Ministry of Finance
Republic of Maldives

SAP MATERIALS MANAGEMENT MODUEL

CONTRACT MANAGEMENT END USER MANUAL

Ministry of Finance

Treasury and Public Accounts Department

Table of Contents

1. Introduction....2

2. Contract Creation....2

a) Create Contract....2

b) Approve Contract....6

3. Create PO from Contract....8

a) Conversion to a Purchase Order....8

4. Reporting....11

1. Introduction

Contract Management is a solution that helps organizations create, manage, and track contracts efficiently. It streamlines the entire contract lifecycle, from creation to monitoring and renewal. It promotes collaboration across departments, ensures compliance, and provides insights through reporting and analytics. By automating tasks, it enhances efficiency and reduces risks in contract management processes.

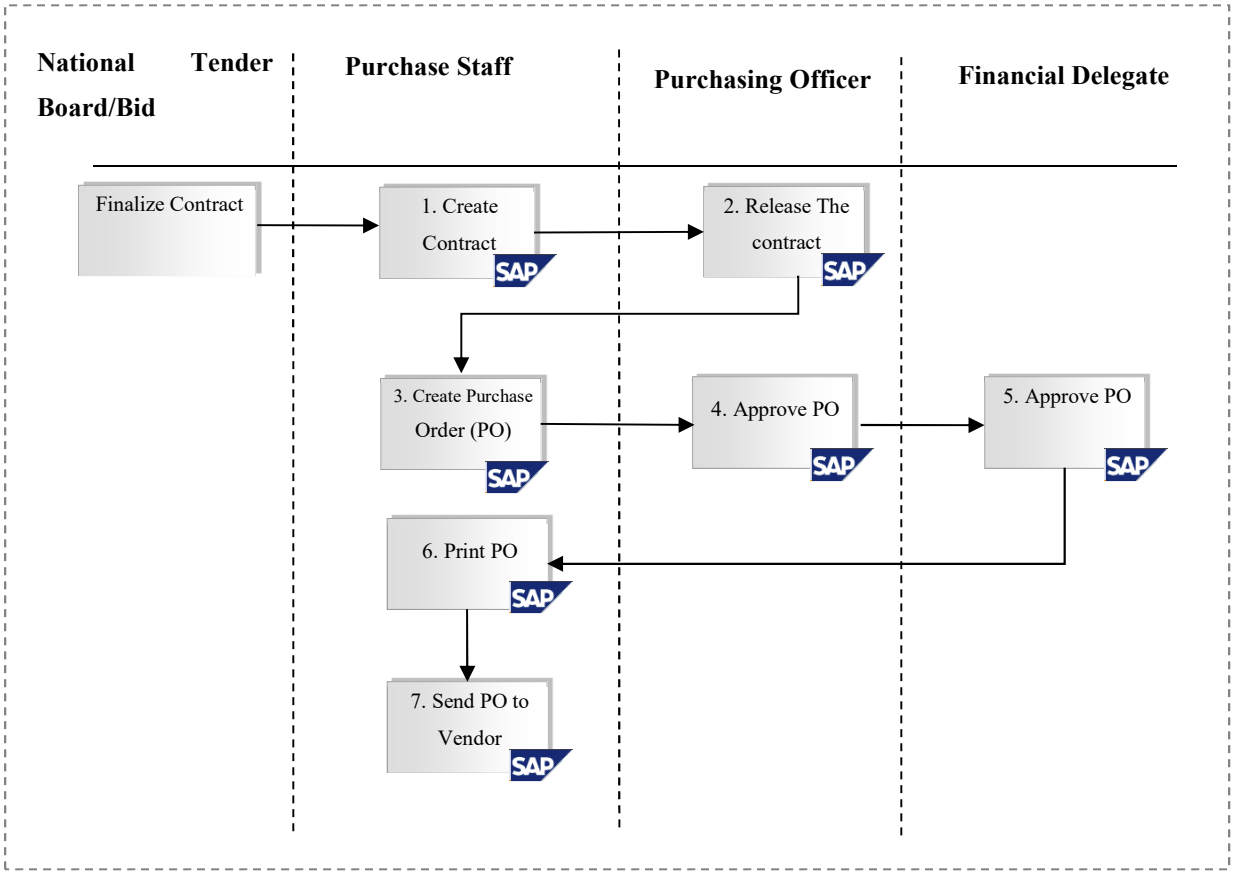


Figure 1 - Process flow diagram

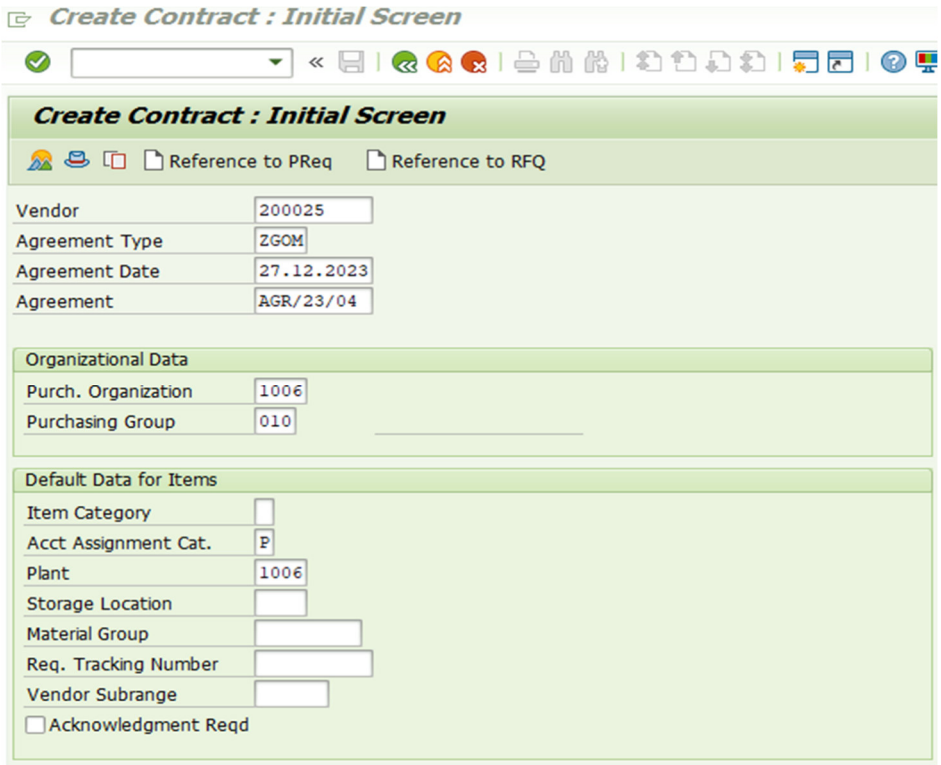
