



SAP Ariba 

Feature at a Glance

Specifying price limits for contract items

Roberto Valdovinos, SAP Ariba
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Feature at a Glance

Introducing: Specifying price limits for contract items

Ease of implementation  Some complexity
Geographic relevance  Global

Customer challenge

Today, contract terms allow a user to define different pricing conditions, such as volume based pricing or discounts or term based pricing. However, term based pricing only allows a user to define a date from which the price is applicable, not a date range nor a valid minimum and maximum price range that a supplier may submit.

Meet that challenge with SAP Ariba

This feature enables users to define different price limits for different time periods based on which prices of contract items that suppliers add to service sheets and contract-based invoices are to be validated.

Experience key benefits

This feature provides greater flexibility in the way that pricing and discounts may be defined on contracts.

Solution area

SAP Ariba Buying
SAP Ariba Buying and Invoicing
SAP Ariba Catalog

Implementation information

This feature is automatically on for all customers with the applicable solutions but requires **customer configuration**.

Prerequisites and Restrictions

This feature is applicable only to contract items that supplier users add to service sheets and contract-based invoices when they punch-in to the SAP Ariba solution from Ariba Network.

To use this feature, the *ReferenceDateOnServiceSheet*, *ReferenceDateDefaultOnServiceSheet* and *Allow Supplier To Edit Contract Price* features must be previously enabled.

Feature at a Glance

Overview: **Specifying price limits for contract items**

This feature enables a contract agent to define price limits with minimum and maximum price values that are valid for specific time periods.

- The price limit may be **value based** defined by a minimum and maximum price for a specific date range or **scaled factor based**, where you define the minimum price as a value and specify a scale factor as a percentage to derive the maximum price.
- When the supplier user enters a price for the item in the process of creating a service sheet or a contract-based invoice, the SAP Ariba solution validates whether the price is within the specified limit for the selected reference date.
- Users are prevented from adding items if the price that they define for an item is not within the price limits defined for the specified reference date or there is no price limit defined for the reference date.
- Date ranges cannot overlap for different price limit ranges
- Date ranges may have gaps during which time no pricing will be provided
- Price limits may be maintained through the user interface when defining the Pricing Terms of an Item Contract
- Price limits may be loaded through a CSV file (PriceLimits.csv)

Feature at a Glance

Overview: Setting up Price Limits

In the “Add/Edit Item Level Pricing Terms” screen of the Pricing Terms of a contract in SAP Ariba Buying, a new option to define “Price Limits” has been added.

Pricing and Discounts

If a discount applies to this item, select the discount type and enter the appropriate value. To apply multiple discount rates, select tiered pricing. Discounts may default from a sourcing event.

Discount: None

Tiered Pricing: [Define Tiers](#)

Term Based Pricing: [Define Terms](#)

Advanced Pricing: [Define Advanced Terms](#)

Price Limits [Define Price Limits](#)

Allow Supplier to Edit Unit Price: Yes No ⓘ

Allow Supplier to Edit Unit Price should be set to “Yes”

Feature at a Glance

Overview: Price Limit “Types”

- When defining Price Limits, the user may define which price limits are Value based or Scale Factor Based.

The screenshot shows the 'Price Limits' dialog box. At the top right are 'OK' and 'Cancel' buttons. Below the title bar is a description: 'Define time periods and price limits based on which the price of items that suppliers add to service sheets and contract-based invoices are to be validated.' The 'Type' dropdown menu is open, showing 'Value Based' as the selected option and 'Scale Factor Based' as an alternative. Below this is a table with columns for 'Start Date', 'End Date', 'Minimum Price', and 'Maximum Price'. The table contains two rows of data:

Start Date	End Date	Minimum Price	Maximum Price
07/10/2019	07/31/2019	\$80.00	USD+ \$130.00
08/01/2019	12/31/2019	\$80.00	USD+ \$150.00

At the bottom of the dialog are 'Delete', 'Add', and 'Validate' buttons.

- Date ranges cannot overlap and will provide a warning when validating.

The screenshot shows the 'Price Limits' dialog box with a red warning banner at the top that reads 'There is an overlap in dates.' The 'Type' dropdown is set to 'Value Based'. The table below shows two rows of data:

Start Date	End Date	Minimum Price	Maximum Price
07/10/2019	07/31/2019	\$80.00	USD+ \$130.00
07/28/2019	08/29/2019	\$80.00	USD+ \$150.00

The 'Validate' button is highlighted in blue, indicating it is the active action.

Feature at a Glance

Overview: Specifying price limits for contract items

When creating a service sheet, users are prevented from adding items if the **price** that they define for an item is not within the price limits defined for the specified **reference date** or there is no price limit defined for the **reference date**.

Line Items Show Details

No. ↑	Supplier Part #	Description	Qty	Unit	Price	Currency	Amount	
1.1	plc1	C1 consultant	1	hour	\$200.00	USD	* \$200.00 USD	Less

Reference Date: * Tue, 06 Aug, 2019 📅 ⓘ

Full Description: C1 consultant

Type: Catalog Item

Purch Org: 3000 (IDES USA)

The price for this contract item is not within the specified range (\$80.00 USD-\$160.00 USD)

Error

⚠ No price limits for the selected reference date have been defined in the contract. Either select a different date or review the price limits.

1.2	plc2	C2 consultant	1	hour	\$120.00	USD	\$120.00 USD	Less
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Reference Date: * Tue, 06 Aug, 2019 📅 ⓘ

Full Description: C2 consultant

Type: Catalog Item

Purch Org: 3000 (IDES USA)

Feature at a Glance

Overview: Specifying price limits for contract items

The reference date will determine the term based price range that will apply on the Service Sheet and will validate the price input by user on the Service Sheet.

The reference date on the Service Sheet may be manually input by the user and/or defaulted according the below parameters:

Parameter	Value	Default Value		
Application.ServiceSheet.EnableReferenceDateDefaultingForContractBasedServiceSheet	<input checked="" type="radio"/> Yes <input type="radio"/> No	No	Reset	Details
Application.ServiceSheet.EnableReferenceDateForContractBasedServiceSheet	<input checked="" type="radio"/> Yes <input type="radio"/> No	No	Reset	Details
Application.ServiceSheet.ReferenceDateDefaultingFieldsForContractBasedServiceSheet	ServiceEndDate, ServiceDate, CurrentDate, ServiceStartDate, ServiceLineStartDate, ServiceLineEndDate, NoValue	Edit	ServiceEndDate, ServiceDate, CurrentDate, ServiceStartDate, ServiceLineStartDate, ServiceLineEndDate, NoValue	Reset Details