

# SAP MM - OUTLINE AGREEMENT

[http://www.tutorialspoint.com/sap\\_mm/sap\\_mm\\_outline\\_agreement.htm](http://www.tutorialspoint.com/sap_mm/sap_mm_outline_agreement.htm)

Copyright © tutorialspoint.com

Vendor selection is an important process in procurement cycle. Vendors can be selected by quotation process. Once vendors are short-listed by organization, it enters into agreement with a certain vendor to supply certain items with certain conditions and typically when agreement is reached a formal contract is signed with the vendor. So, outline agreement is a long term purchasing agreement with vendor. The key points about outline agreement are as follows:

- Outline agreement is a long term purchasing agreement with vendor containing terms and conditions regarding the material that is supplied by vendor.
- Outline agreement are valid up to certain period of time and cover a certain predefined quantity or value.

Outline agreement is of following two types.

- Contract
- Scheduling Agreement

## Contract

Contract is a long term outline agreement between vendor and ordering party over predefined material or services over certain framework of time. There are two types of contract:

**Quantity Contract:** In this type of contract overall value is specified in terms of total quantity of material to be supplied by vendor.

**Value Contract:** In this type of contract overall value is specified in terms of total amount to be paid for that material to the vendor.

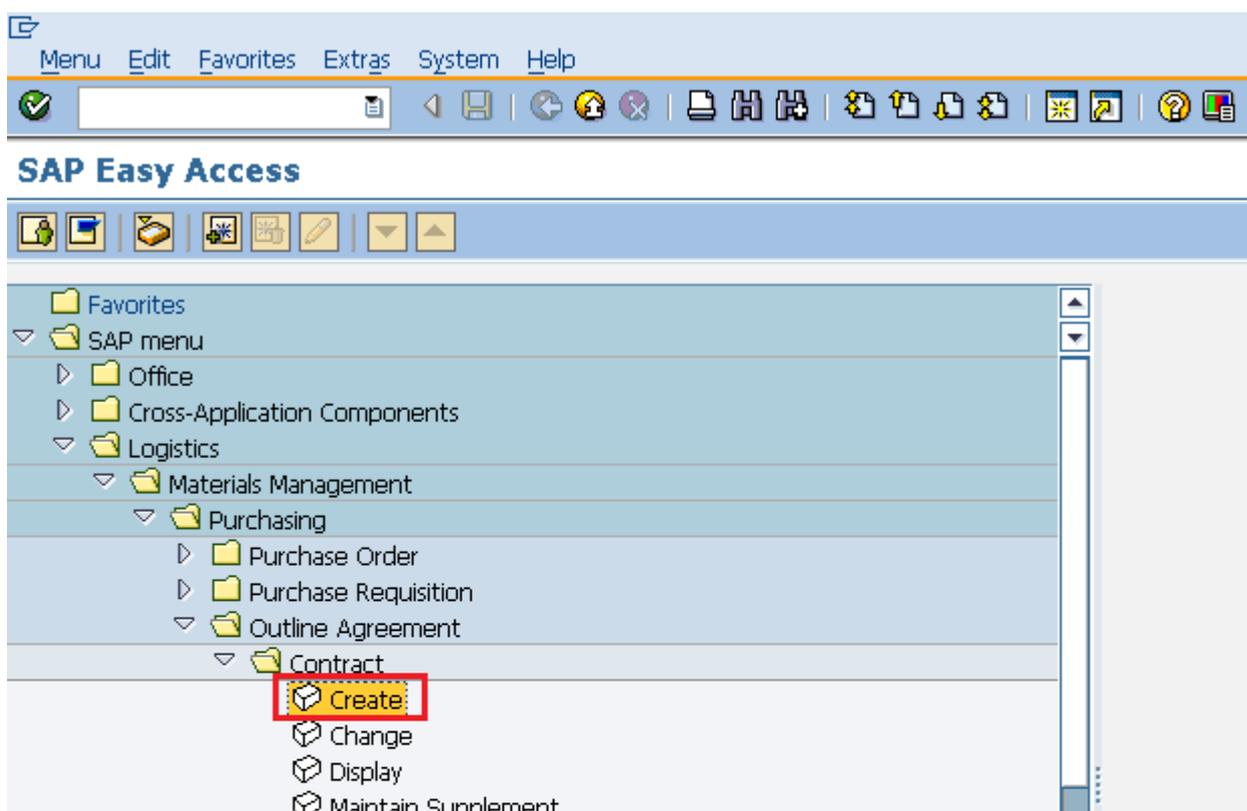
Contract can be created by following the below steps:

