

Outline Agreement

Types of Outline Agreement

- 1) Purchasing Contract (ME31,32,33K)
- 2) Scheduling Agreement (ME31,32,33L)

1) Purchasing Contract: - Purchase Contract (also contract of purchase, agreement of sale, sales agreement) a legal document that gives details of the conditions when one person or company buys something from another: The terms and conditions of the transaction are stated in the purchase agreement.

Types of Purchasing Contract: -

- 1) Quantity Contract (MK)
- 2) Value Contract (WK)

1) Quantity Contract (MK): - A quantity contract is an agreement that your customer will order a certain quantity of a product from you during a specified period. The contract contains basic quantity and price information but no schedule of specific delivery dates and quantities.

2) Value Contract (WK): - A value contract is a legal agreement with a customer that contains the materials and services that the customer receives within a specified time period, and for a value up to a specified target value. A value contract can contain certain materials or a group of materials

Material **11001100110063** created

1) Quantity Contract: -

In purchasing Contract Quantity contract is the sub type of it. In which Quantity of material is fix with the vendor/supplier for specific time period.



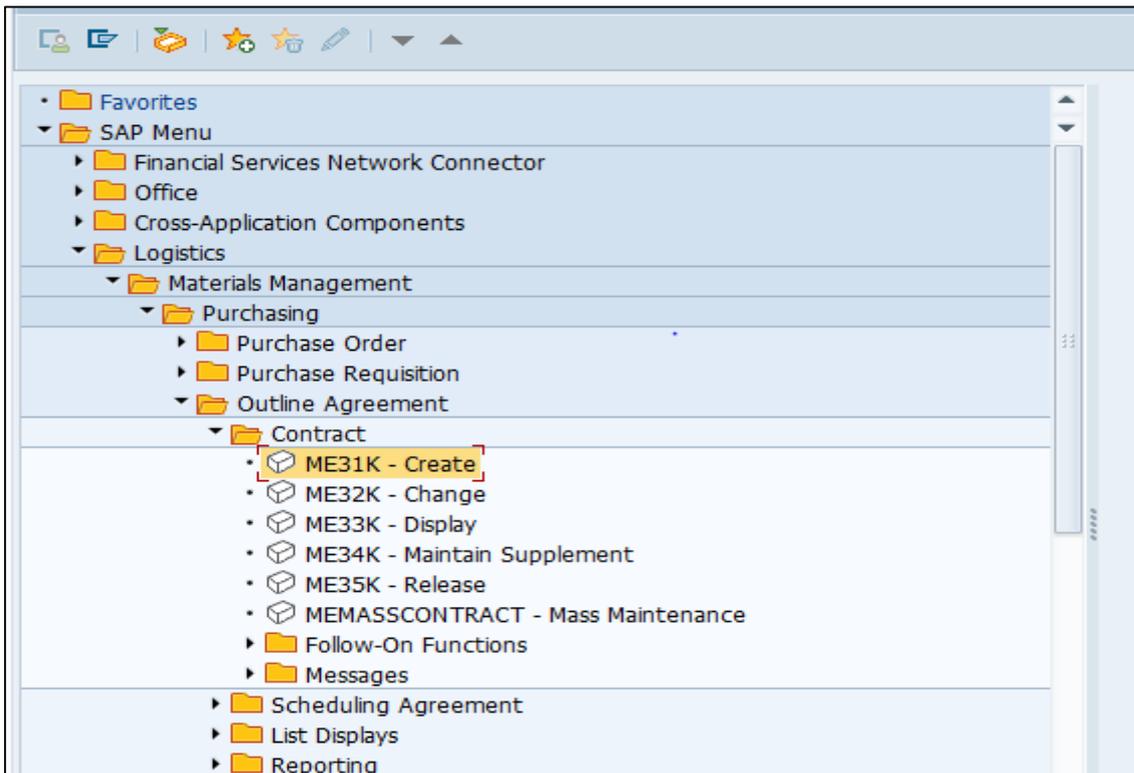
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Standard Document Type: - MK

Step: - 1

Path to Create the Quantity Contract: -

SAP Menu-> Logistics-> Materials Management-> Purchasing-> Outline Agreement-> Contract-> **ME31K - Create**



→ We can directly put the **T-Code** in Command field. Below screen open

The screenshot shows the 'Create Contract : Initial Screen' in SAP. The screen has a title bar with the text 'Create Contract : Initial Screen'. Below the title bar, there are two radio buttons: 'Reference to PReq' (selected) and 'Reference to RFQ'. The main area contains several input fields:

Vendor	<input type="text"/>
Agreement Type	<input type="text"/>
Agreement Date	<input type="text" value="18.10.2022"/>
Agreement	<input type="text"/>
Organizational Data	
Purch. Organization	<input type="text"/>
Purchasing Group	<input type="text"/>
Default Data for Items	
Item Category	<input type="text"/>
Acct Assignment Cat.	<input type="text"/>
Plant	<input type="text"/>
Storage Location	<input type="text"/>
Material Group	<input type="text"/>
Req. Tracking Number	<input type="text"/>
Vendor Subrange	<input type="text"/>
<input type="checkbox"/> Acknowledgment Req'd	



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- ➔ Enter the Vendor Code
- ➔ Select the Agreement type for Quantity Contract i.e. MK (Standard)
- ➔ Agreement date, Pur.Org, Pur. Group

Create Contract : Initial Screen

Reference to PReq Reference to RFQ

Vendor: 4000002910

Agreement Type: MK

Agreement Date: 18.10.2022

Agreement:

Organizational Data

Purch. Organization: CP00

Purchasing Group: CP0

Default Data for Items

Item Category:

Acct Assignment Cat.:

Plant:

Storage Location:

Material Group:

Req. Tracking Number:

Vendor Subrange:

Acknowledgment Reqd

➔ Then press enter. Below screen opens.



Create Contract : Header Data

Agreement Company Code 5300 Purchasing Group CPO
 Vendor 4000002910 Agreement Type MK Purch. Organization CP00
 MH Steel & Company

Administrative Fields

Agreement Date 18.10.2022 Item Number Interval 10 Subitem Interv. 1
 Validity Start 18.10.2022 Validity End 18.02.2023 Language EN

Terms of Delivery and Payment

Payt Terms 0001 Targ. Val. INR
 Payment in Days Exch. Rate 1.00000 Ex.Rate Fx
 Payment in Days Incoterms
 Payment in Days Net

Reference Data

Quotation Date Quotation
 Your Reference Salesperson
 Our Reference Telephone
 Suppl. Vendor Invoicing Party

➔ Enter the Validity of Contract & Press enter. Below screen opens

Create Contract : Item Overview

Agreement Agreement Type MK Agmt Date 18.10.2022
 Vendor 4000002910 MH Steel & Company Currency INR

Outline Agreement Items

Item	I	A	Material	Short Text	I...	Targ. Qty	O...	Net Price	Per	O...	Mat. Grp	Plnt	SLoc	D	T...
10			9013	Inventory Management Test Mat -01	<input type="checkbox"/>	1,000	EA	50.000	1	EA	004	CPMG	ROH1		
20					<input type="checkbox"/>										
30					<input type="checkbox"/>										

