedure

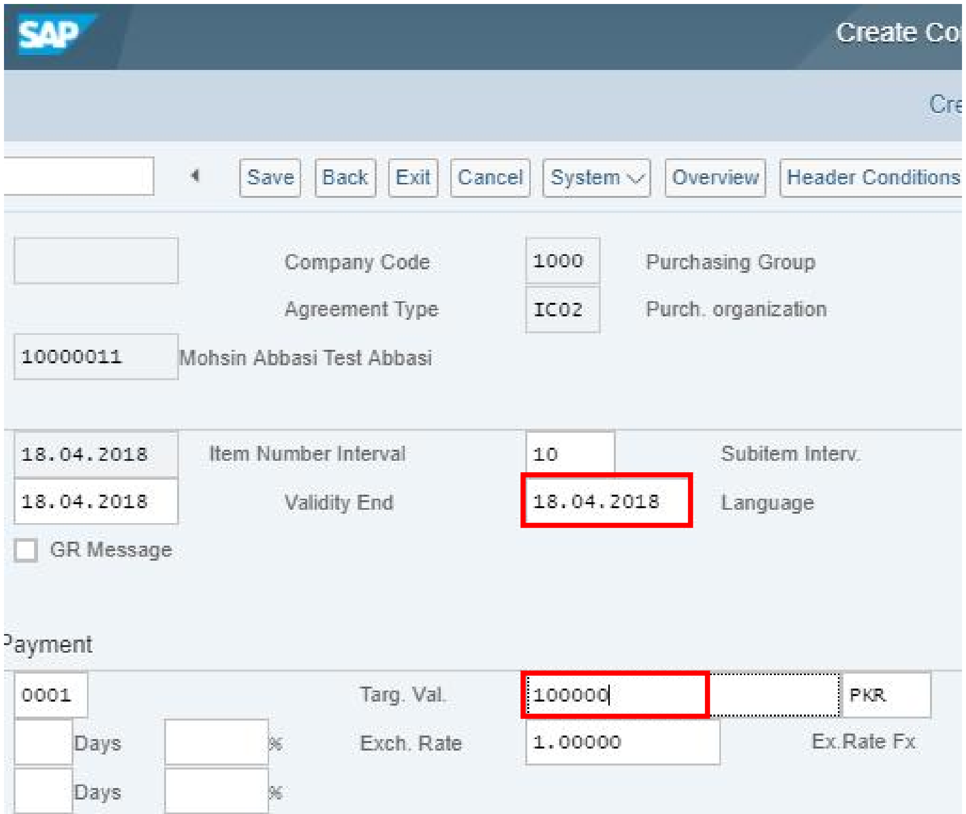
1. Open “Create Purchase Contract” App. from Fiori Launchpad.

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

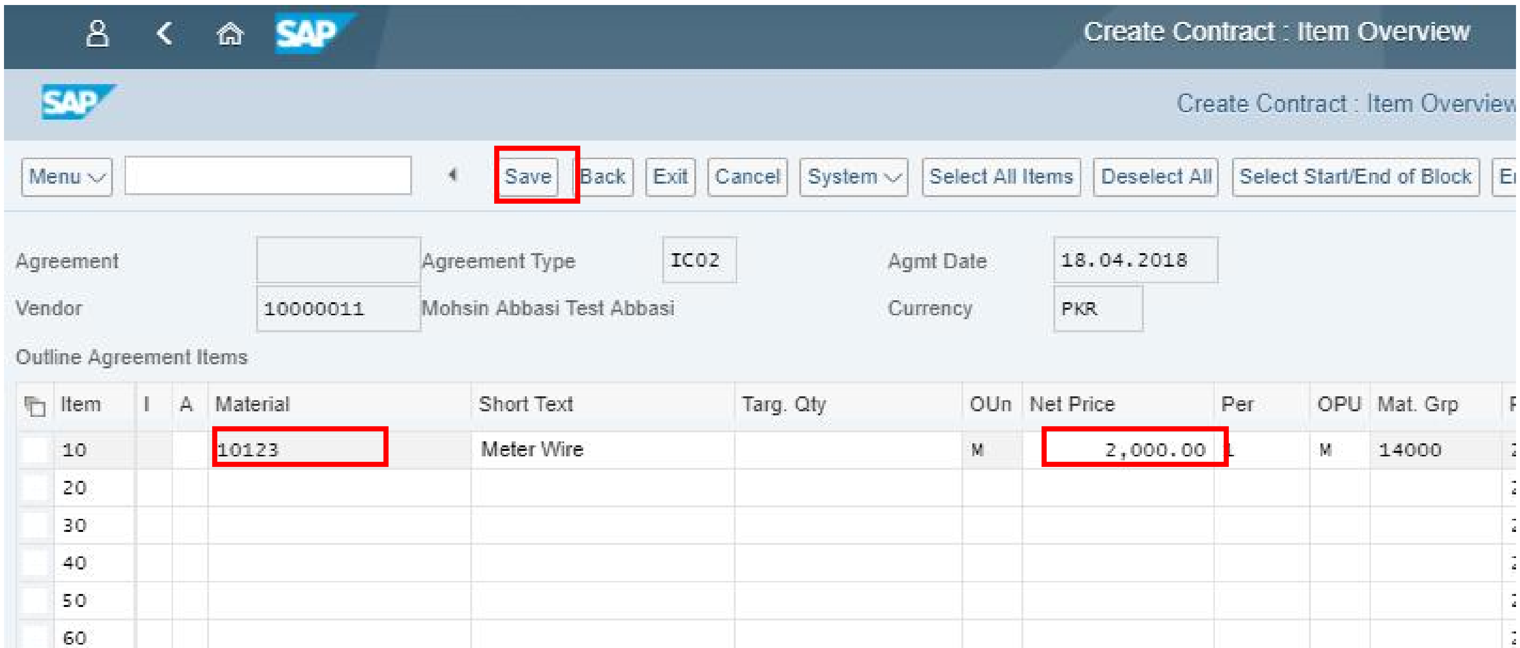

SAP
Menu
Back
Exit
Cancel
System
Vendor
10000011
Agreement Type
IC02
Agreement Date
Agreement
Organizational Data
Purch. organization
1000
Purchasing Group
Default Data for Items
Item Category
Acct Assignment Cat.
Plant

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*.



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

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



5. Press *Save.*

Result

The contract is created. **8200000004**