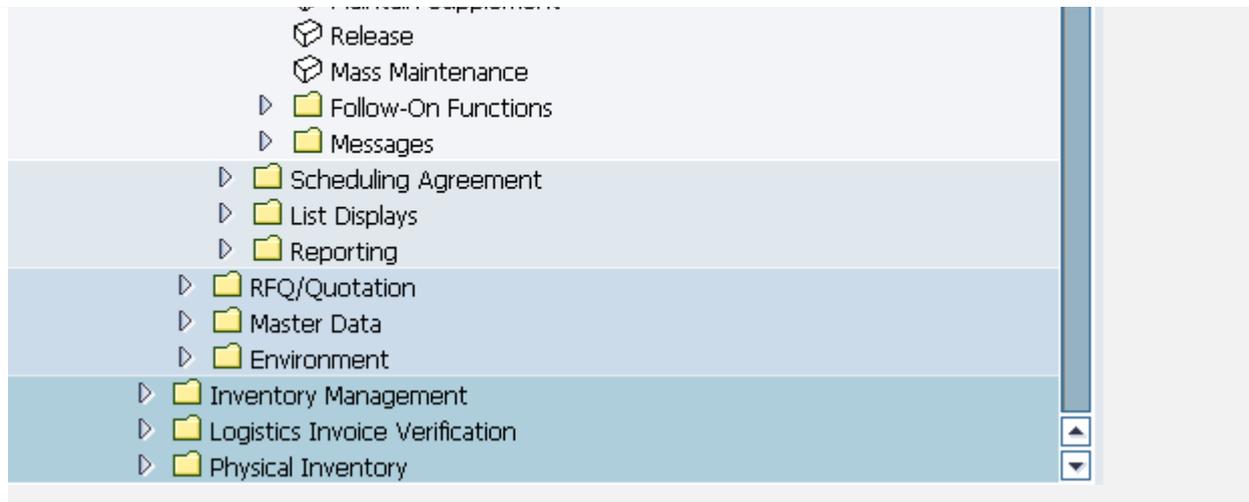
Path to create Contract:

Logistics => Materials Management => Purchasing => Outline Agreement => Contract => Create