- ➔ Enter the Material
- ➔ Enter the Net Price, Plant & Storage Location
- ➔ Then system will ask to enter **Target Quantity**. Enter it as per requirement.
- ➔ Then save the contract.
- ➔ Qty contract created under the number 12479058

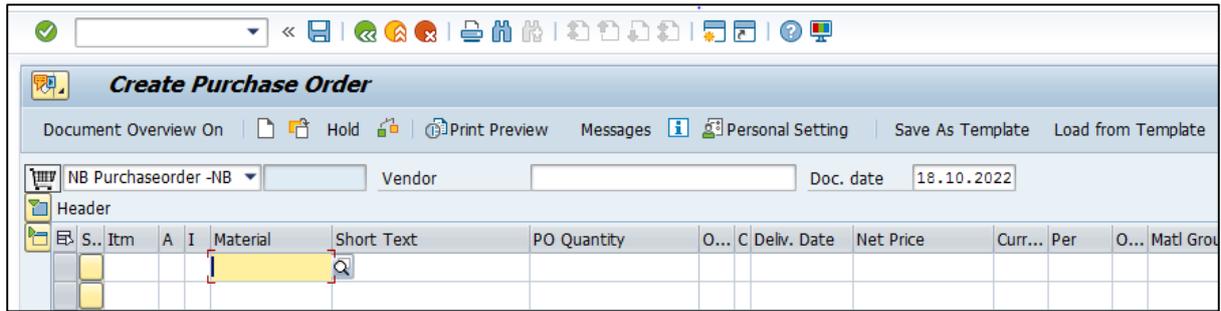
Step: - 2

Create the Standard PO with the reference of **Quantity Contract**.

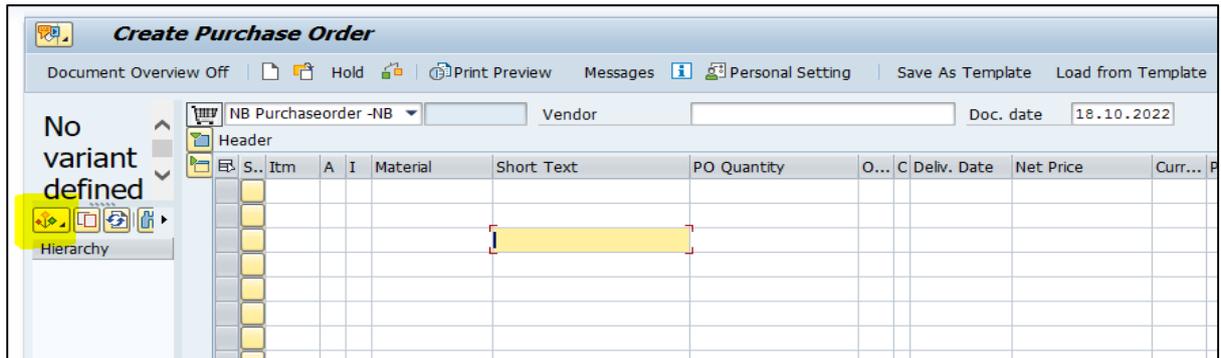
- ➔ Standard PO Screen Using **T-Code: - ME21N**



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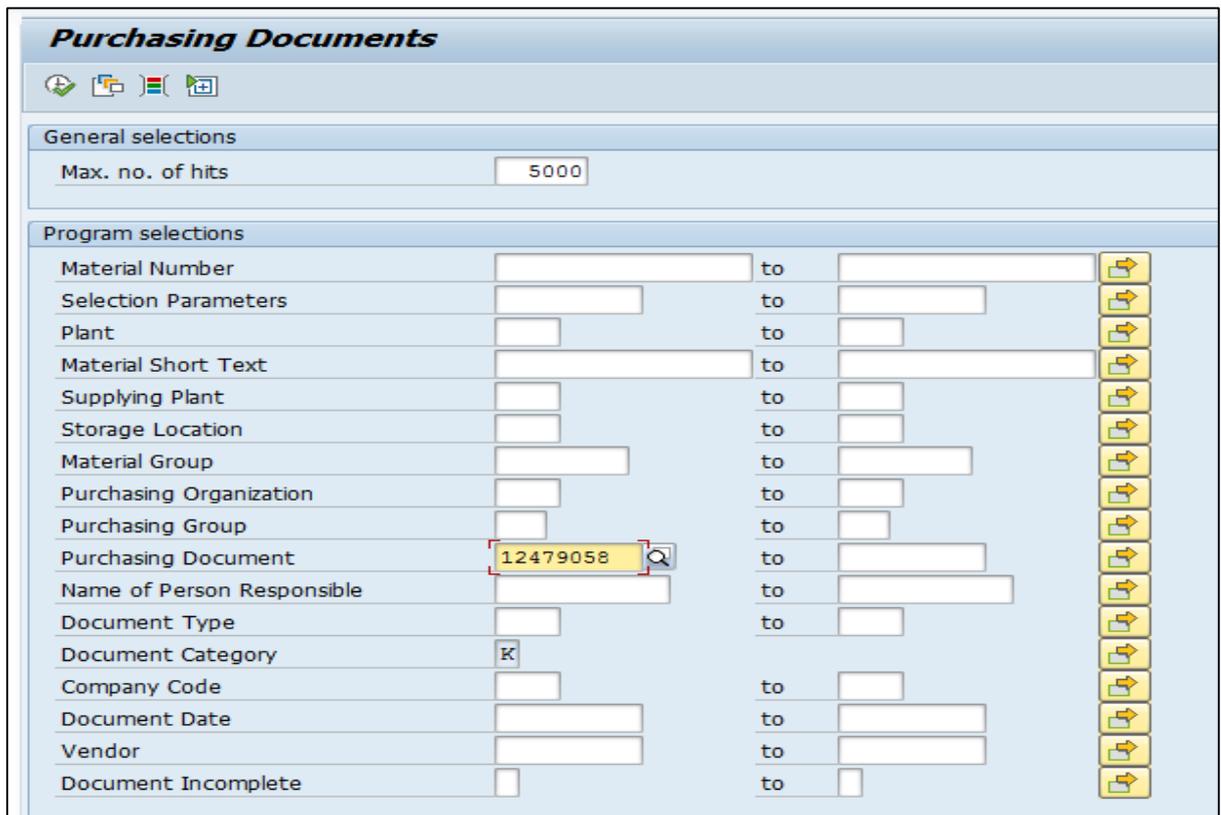
➔ Click on Document Overview On