2. Contract Creation

a) Create Contract

Contract can be created using a transaction code or via the navigation path.

Menu Path: Logistics → Materials Management → Purchasing → Outline Agreement → Contract → ME31K

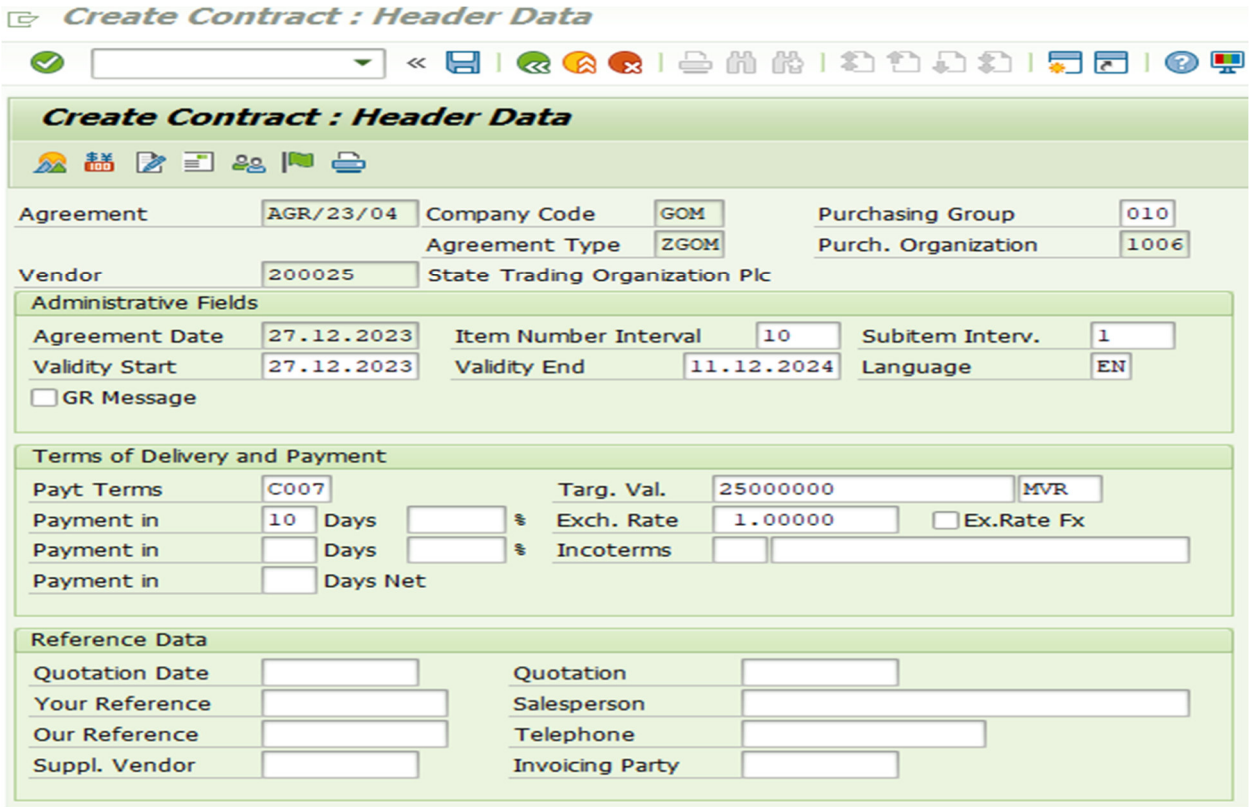
Transaction code: **ME31K**



Enter the below information accordingly per your search criteria.

SAP Screen Input field	Sample Value	Comments
Vendor account	200025	Supplier/Vendor
Agreement Type	ZGOM	The GOM Contract
Agreement Date	27.12.2023	Field is defaulted with the date of entry, but can be overwritten with the appropriate date
Purch. Organization	1006	Agency Specific
Purchasing Group	010	Purchasing Group (Agency Specific)
Agreement	AGR/23/04	Document number for the contract is determined to be either externally.
Acct Assignment Cat.	K	The account assignment for purchasing a service contract.
Plant	1006	Agency Plant (Business Area)

