



Feature at a Glance

Applying contract and ad hoc limits in service sheets

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CONFIDENTIAL

Feature at a Glance

Ease of implementation



Low touch / simple

Geographic relevance



Global

Introducing: Applying contract and ad hoc limits in service sheets

Customer challenge

While creating purchase orders in a procurement system like SAP ERP or SAP S/4HANA, buyers may specify different types of limits in the purchase item detail, for instance limit on services covered by contract item(s) or other limit on services not covered by contract item(s).

Previously, Ariba Network could only support control of the overall limit for a purchase order.

Meet that challenge with SAP Ariba

With this feature, Ariba Network applies and validates the sub-limits specified in the unplanned service lines of purchase orders, either contract limit for services covered by contract item(s) or other limit on services not covered by contract item(s), when suppliers create service sheets or invoices with auto-generation of service sheet.

Experience key benefits

Buyers may now enforce the limits they set in their purchase orders for unplanned services and ensure that suppliers add only unplanned services with reference to a contract or other services up to the limits they set for these categories.

Suppliers are confident that the limits intended by the Buyers are verified when they enter unplanned services. They are ensured that the service sheets will not be rejected for lack of respect of specific sub-limits.

For both buyer and supplier, the process is more automated, more efficient and faster, saving time and costs.

Solution area

Ariba Network services automation

Implementation information

This feature is **automatically on** for all customers with the applicable solutions and is ready for immediate use.

Prerequisites and Restrictions

In order to allow suppliers to add unplanned services with reference to a contract and applying contract limits, a prerequisite for Buyers is to have SAP Ariba Buying, SAP Ariba Buying and Invoicing or SAP Ariba Contract Invoicing

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Introduction

While creating purchase orders in a procurement system, buyers may specify different types of limits in the purchase item detail.

Previously, Ariba Network could only read and apply validations for *MaxAmount* and *ExpectedUnplanned* limits in the cXML purchase order document. The *MaxAmount* limit refers to the overall limit for a purchase order while the *ExpectedUnplanned* limit refers to an indicative expected value.

However, in some procurement systems like SAP ERP and SAP S/4HANA, buyers can also specify the following sub-limits:

- **Contract:** Contract limit refers to the allowed limit for unplanned services with reference to a contract item.
- **Ad hoc:** Ad hoc limit refers to the allowed limit for unplanned services without reference to a contract item. It is called **other limit** in SAP ERP and SAP S/4HANA ERPs.

When buyers specify these sub-limits in a purchase order line item, suppliers can charge for ad hoc unplanned services and unplanned services from a contract by adding items to service sheets. The total value of unplanned services, whether ad hoc or with reference to a contract, cannot exceed the hidden overall limit (*MaxAmount*) specified in the purchase order.

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Example: Contract limit in SAP ERP

Standard PO Vendor Doc. date

Purch. Org. Einkaufsorg. 0001
Purch. group Einkäufer 1
Company Code SAP A.G.

S...	Itm	A	I	Material	Short Text	PO Quantity	O...	C Deliv. Date	Net Price	Curr...	Per	O...	Matl Group	Plnt	Stor. Location
	10	K	D		Heat Exchanger Mainten...		1 AU	D 27.03.2020	70.000,00	GBP	1	AU	Material gro...	Werk 0001	
										GBP					
										GBP					
										GBP					
										GBP					
										GBP					
										GBP					

Item

Overall Limit ☐ No limit
Expected value
"Actual" Value

Contract	Item	N.. Limit	"Actual" Value	Short
4600000062	10	<input type="checkbox"/> 5.000,00	0,00	Service
		<input type="checkbox"/>	0,00	

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Example: Other limit in SAP ERP

The screenshot displays the SAP PO 'Org. Data' tab and a detailed view of the 'Limits' tab for item [10] Heat Exchanger Maintenance. The 'Limits' tab is highlighted with an orange border.