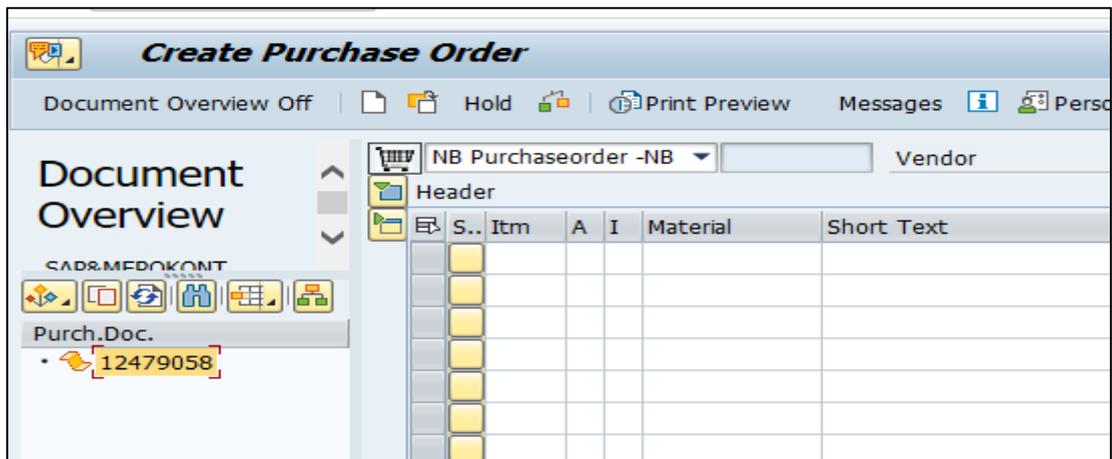
➔ Click on selection variant

➔ Select Contract. Below screen Opens.

➔ Enter the Contract No in Purchasing Document.



➔ Execute.



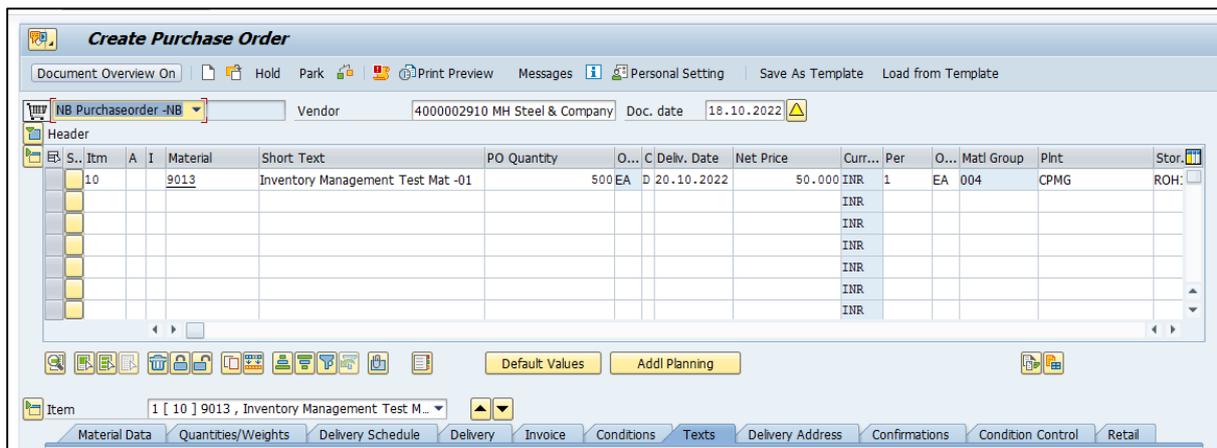
➔ Contract will appear in Purchasing Window

➔ Then click on **Adopt**.

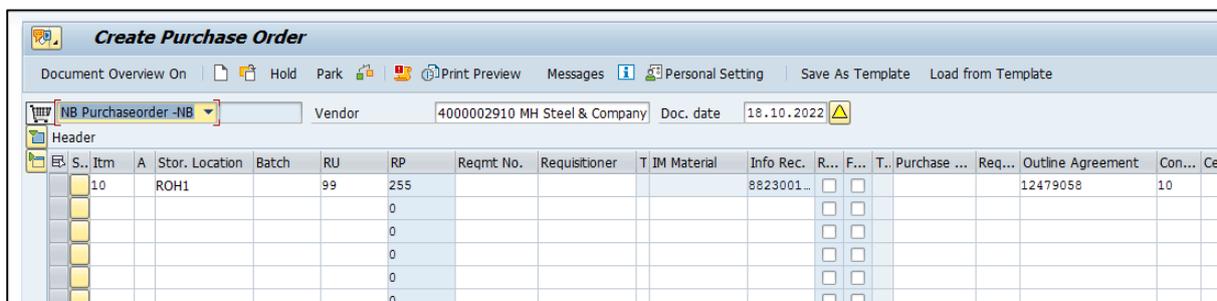
➔ It will take all the details from Outline Quantity Contract.

➔ We need to enter only the **Quantity of Material**.

➔ As per below screen enter the quantity & Save the PO



➔ It will take the reference of Contract.



➔ Purchase order -NB created under the number **4500026835**



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Step 3: -

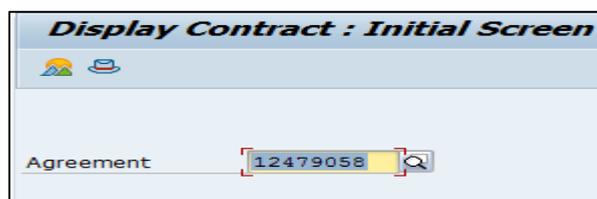
If we want to check the how many balance quantities in agreement.

We need to enter the **T-Code: - ME33K**

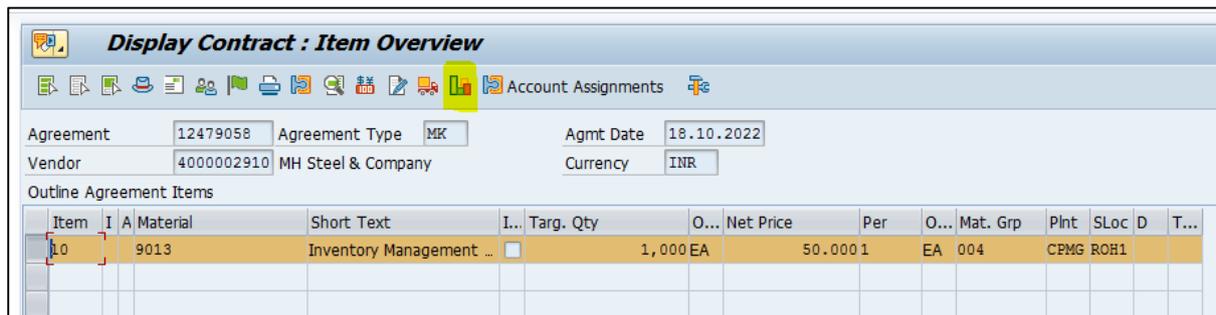
Path to Display Contract: -

SAP Menu-> Logistics-> Materials Management-> Purchasing-> Outline Agreement-> Contract-> **ME33K – Display**