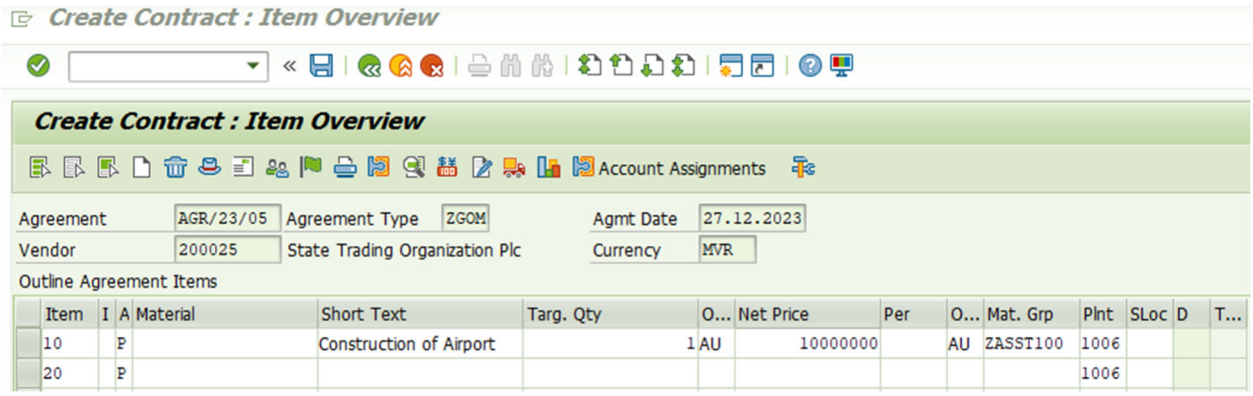
Press **Enter** system will take you to below screen.



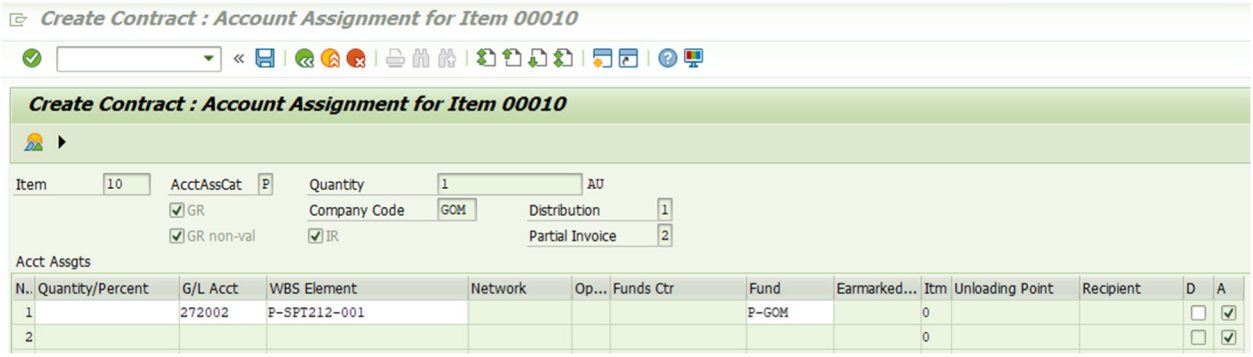
Enter the below information and press Enter

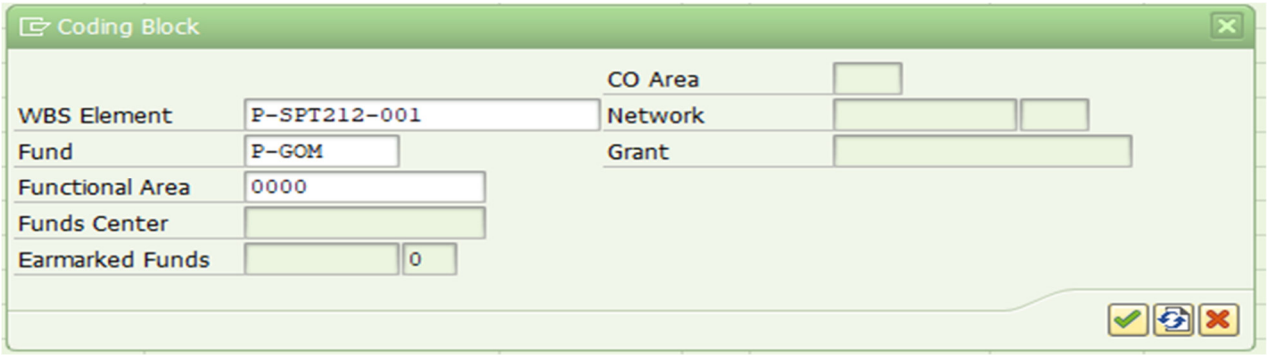
SAP Screen Input field	Sample Value	Comments
Validity End	11.12.2023	Agreement End Date
Target Val.	25,000,000.00	Total contract Value
Currency	MVR	The currency field can only be change once before the price of in the contract is maintained.
Payt Terms	C0010	Terms of Payment

Figure 2 - Create Contract: Item overview



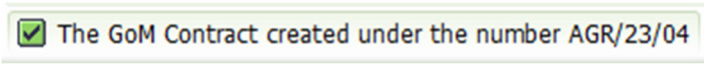
Enter the above information and press 'Enter'. Subsequently, the account assignment screen will appear, prompting to provide the G/L account, WBS Element and Fund details.





After all necessary is entered the contract can be save and awaiting to be release.