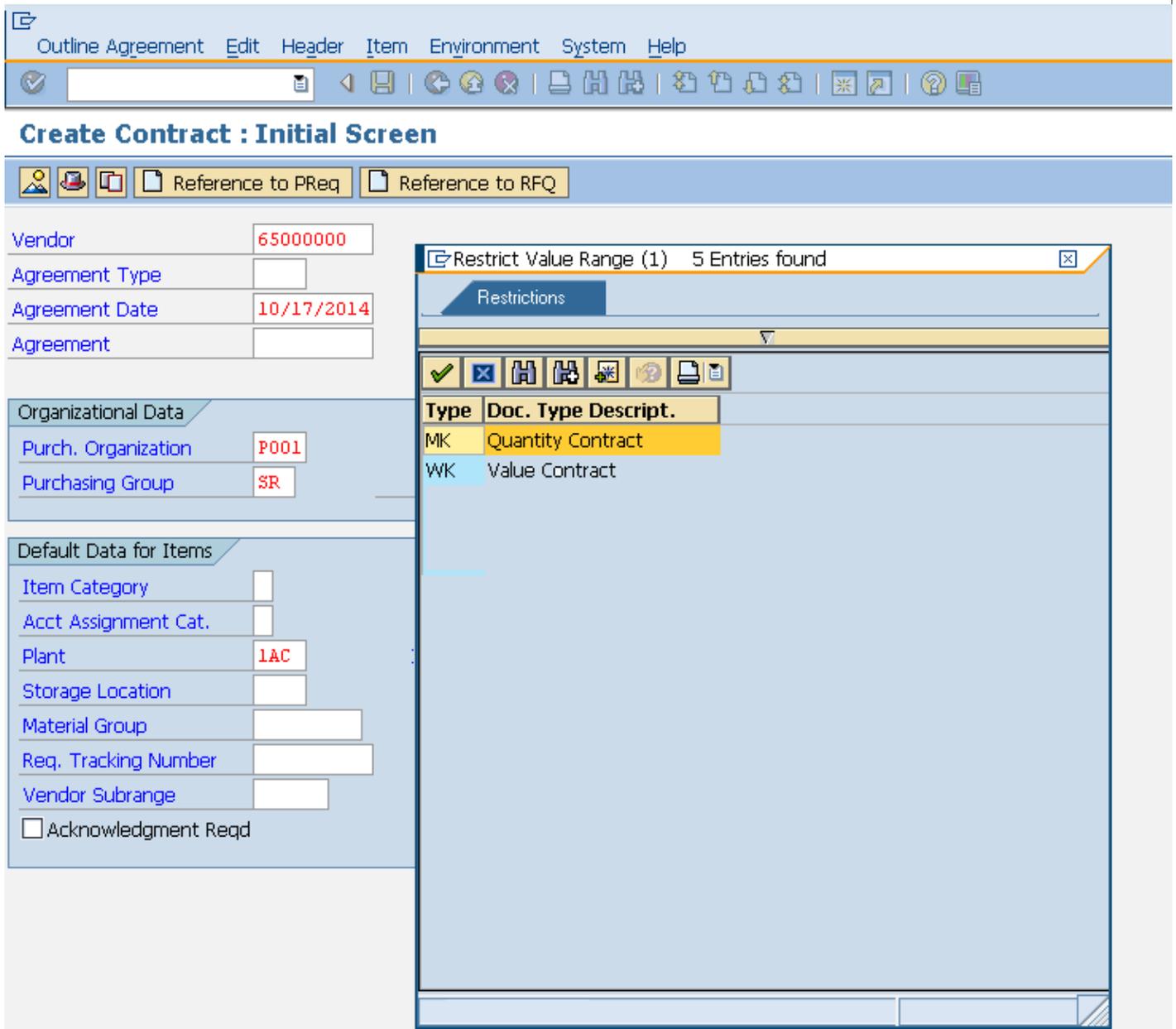
TCode: ME31K

On SAP Menu screen select Create execute icon by following the above path.





Provide name of vendor, type of contract, purchasing organization, purchasing group and plant along with agreement date.



Fill in all necessary details like agreement validity start date, end date, pay terms *eterms of payment*.



## Create Contract : Header Data



Agreement		Company Code	1015	Purchasing Group	SR
Supplying Plant	9AD	Agreement Type	MK	Purch. Organization	P001
Vendor	PV9A				

### Administrative Fields

Agreement Date	10/17/2014	Item Number Interval	10	Subitem Interv.	1
Validity Start	10/17/2014	Validity End		Language	EN
<input type="checkbox"/> GR Message					

### Terms of Delivery and Payment

Payt Terms	DI	Targ. Val.		EUR		
Payment in		Days		Exch. Rate	1.26490	<input type="checkbox"/> Ex.Rate Fx
Payment in		Days		Incoterms	FO	
Payment in		Days Net				

### Reference Data

Quotation Date		Quotation	
Your Reference		Salesperson	
Our Reference		Telephone	
Suppl. Vendor	PV9A	Invoicing Party	

Provide material number along with target quantity if quantity contract or net price if value contract and material group. Click on save. A new Contract will be created.



## Create Contract : Item Overview



Agreement		Agreement Type	MK	Agmt Date	10/17/2014
Vendor	PV9A			Currency	EUR
Supplying Plant	9AD				

### Outline Agreement Items

Item	I	A	Material	Short Text	Targ. Qty	O...	Net Price	Per	O...	Mat. Grp	Plnt	SLoc	I.SL...	D	Te...
10															
20															
30															
40															
50															
60															
70															
80															
90															
100															
110															
120															
130															
140															
150															
160															



## Scheduling Agreement

Scheduling agreement is a long term outline agreement between vendor and ordering party over a predefined material or service which are procured on predetermined dates over a framework of time. Scheduling agreement can be created by following two steps:

- Creating scheduling agreement
- Maintain scheduling lines for the agreement

### Creating scheduling agreement

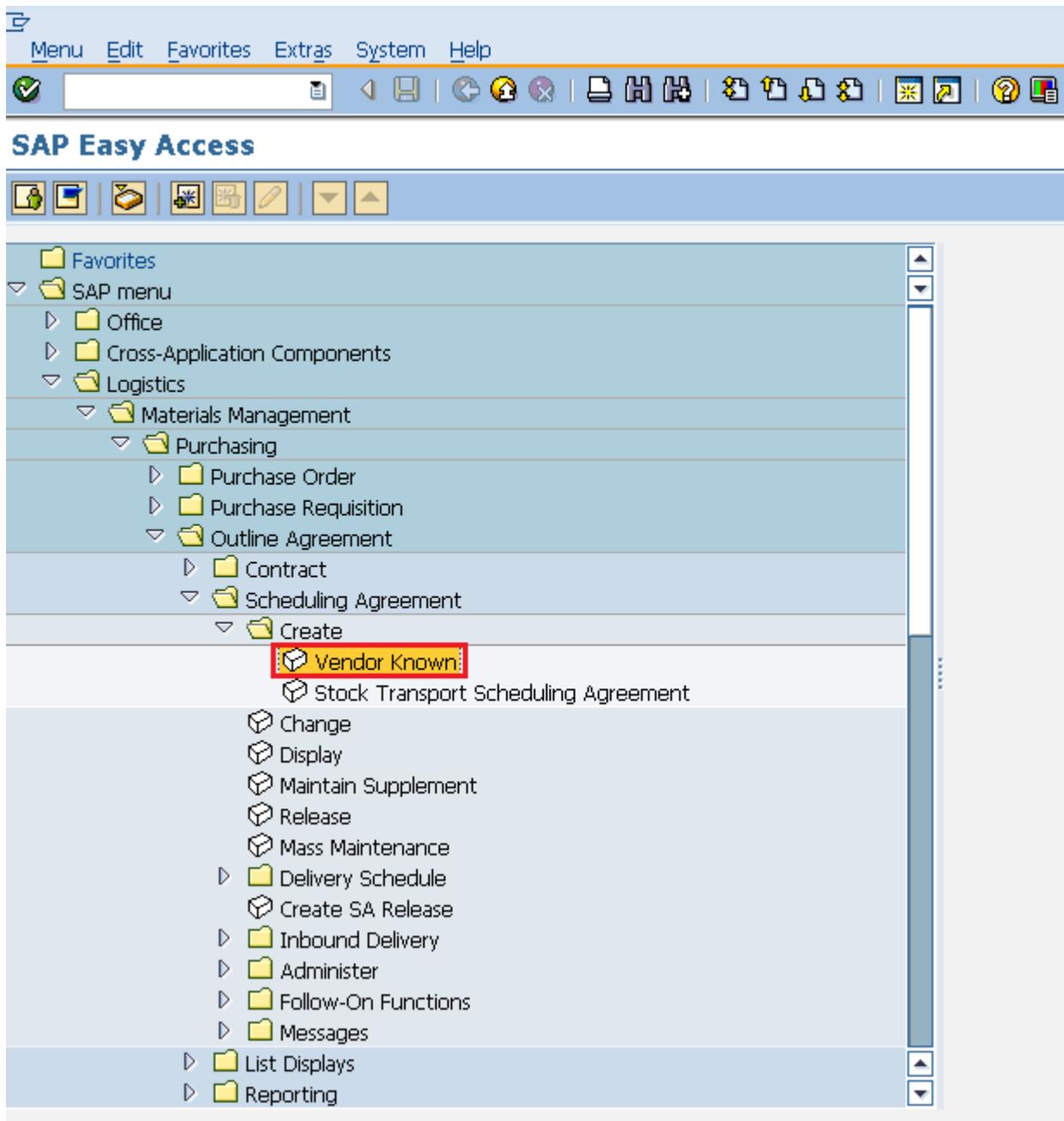
Scheduling agreement can be created by following the below steps.

Path to create Scheduling Agreement:

Logistics => Materials Management => Purchasing => Outline Agreement => Scheduling Agreement => Create => Vendor Known

TCode: ME31L

On SAP Menu screen select Create execute icon by following the above step.



Provide name of vendor, agreement type LP for scheduling agreement, purchasing organization, purchasing group, plant along with agreement date.