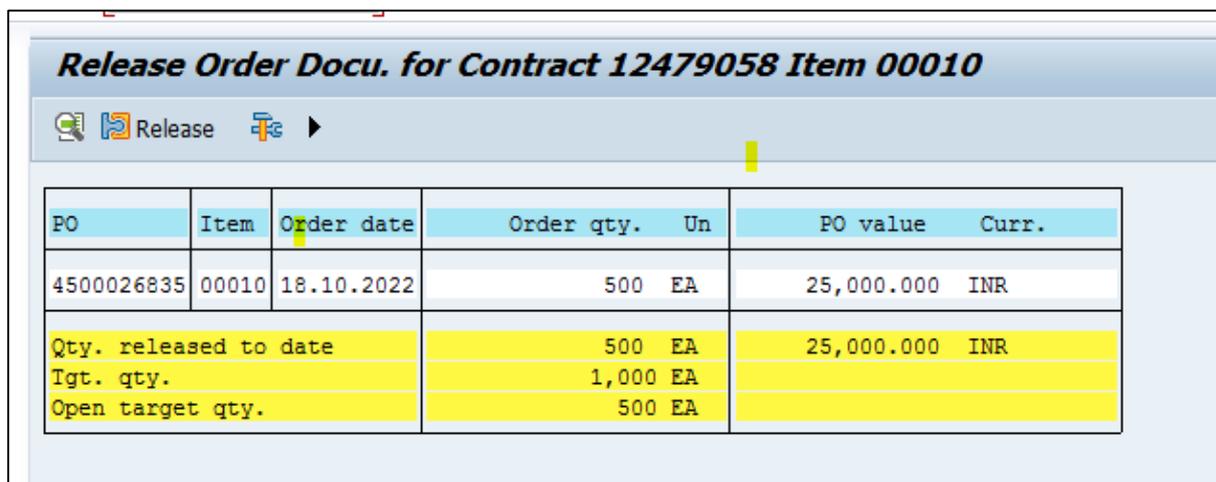
➔ Below screen opens. Enter the contract No. & press enter.



➔ Select item & Click on Release documentation



➔ It will show you the details of agreement with Target quantity, Balance Quantity.



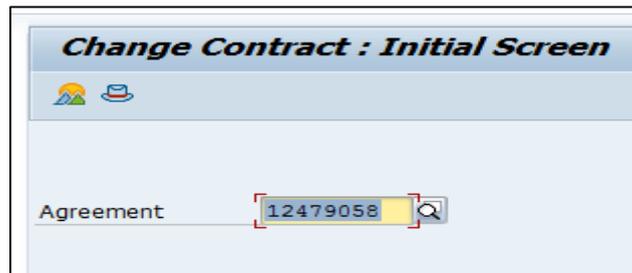
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Step 4: -

If we want to do change in contract by using **T-Code: - ME32K**

Path to Change Contract: -

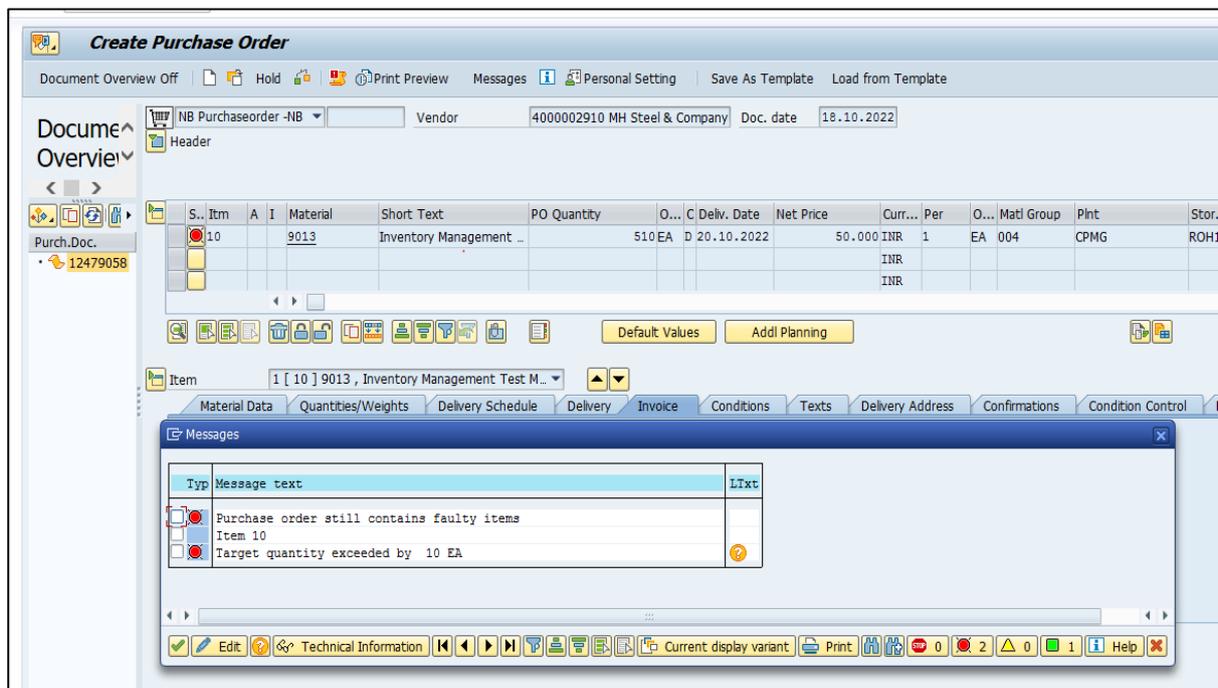
SAP Menu-> Logistics-> Materials Management-> Purchasing-> Outline Agreement-> Contract-> **ME32K - Change**



➔ Enter the Contract No. Do changes & **Save**.

NOTE: -

If we create the PO with the reference of outline agreement. If the target quantity **exceeds** then system not allow to create the PO.



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2) Value Contract (WK): -

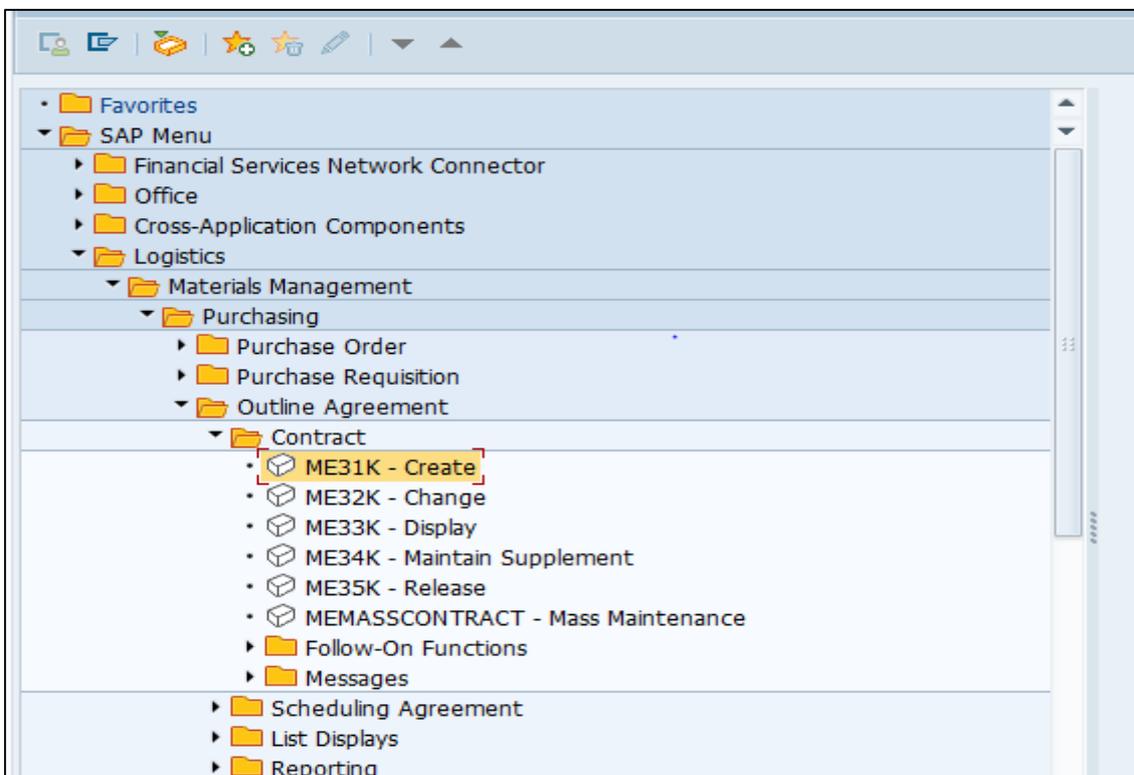
In purchasing Contract Value contract is the sub type of it. In which Value of material is fix with the vendor/supplier for specific time period quantity not matters here.