Click on the to save the Contract. Take note of the Contract number after saving at the bottom left of the screen.



b) Approve Contract

Approving a Contract using Collective Release Transaction

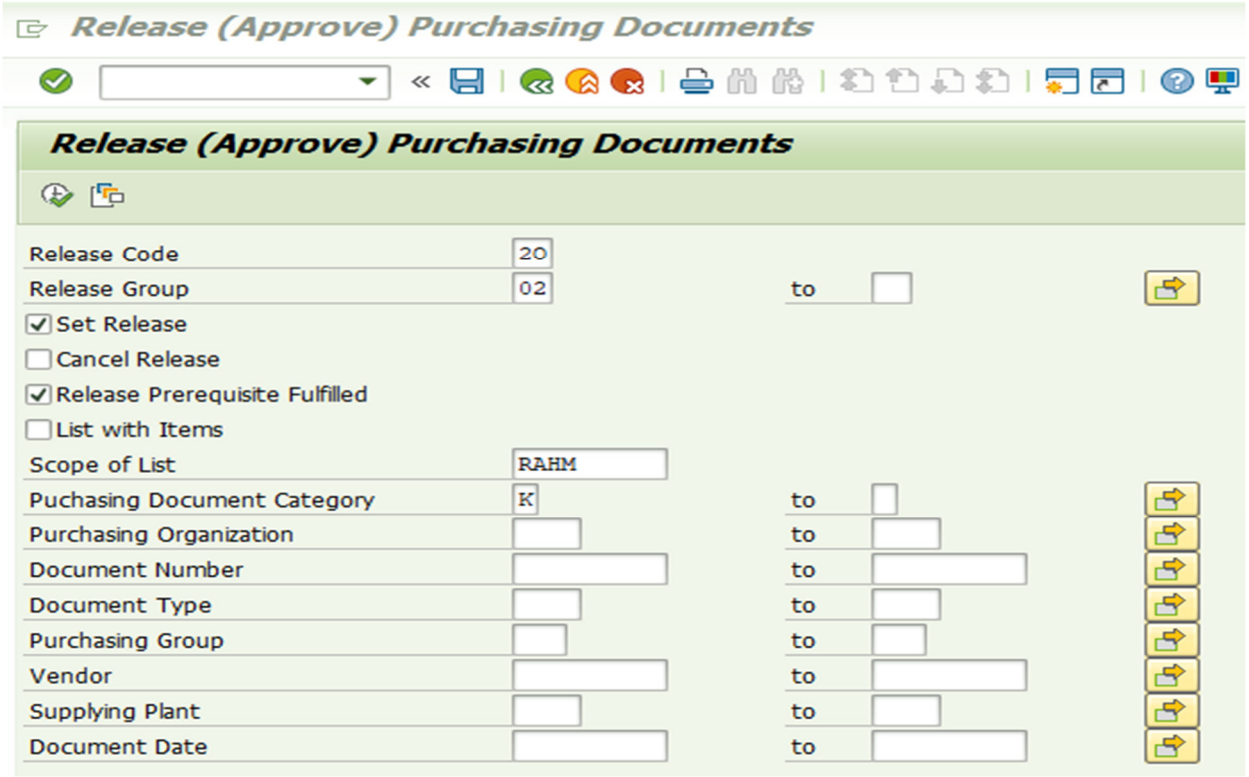
A collective release of contract allows several contracts to be approved simultaneously. A collective release of purchase order functions similarly to list display transactions. Selection criteria, such as the release code, purchasing group and plant, are entered in the initial screen. All contracts meeting the selection criteria are displayed.

The transaction code and navigation path as follow;

Menu Path: Logistics → Materials Management → Purchasing → Outline Agreement → Contract → Release (ME35K)

Transaction code : ME35K – Release

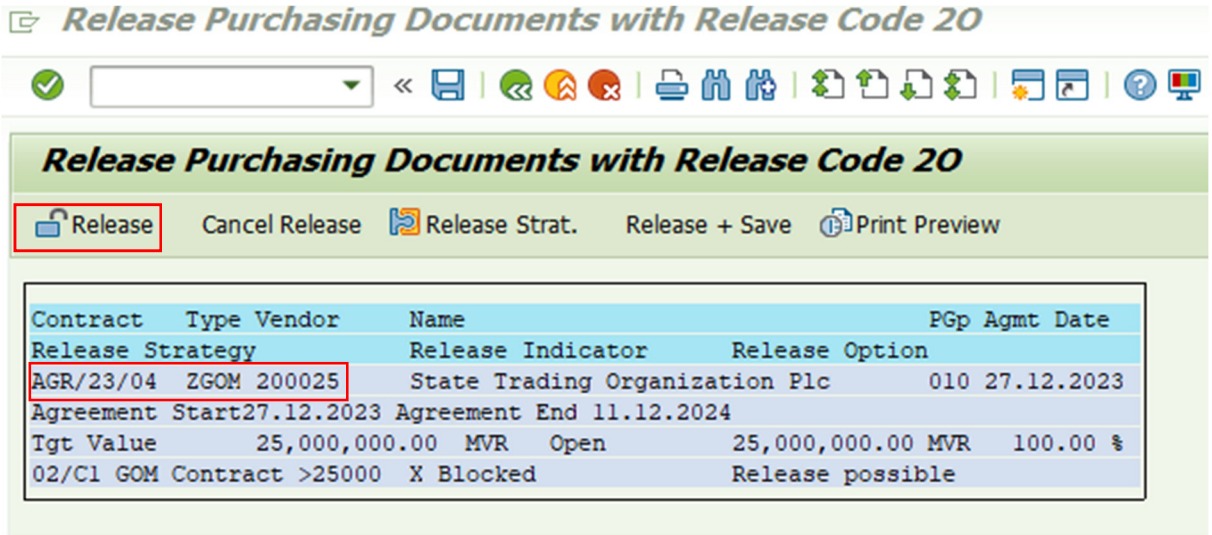
Business Process Procedure Overview
The purchasing officer will approve the contract in order for it to be converted to a release order.



The above release screen shows the list of selection criteria for listing the Contract to be release.

SAP Screen Input field	Sample Value	Comments
Release Code	2P	Release Code
Release Group	02	Release Group
Purchasing Organization	1006	Agency Specific

Entered the above and click on the execute button to process.



A list will appear to show the available contracts awaiting for approval.

Select the line to be release, and click on the Release button to perform the release of the contract. Notice the release option for that line has change from Release possible to Release Set. If there are more release to be done simply repeat the steps. Else if there is a need to cancel the release, select the item and click on the Cancel Release button.