Org. Data Tab:

- Standard PO:
- Vendor:
- Doc. date:
- Delivery/Invoice:
- Conditions:
- Texts:
- Address:
- Communication:
- Partners:
- Additional Data:
- Org. Data:
- Status:

Item Limits Tab:

- Item:
- Services:
- Material Data:
- Quantities/Weights:
- Delivery Schedule:
- Delivery:
- Invoice:
- Conditions:
- Account Assignment:
- Texts:
- Delivery Addr...:

Limit Details:

- Overall Limit: GBP ☐ No limit
- Expected value:
- "Actual" Value:
- Contract limits:
- SSC limit:
- Mod.specs.lim.:
- Other limit:
- Limit: ☐ No limit
- Actual value:

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Rules applied with contract limits and ad hoc limits

Now, when suppliers create service sheets with unplanned items, Ariba Network applies and validates the sub-limit specified in the purchase orders unplanned service line. Ariba Network applies and validates the following rules:

- If the contract limit is specified in a purchase order unplanned service line, then the total value of unplanned services added to this service line with reference to a contract must not exceed the contract limit.
- When the *Allow suppliers to add ad hoc line items to service sheets* default transaction rule is enabled, and the ad hoc limit is set in the purchase order unplanned service line, then the total value of unplanned services added to this service line without reference to a contract must not exceed the ad hoc limit.
- In all cases, the total value of all unplanned services, whether ad hoc or with reference to a contract, cannot exceed the overall limit (*MaxAmount*) specified in the purchase order.

The same applies when suppliers create invoices with auto-generation of service sheet.

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Example: Contract limit exceeded in service sheet creation

In this example, an error message tells the user that the contract limit is exceeded. The limit is not disclosed.

Add Comments

Service Entry Sheet Lines

Line No.	Part No. / Description	Contract #
1	<div>Not Available</div> <div>P1</div> <div></div> <div>The cumulative sum of the unplanned subitems exceeds the limit set for contract spend. Note: The limit will not be disclosed</div>	C14-V3

Include

Part No. / Description


Type

Item Type

Qty / Unit

Price

Subtotal



10000

Service

Unplanned Adhoc

1EA

\$5,000.00 US

\$5,000.00 US

Delete

CONTRACT DETAILS

Contract #: C14-V3

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Example: Contract limit exceeded in invoice creation with auto-generation of service sheet

In this example, an error message tells the user that the contract limit is exceeded. The limit is not disclosed.

Line Items

3 Line Items, 3 Included, 0 Previously Fully Invoiced

Insert Line Item Options

☐ Tax Category:

☐ Discount

Add to Included Lines

<input type="checkbox"/>	No.	Include	Type	Part #	Description	Customer Part #	Quantity	Unit	Unit Price	Subtotal	
<input type="checkbox"/>	1			LW4001	Site preparation of parcel no. 110 (3 acres) - MaxAmt 70K, UnitPrice 65K						Add/Update ▼
<input type="checkbox"/>	2	<input checked="" type="checkbox"/>	SERVICE	LW40011-001	service Mobilization and site establish - no PO tolerance		6	EA	\$100.00 USD	\$600.00 USD	

Service Period

Service Start Date:

Service End Date:

<input type="checkbox"/>	No.	Include	Type	Part #	Description	Customer Part #	Quantity	Unit	Unit Price	Subtotal
<input type="checkbox"/>	3	<input checked="" type="checkbox"/>	SERVICE	Not Available	parent_child		1	EA	\$1,000.00 US	\$1,000.00 USD

! Unplanned spend exceeds the limit set for contract spend.

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Example: Ad hoc limit exceeded in service sheet creation

In this example, an error message tells the user that the ad hoc limit is exceeded. The limit is not disclosed.

Add Comments

Add Attachments

Service Entry Sheet Lines

Line #	Part # / Description	Contract #														
▼ 1	<div><div>LW4001</div><div>Site preparation of parcel no. 110 (3 acres) - MaxAmt 70K, UnitPrice 65K</div><div><div>⚠</div>Unplanned spend exceeds the specified adhoc limit.</div></div>	<div>Add ▼</div>														
	<div><div>⚠</div>The serviced amount under this line exceeds limit.</div> <table><thead><tr><th>Include</th><th>Part # / Description</th><th>Type</th><th>Item Type</th><th>Qty / Unit</th><th>Price</th><th>Subtotal</th><th></th></tr></thead><tbody><tr><td><div><div>🟢</div></div></td><td><div>LW40011-001</div><div>service Mobilization and site establish</div></td><td><div>Service ▼</div></td><td>Planned</td><td><div>6</div>EA</td><td><div>\$100.00 USD</div></td><td><div>\$600.00 USD</div></td><td><div>Delete</div></td></tr></tbody></table>	Include	Part # / Description	Type	Item Type	Qty / Unit	Price	Subtotal		<div><div>🟢</div></div>	<div>LW40011-001</div> <div>service Mobilization and site establish</div>	<div>Service ▼</div>	Planned	<div>6</div> EA	<div>\$100.00 USD</div>	<div>\$600.00 USD</div>
Include	Part # / Description	Type	Item Type	Qty / Unit	Price	Subtotal										
<div><div>🟢</div></div>	<div>LW40011-001</div> <div>service Mobilization and site establish</div>	<div>Service ▼</div>	Planned	<div>6</div> EA	<div>\$100.00 USD</div>	<div>\$600.00 USD</div>	<div>Delete</div>									

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Example: Ad hoc limit exceeded in invoice creation with auto-generation of service sheet

In this example, an error message tells the user that the ad hoc limit is exceeded. The limit is not disclosed.