Standard Document Type: - WK

Step: -1

Path to Create the Value Contract: -

SAP Menu-> Logistics-> Materials Management-> Purchasing-> Outline Agreement-> Contract-> **ME31K - Create**



➔ We can directly put the **T-Code** in Command field. Below screen open



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Create Contract : Initial Screen

Reference to PReq Reference to RFQ

Vendor
 Agreement Type
 Agreement Date
 Agreement

Organizational Data

Purch. Organization
 Purchasing Group

Default Data for Items

Item Category
 Acct Assignment Cat.
 Plant
 Storage Location
 Material Group
 Req. Tracking Number
 Vendor Subrange
 Acknowledgment Reqd

- ➔ Enter the Vendor Code
- ➔ Select the Agreement type for **Value Contract** i.e. **WK (Standard)** Agreement date, Pur.Org, Pur. Group.

Create Contract : Initial Screen

Reference to PReq Reference to RFQ

Vendor
 Agreement Type
 Agreement Date
 Agreement

Organizational Data

Purch. Organization
 Purchasing Group

Default Data for Items

Item Category
 Acct Assignment Cat.
 Plant
 Storage Location
 Material Group
 Req. Tracking Number
 Vendor Subrange
 Acknowledgment Reqd

- ➔ Press enter
- ➔ Enter the Validity of Contract.



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➔ Then system will ask to you enter the **Target Value**.

➔ Enter the **Target Value**.

Create Contract : Header Data

Agreement Company Code 5300 Purchasing Group CP0
Agreement Type WK Purch. Organization CP00
Vendor 4000002910 MH Steel & Company

Administrative Fields

Agreement Date 18.10.2022 Item Number Interval 10 Subitem Interv. 1
Validity Start 18.10.2022 Validity End 18.02.2023 Language EN

Terms of Delivery and Payment

Payt Terms 0001 Targ. Val. 100000 INR
Payment in Days \$ Exch. Rate 1.00000 Ex.Rate Fx
Payment in Days \$ Incoterms
Payment in Days Net

Reference Data

Quotation Date Quotation
Your Reference Salesperson
Our Reference Telephone
Suppl. Vendor Invoicing Party

➔ Press Enter. Below screen opens

Create Contract : Item Overview

Agreement Agreement Type WK Agmt Date 18.10.2022
Vendor 4000002910 MH Steel & Company Currency INR

Outline Agreement Items

Item	I	A	Material	Short Text	I...	Targ. Qty	O...	Net Price	Per	O...	Mat. Grp	Plnt	SLoc	D	T...
10			98	Optics Diffuser	<input type="checkbox"/>		EA	50.000	1	EA	004	CPMG	ROH1		
20					<input type="checkbox"/>							CPMG			
30					<input type="checkbox"/>							CPMG			
40					<input type="checkbox"/>							CPMG			

➔ Enter the Material, Net Price, Plant & S. Location.

➔ It will never ask for **Target Quantity** for **Value Contract**.

➔ **Save** the contract.

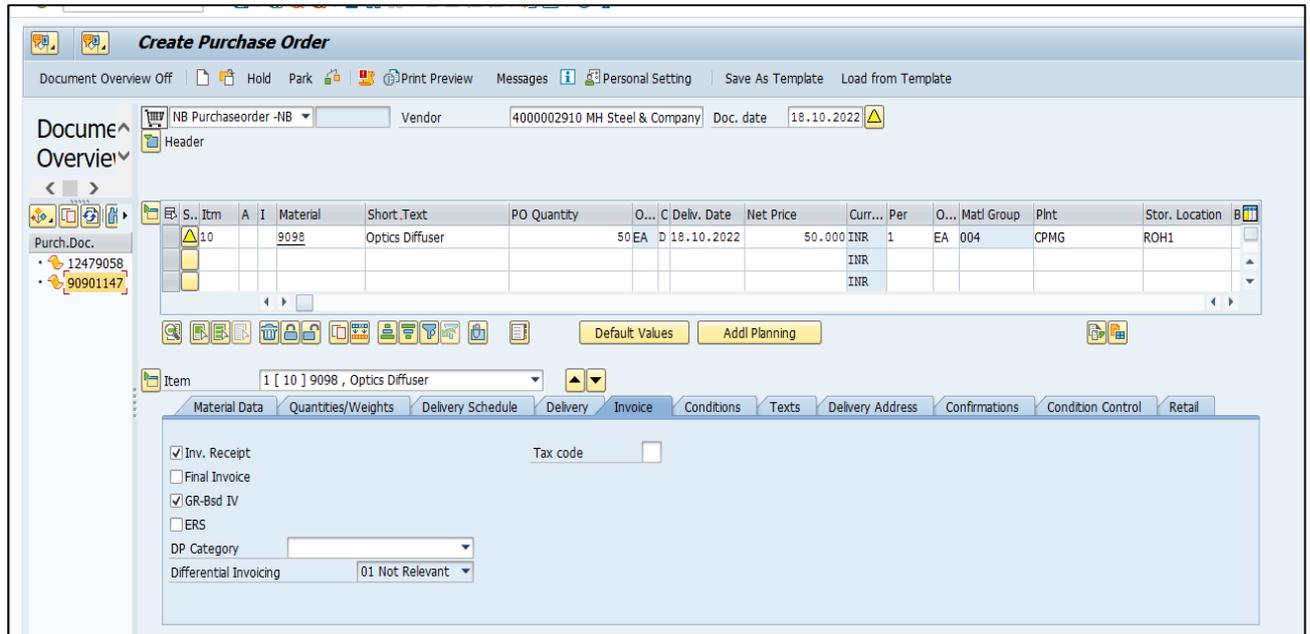
➔ Value contract created under the number 90901147



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Step: -2

➔ Create the Standard PO with reference to Contract & Save.