After the selection is done, click on the save button to confirm the release. In this way, more than one line can be selected for the release at the same time.

Tips and Tricks:

The release of the contract is against the Target Value only. If the contract has an increase in the target value, the release will be trigger for re-approval.

3. Create PO from Contract

a) Conversion to a Purchase Order

A contract that has been released is ready to be converted to a Purchase Order for execution of the service. A Purchase Order has a similar screen layout as a normal purchase order.

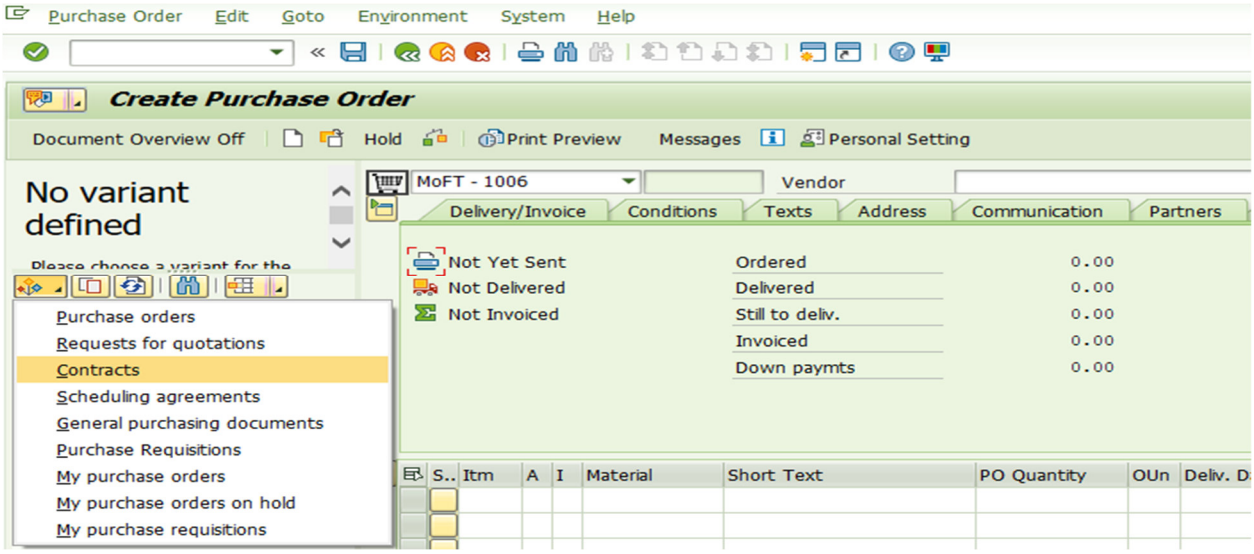
Menu Path : Logistics → Materials Management → Purchasing → Purchase Order → Create → Create (ME21N)

Transaction Code **: ME21N**

Trigger:

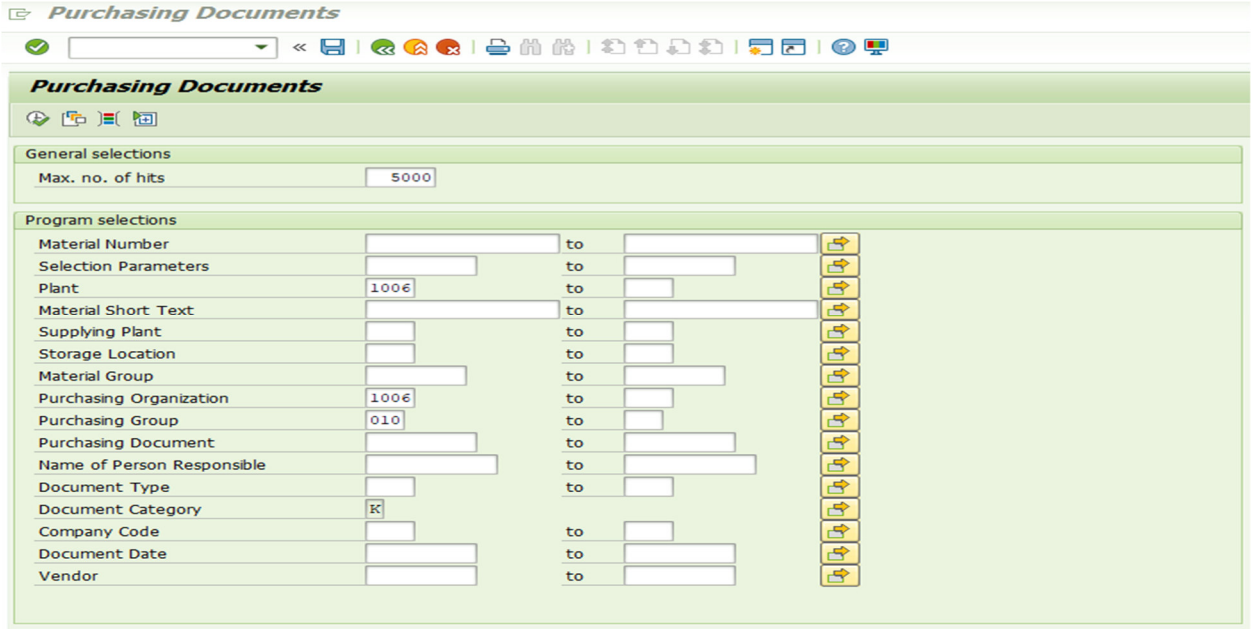
Contracts is required converting to Purchase Order.

A Purchase Order is where the execution of the process starts and once completed will requires a normal process like the purchase order. Goods receipt will be a must once to job is completed and payment will be completed through invoice verification.