Category: ☐ Discount

Add to Included Lines

Type	Part #	Description	Customer Part #	Quantity	Unit	Unit Price	Subtotal
	LW4001	Site preparation of parcel no. 110 (3 acres) - MaxAmt 70K, UnitPrice 65K					
<div>Add/Update</div>							
! The cumulative sum of the unplanned subitems exceeds the specified adhoc limit. Note: The limit will not be disclosed.							
Type	Part #	Description	Customer Part #	Quantity	Unit	Unit Price	Subtotal
SERVICE	LW40011-001	service Mobilization and site establish - no PO tolerance		0	EA	\$100.00 USD	\$0 USD
ified.							
Type	Part #	Description	Customer Part #	Quantity	Unit	Unit Price	Subtotal
SERVICE	Not Available	parent_child		0	EA	\$1,000.00 USD	\$0 USD
ified.							
Type	Part #	Description	Customer Part #	Quantity	Unit	Unit Price	Subtotal
SERVICE	<div>unplanned1</div>	<div>unplanned1</div>	<div>unplanned1</div>	<div>1</div>	<div>EA</div>	<div>\$1,000.00 U\$</div>	<div>\$1,000.00 U\$</div>
Service Start Date: <div></div>				Service End Date: <div></div>			
<div>Delete</div>		<div>Add</div>					
<div>Update</div> <div>Save</div> <div>Exit</div> <div>Next</div>							

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Example: Contract and ad hoc limit exceeded in invoice creation with auto-generation of service sheet

In this example, several error messages tell the user that both the contract and ad hoc limits are exceeded. The limits are not disclosed.

Discount

Add to Included Lines

Part #	Description	Customer Part #	Quantity	Unit	Unit Price	Subtotal
LW4001	Site preparation of parcel no. 110 (3 acres) - MaxAmt 70K, UnitPrice 65K					
<div>Add/Update</div> <div>! The subtotal under this line exceeds limit.</div> <div>! Unplanned spend exceeds the specified adhoc limit.</div> <div>! Unplanned spend exceeds the limit set for contract spend.</div>						
Part #	Description	Customer Part #	Quantity	Unit	Unit Price	Subtotal
LW40011-001	service Mobilization and site establish - no PO tolerance		6	EA	\$100.00 USD	\$600.00 USD

Service Start Date: Service End Date:

Part #	Description	Customer Part #	Quantity	Unit	Unit Price	Subtotal
Not Available	parent_child		1	EA	\$1,000.00 US	\$1,000.00 USD
i079024_catalog1	New Plant with 3 values		1	EA	\$10.00 USD	\$10.00 USD

Service Start Date: Service End Date:

Part #	Description	Customer Part #	Quantity	Unit	Unit Price	Subtotal
unplanned	unplanned	unplanned	1	EA	\$2,500.00 US	\$2,500.00 US

Service Start Date: Service End Date:

Add

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cXML changes

Ariba Network added the following two new optional cXML extrinsics to *BlanketItemDetail* to support validation of limits in Ariba Network:

- *MaxContractAmount*
- *MaxAdhocAmount*

Sample code:

```
<BlanketItemDetail>
  <Description xml:lang="en"> Description goes here!</Description>
  <MaxAmount>
    <Money currency="USD">70000</Money>
  </MaxAmount>
  <MaxContractAmount>
    <Money currency="USD">50000</Money>
  </MaxContractAmount >
  <MaxAdhocAmount>
    <Money currency="USD">20000</Money>
  < /MaxAdhocAmount >
  <UnitPrice><Money currency="USD">5000</Money></UnitPrice>
  <UnitOfMeasure>EA</UnitOfMeasure>
  <Classification domain="ascc">606501</Classification>
  <Extrinsic name="Construction"></Extrinsic>
  <Extrinsic name="ServicePeriod">
    <Period endDate="2013-09-01T23:59:59-00:00" startDate="2012-07-12T00:00:00-00:00"></Period>
  </Extrinsic>
</BlanketItemDetail>
```

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