The screenshot shows the SAP 'Create Purchase Order' interface. At the top, the document type is 'NB Purchaseorder -NB' and the vendor is '4000002910 MH Steel & Company'. The document date is '18.10.2022'. Below this, there is a table with columns: S., Itm, A, I, Material, Short Text, PO Quantity, O..., C, Deliv. Date, Net Price, Curr..., Per, O..., Matl Group, Plnt, and Stor. Location. The first row shows item 10, material 9098, 'Optics Diffuser', with a quantity of 50 EA and a net price of 50,000 INR. The currency is INR. Below the table, there are tabs for 'Material Data', 'Quantities/Weights', 'Delivery Schedule', 'Delivery', 'Invoice', 'Conditions', 'Texts', 'Delivery Address', 'Confirmations', 'Condition Control', and 'Retail'. The 'Invoice' tab is active, showing options for 'Inv. Receipt', 'Final Invoice', 'GR-Bsd IV', 'ERS', 'DP Category', and 'Differential Invoicing'.

➔ Purchase order -NB created under the number 4500026836

Step: -3

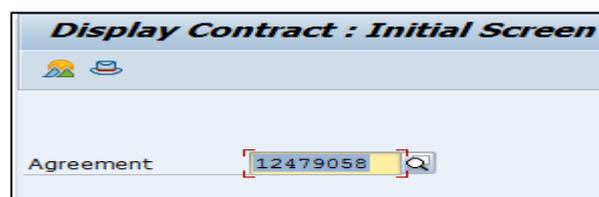
If we want to check the how many balance value in agreement.

We need to enter the **T-Code: - ME33K**

Path to Display Contract: -

SAP Menu-> Logistics-> Materials Management-> Purchasing-> Outline Agreement-> Contract-> **ME33K – Display**

➔ Below screen opens. Enter the contract No. & press enter.



The screenshot shows the 'Display Contract : Initial Screen' in SAP. It features a search field labeled 'Agreement' with the contract number '12479058' entered. A magnifying glass icon is visible to the right of the search field.

➔ Select item & Click on **Release documentation**



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Release Order Docu. for Contract 90901147 Item 00010

Release

PO	Item	Order date	Order qty.	Un	PO value	Curr.
4500026836	00010	18.10.2022	50	EA	2,500.000	INR
Qty. released to date			50	EA	2,500.000	INR

NOTE: -

If we create the PO with the reference of outline agreement. If the target Value **exceeds** then system not allow to create the PO.

The screenshot shows the SAP 'Create Purchase Order' interface. A 'Messages' dialog box is open, displaying the following error messages:

- Target value of contract 90901147 exceeded by 2,500.000 INR
- Item 10 Sch. Line 1
- A different source of supply is the fixed source for this date

The background interface shows the 'Create Purchase Order' header with the following details:

- Document Overview Off
- Hold Park
- Print Preview
- Messages
- Personal Setting
- Save As Template
- Load from Template
- Vendor: 400002910 MH Steel & Company
- Doc. date: 18.10.2022
- Material: 9098 Optics Diffuser
- PO Quantity: 2,000 EA
- Deliv. Date: 18.10.2022
- Net Price: 50.000 INR
- Per: 1
- Matl Group: EA 004
- Plnt: CPMG
- Stor. Location: ROH1

The 'Messages' dialog box has a 'Typ' column with 'Message text' and an 'LTxt' column. The error messages are listed in the main area of the dialog box.



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2) Scheduling Agreement (ME31,32,33L): -

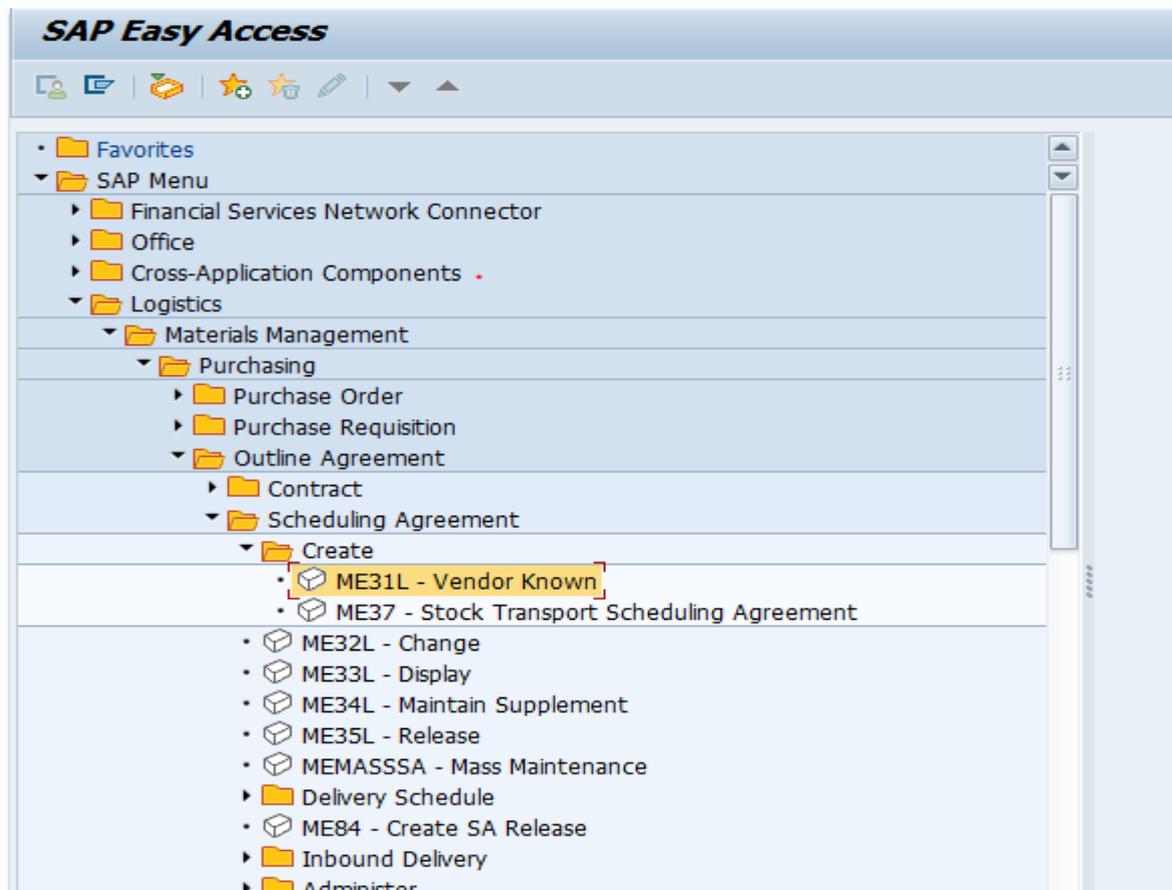
A scheduling agreement is a long-term outline agreement between the vendor and the ordering party over a predefined material or service, which are procured on predetermined dates over a framework of time.