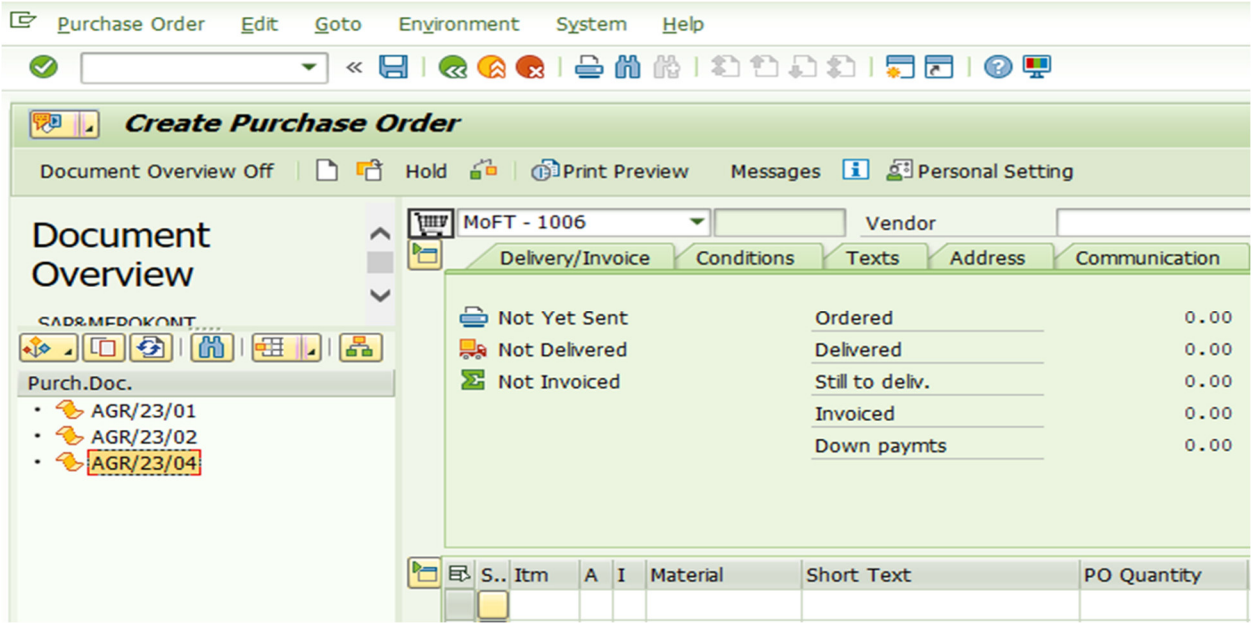


Use the document overview in the transaction (shown above), select to retrieve the Contracts.

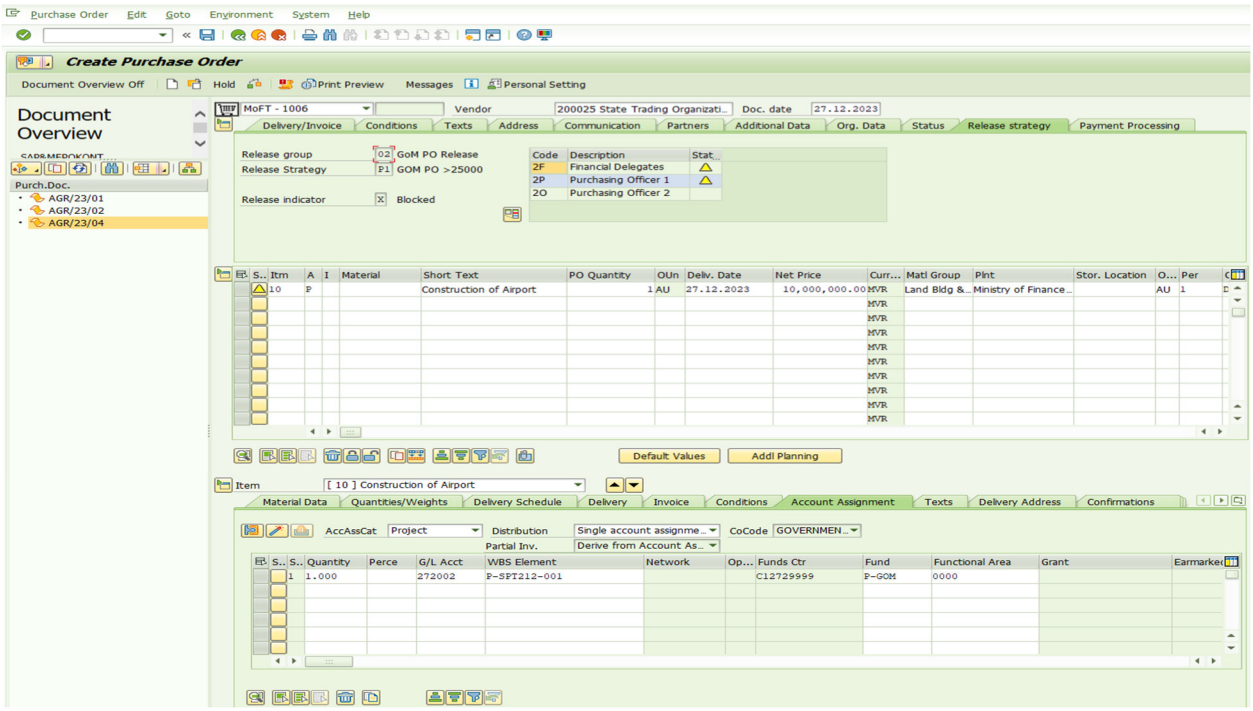
Enter the Contract document number or any other information to retrieve the contract for conversion.