Outline Agreement Edit Header Item Environment System Help

Restrict Value Range (1) 4 Entries found

Restrictions

Type	Doc. Type	Descript.
LP	Scheduling Agreement	
LPA	Scheduling Agreement	

4 Entries found

Vendor: 8500002  
 Agreement Type: LP  
 Agreement Date: 10/17/2014  
 Agreement:

Organizational Data  
 Purch. Organization: P001  
 Purchasing Group: SR

Default Data for Items  
 Item Category:   
 Acct Assignment Cat.:   
 Plant: 1AC  
 Storage Location:   
 Material Group:   
 Req. Tracking Number:   
 Vendor Subrange:   
 Acknowledgment Reqd

Fill in all necessary details like agreement validity start date, end date, pay-terms *i. etermsof payment.*

Scheduling Agreement Edit Header Item Environment System Help

Create Scheduling Agreement : Header Data

Agreement:  Company Code: 1015 Purchasing Group: A0  
 Agreement Type: LP Purch. Organization: P001  
 Vendor: 65000021

Administrative Fields  
 Agreement Date: 10/17/2014 Item Number Interval: 10 Subitem Interv.: 1  
 Validity Start: 10/17/2014 Validity End:  Language: EN  
 GR Message

Terms of Delivery and Payment

**Terms of Delivery and Payment**

Payt Terms	NO	Targ. Val.		USD
Payment in	30 Days	Exch. Rate	1.00000	<input type="checkbox"/> Ex.Rate Fx
Payment in	Days	Incoterms	F0 ORIGIN	
Payment in	Days Net			

**Reference Data**

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

Provide material number along with target quantity, net price, currency and material group. Click on save. A new Scheduling Agreement will be created.

Scheduling Agreement Edit Header Item Environment System Help

**Create Scheduling Agreement : Item Overview**

Account Assignments

Agreement Agreement Type LP Agmt Date 10/17/2014  
 Vendor 6500002 Currency USD

Outline Agreement Items

Item	I	A	Material	Short Text	Targ. Qty	O...	Net Price	Per	O...	Mat. Grp	Plnt	SLoc	D	Te...
10			1000000		50.000	KG	65.00	1	KG	1200				
20														
30														
40														
50														
60														
70														
80														
90														
100														
110														
120														
130														
140														
150														
160														

### Maintain scheduling lines for the agreement

Schedule lines can be maintained for scheduling agreement by following the below steps.

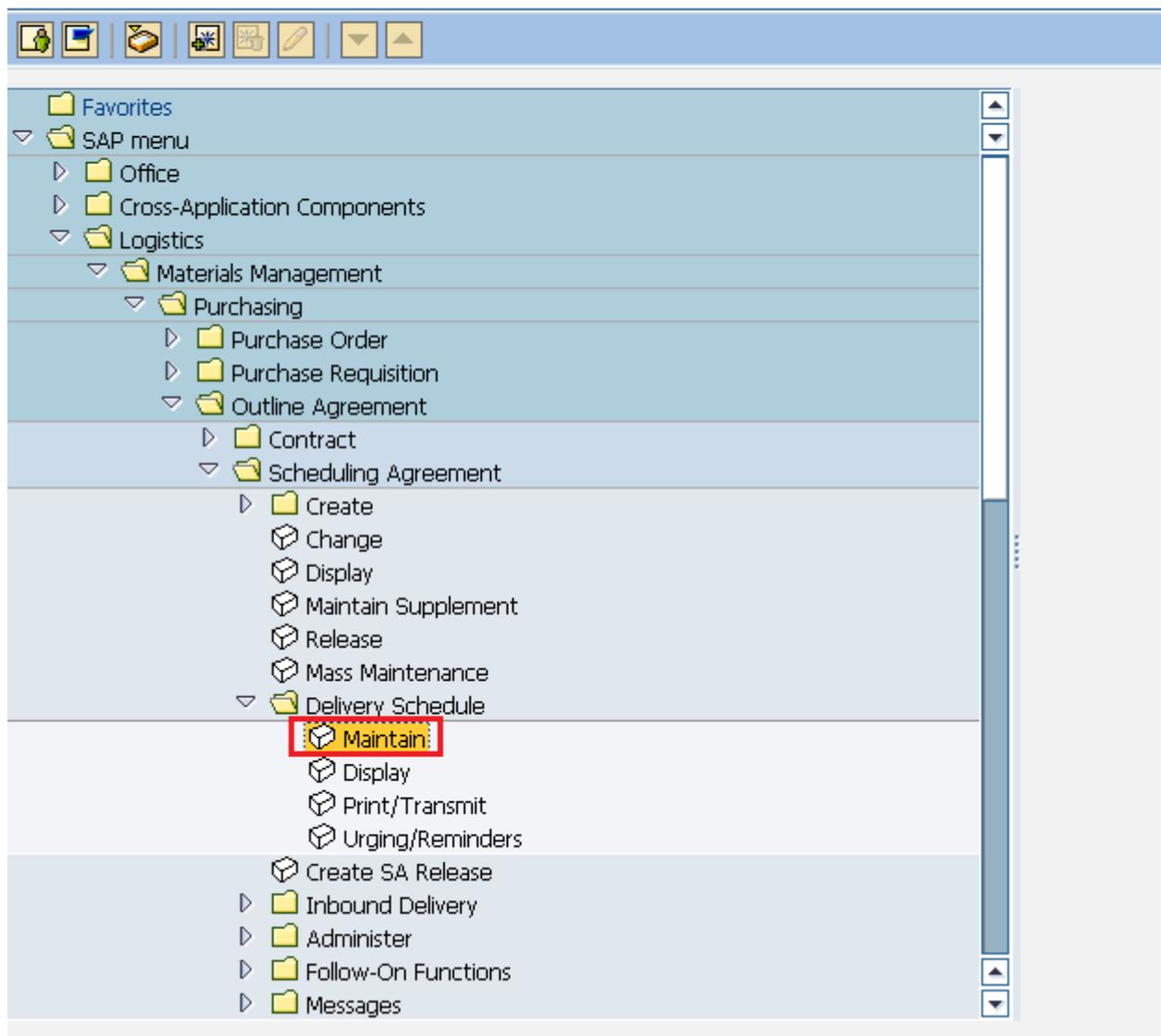
Path to maintain Schedule Lines:

Logistics => Materials Management => Purchasing => Outline Agreement => Scheduling Agreement => Delivery Schedule => Maintain

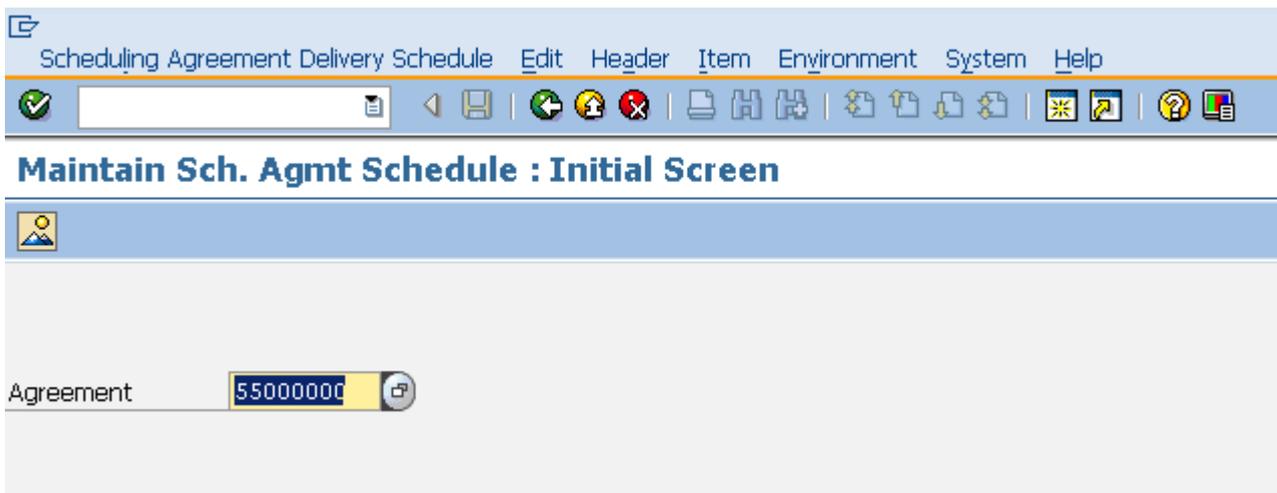
On SAP Menu screen select Maintain execute icon by following the above step.

Menu Edit Favorites Extras System Help

**SAP Easy Access**



Provide the scheduling agreement number.



Select line item. Go to Item tab. Select delivery Schedule.