Standard Document Type: - LP

Step: - 1

Path to Create Scheduling Agreement: -

SAP Menu-> Logistics-> Materials Management-> Purchasing-> Outline Agreement-> Scheduling Agreement -> Create -> **ME31L - Vendor Known**



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- ➔ We can directly put the **T-Code** in Command field. Below screen open
- ➔ By click on it below screen opens.

Create Scheduling Agreement : Initial Screen

Reference to PReq Reference to RFQ Reference to Contract

Vendor: 4000002910
Agreement Type: LP
Agreement Date: 18.10.2022
Agreement:

Organizational Data

Purch. Organization: CP00
Purchasing Group: CP0

Default Data for Items

Item Category:
Acct Assignment Cat.:
Plant: CPMG
Storage Location: ROH1
Material Group:
Req. Tracking Number:
Vendor Subrange:
 Acknowledgment Reqd

- ➔ Enter the Vendor, Agreement Type for **Scheduling (LP)** Standard, Enter date.
- ➔ Enter Pur. Org, Pur Group, Plant & Storage Location
- ➔ Then press enter. Below screen opens.



Create Scheduling Agreement : Header Data

Agreement Company Code Purchasing Group
 Agreement Type Purch. Organization
 Vendor MH Steel & Company

Administrative Fields

Agreement Date Item Number Interval Subitem Interv.
 Validity Start Validity End Language

Terms of Delivery and Payment

Payt Terms Targ. Val.
 Payment in Days Exch. Rate Ex.Rate Fx
 Payment in Days Incoterms
 Payment in Days Net

Reference Data

Quotation Date Quotation
 Your Reference Salesperson
 Our Reference Telephone
 Suppl. Vendor Invoicing Party

- ➔ Enter the validity of scheduling. Press enter
- ➔ Below screen opens. Enter the Material, Target Quantity, Net Price

Create Scheduling Agreement : Item Overview

Agreement Agreement Type Agmt Date
 Vendor MH Steel & Company Currency

Outline Agreement Items

Item	I	A	Material	Short Text	I...	Targ. Qty	O...	Net Price	Per	O...	Mat. Grp	Plnt	SLoc	D	T...
10			9098	Optics Diffuser	<input type="checkbox"/>		900 EA	20.000	1	EA	004	CPMG	ROH1		
20					<input type="checkbox"/>							CPMG	ROH1		
30					<input type="checkbox"/>							CPMG	ROH1		
40					<input type="checkbox"/>							CPMG	ROH1		
50					<input type="checkbox"/>							CPMG	ROH1		
60					<input type="checkbox"/>							CPMG	ROH1		
70					<input type="checkbox"/>							CPMG	ROH1		

- ➔ Save the contract.
- ➔ Scheduling agreement created under the number 5000073397.

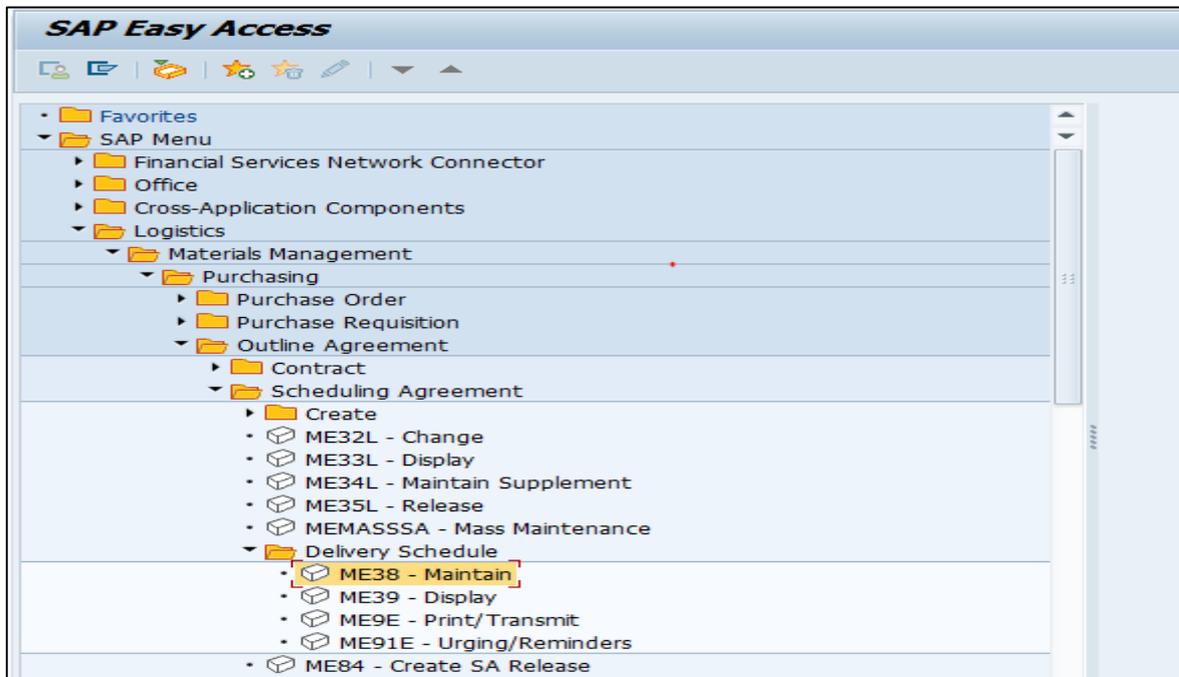
Step: - 2

After the schedule agreement we need to maintain the schedule of material as per requirement. **By using T-Code: - ME38**

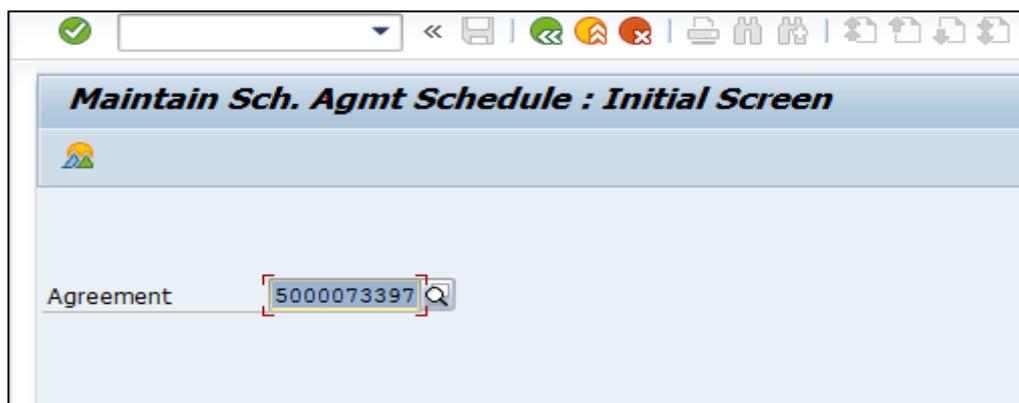


Path to Create Schedule: -

SAP Menu-> Logistics-> Materials Management-> Purchasing-> Outline Agreement-> Scheduling Agreement-> Delivery Schedule -> **ME38 – Maintain**



➔ By click on this below screen opens. Enter the agreement No. here



➔ Press enter. Below screen opens.