Click to execute



Select the contract number in the document overview as shown above. Select the Correct Purchase Order document type and Click on the Adopt button.



Perform a check using the check button to confirm everything is in place. If the document is OK, perform a save to complete the creation of the Purchase Order. Remember to note down the Purchase Order number.

SAP Screen Input field	Sample Value	Comments
Net Price	10,000,000.00	Determined by the project completion plan, representing the work to be completed and invoiced within the current year
Matl Group	Land Bldg & Infra	Material Specify

Approve the PO using ME29N

Once Purchase Oder is created normal Goods Receipt (GR), Invoice Receipt (IR) will be carried out thereafter.

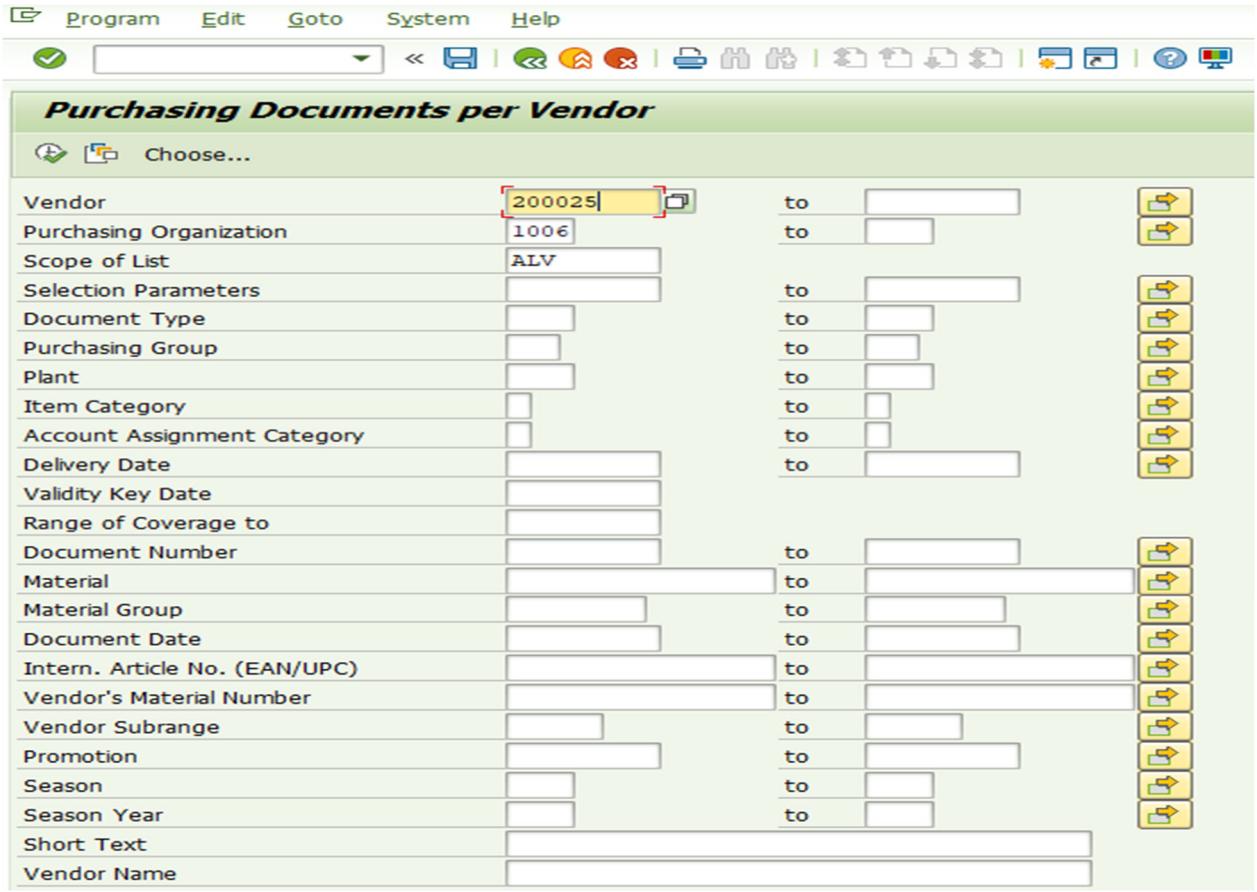
4. Reporting

1 List Displays

Menu Path: Logistics → Materials Management → Purchasing → Outline Agreement → List Displays → ME3L – By Vendor