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Maintain Sch. Agmt Schedule : Item Overview

Agreement: 5000073397 Agreement Type: LP Agmt Date: 18.10.2022
 Vendor: 4000002910 MH Steel & Company Currency: INR

Sch. Agreement Items

Item	Material	Short Text	Targ. Qty	O...	Open Target Qty	O...	Mat. Grp	Plnt	SLoc	D	I
10	98	Optics Diffuser	900	EA	900	EA	004	CPMG	ROH1		

➔ Select the item & click on Delivery Schedule.

Maintain Sch. Agmt Schedule : Delivery Schedule for Item 00

Agreement: 5000073397 Quantity: 0 EA
 Material: 9098 Optics Diffuser
 Last Transm.: 00:00:00 Next Transmission Number: 1
 Cum. Rec. Qty: 0 Old Qty: 0

C	Delivery Date	Scheduled Quantity	Time	F	C	St.DelDate	Purchase ...	Item	Cum. Sch. Q
D	18.10.2022	300							
D	28.10.2022	300							
D	08.11.2022	300							

- ➔ Enter the Delivery Date & Schedule Quantity as per your plan.
- ➔ Save the Schedule.
- ➔ Scheduling agreement 5000073397 changed

Step: -3

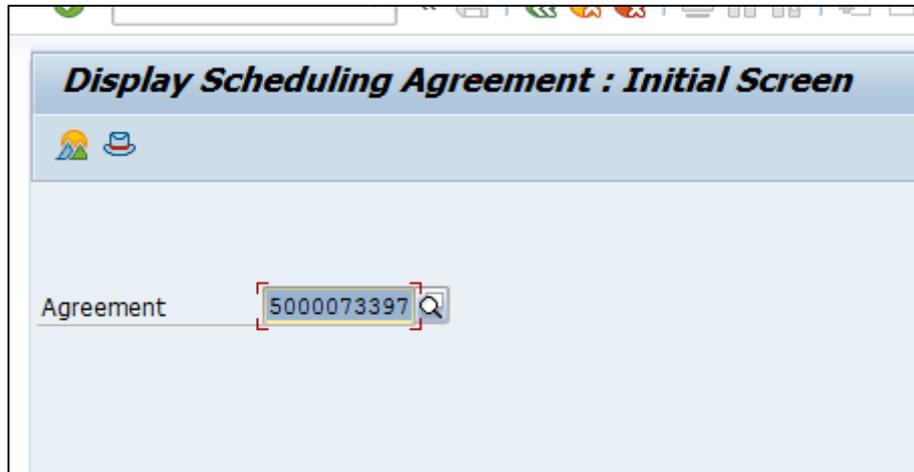
If we want to display our schedule agreement by using **T-Code: - ME33L**



Path to Display Schedule Agreement: -

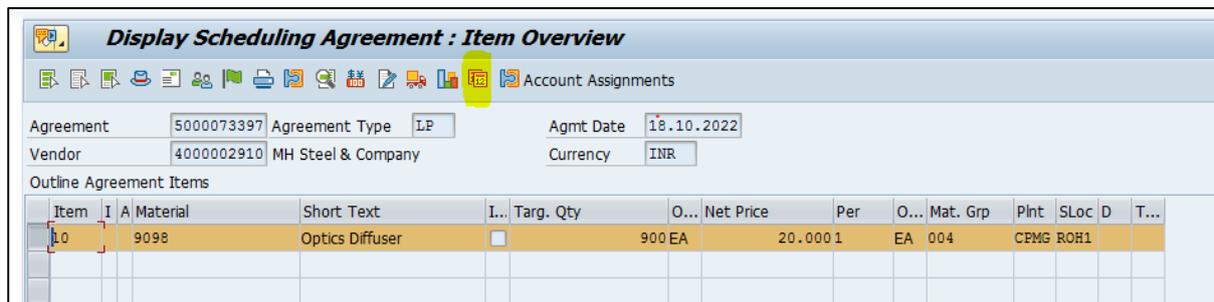
SAP Menu-> Logistics-> Materials Management-> Purchasing-> Outline Agreement-> Scheduling Agreement-> **ME33L – Display**

➔ Enter the agreement No & press enter.



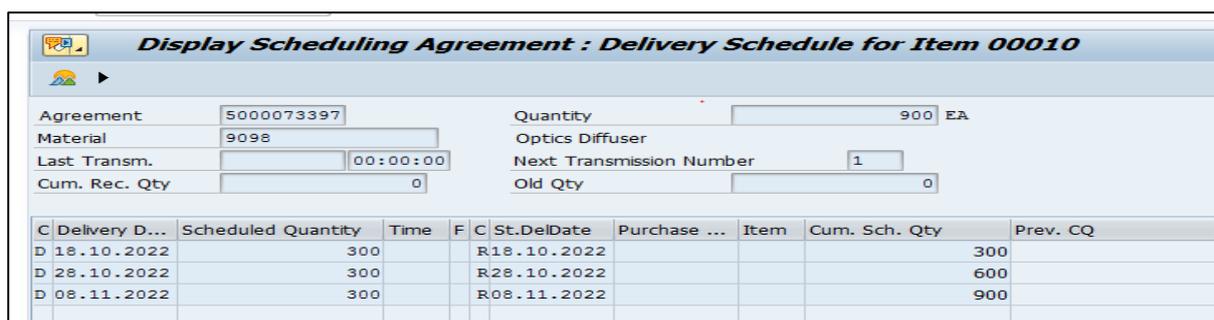
The screenshot shows the 'Display Scheduling Agreement : Initial Screen' in SAP. The 'Agreement' field is highlighted with a red box and contains the value '5000073397'. There are icons for home and print at the top left.

➔ Select the item & click on **Delivery Schedule**.



The screenshot shows the 'Display Scheduling Agreement : Item Overview' screen. The 'Agreement' field is '5000073397' and the 'Vendor' is '400002910 MH Steel & Company'. The 'Outline Agreement Items' table is shown below.

Item	I	A	Material	Short Text	I...	Targ. Qty	O...	Net Price	Per	O...	Mat. Grp	Plnt	SLoc	D	T...
10			9098	Optics Diffuser	<input type="checkbox"/>	900	EA	20.000	1	EA	004	CEMG	ROH1		



The screenshot shows the 'Display Scheduling Agreement : Delivery Schedule for Item 00010' screen. The 'Agreement' is '5000073397' and the 'Material' is '9098'. The 'Quantity' is '900 EA'. The 'Delivery Schedule' table is shown below.

C	Delivery D...	Scheduled Quantity	Time	F	C	St.DelDate	Purchase ...	Item	Cum. Sch. Qty	Prev. CQ
D	18.10.2022	300			R	18.10.2022			300	
D	28.10.2022	300			R	28.10.2022			600	
D	08.11.2022	300			R	08.11.2022			900	

➔ As per this schedule vendor will supply material.

➔ In case vendor gives more than schedule quantity system will not accept the material more the scheduling agreement.



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