Transaction Code: **ME3L**

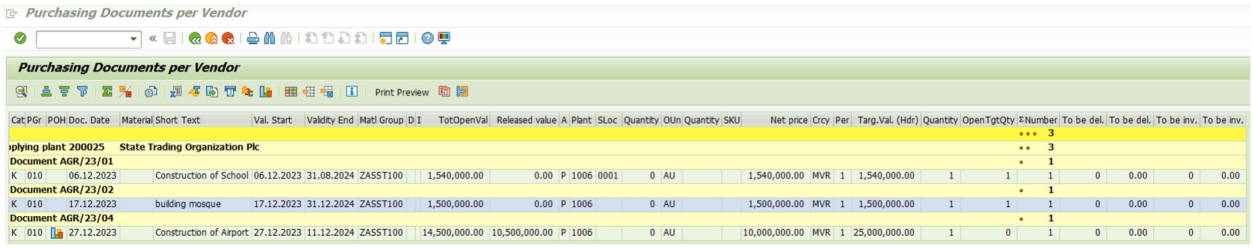
Selection screen



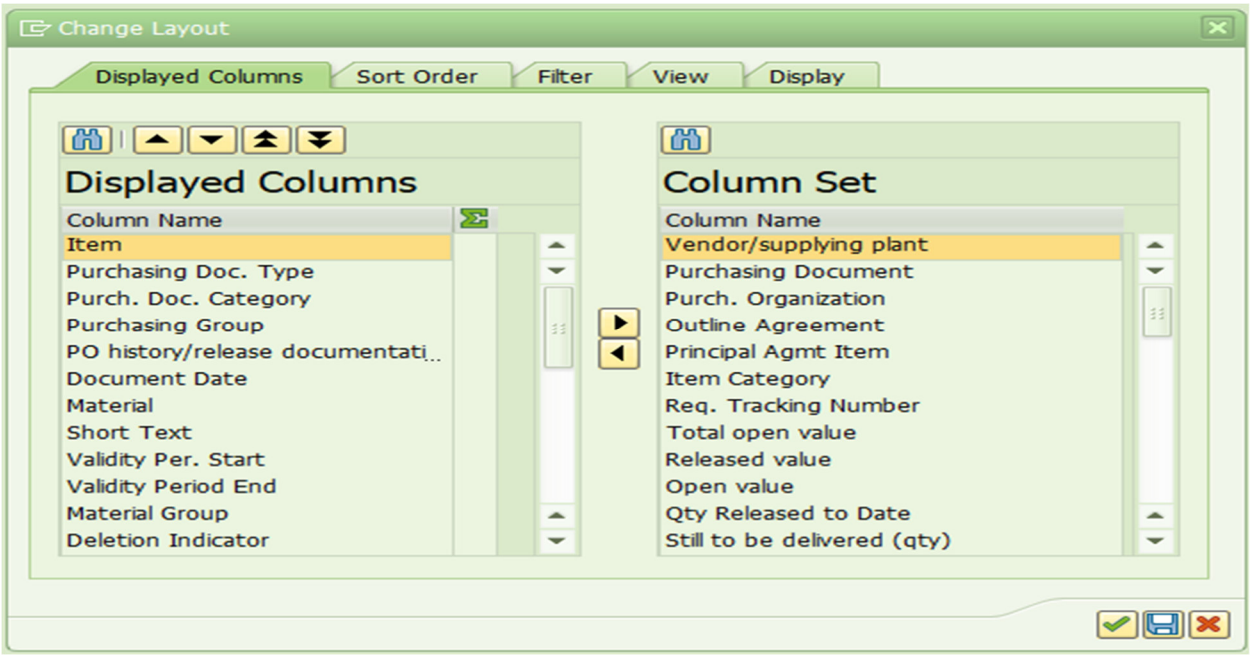
SAP Screen Input field	Sample Value	Comments
Vendor account	200025	In case report needs to be viewed for selected vendors enter respective vendor codes or keep it blank in case for full vendor master report
Purchasing organization	1006	Agency Specific
Scope of List	ALV	Enter ALV

Click on execute icon for report execution

Click on Change layout icon



Popup appears → To Add the required field from column set, Select the field and click and press to display the field in the report.



Output fields	**Comments / Remarks**
Plant	Agency Specific
Acct Assignment Cat.	Account Assignment Category (P)
Net Price	Price of the goods/services per quantity
Targ.Val.(Hdr)	Total contract Value
To be del.	Still to be delivered (Quantity)
To be del.	Still to be delivered (Value)
To be inv.	Still to be invoiced (Quantity)

To be inv.	Still to be invoiced (Value)
TotOpenVal	Pending Value
Released value	Consumed Amount

In the output shown below → Click on account assignment icon

Purchasing Documents per Vendor

Print Preview

Purch.Doc.	Item	Type	Cat	PGr	POH	Doc. Date	Mater...	Short Text	Val. Start	Validity End	Matl Group	D	I	A	Plant	Quantity	OUn	Quantity	Net price	Crcy	P...	Targ.Val. (Hdr)	Quantity
AGR/23/01	10	ZGOM	K	010		06.12.2023		Construction of School	06.12.2023	31.08.2024	ZASST100			P	1006	0	AU		1,540,000.00	MVR	1	1,540,000.00	1
AGR/23/02	10	ZGOM	K	010		17.12.2023		building mosque	17.12.2023	31.12.2024	ZASST100			P	1006	0	AU		1,500,000.00	MVR	1	1,500,000.00	1
AGR/23/03	10	ZGOM	K	298		20.12.2023		Const. of airport	20.12.2023	31.12.2025	ZASST100			P	1272	0	AU		25,000,000.0...	MVR	1	25,000,000.0...	1
AGR/23/04	10	ZGOM	K	010		27.12.2023		Construction of Airport	27.12.2023	11.12.2024	ZASST100			P	1006	0	AU		10,000,000.0...	MVR	1	25,000,000.0...	1
AGR/23/05	10	ZGOM	K	010		08.01.2024		const. of airport	08.01.2024	31.12.2025	ZASST100			P	1006	0	AU		500,000.00	MVR	1	5,000,000.00	1
AGR/23/07	10	ZGOM	K	010		08.01.2024		detention catering	08.01.2024	08.01.2025	CN099			P		0	AU		50,000.00	MVR	1	50,000.00	1
AGR/23/071	10	ZGOM	K	022		08.01.2024		medical expens	08.01.2024	10.10.2025	MD099			P		0	AU		500,000.00	MVR	1	500,000.00	1
AGR/23/08	10	ZGOM	K	010		08.01.2024		immigration building	08.01.2024	09.02.2024	SV0101			P	1029	0	AU		18,000.00	MVR	1	35,000.00	1
AGR/23/10	10	ZGOM	K	022		08.01.2024		const.of. airport	08.01.2024	31.12.2024	SV0699			P		0	AU		500,000.00	MVR	1	500,000.00	1
AGR/23/11	10	ZGOM	K	010		08.01.2024		CATERING	08.01.2024	31.12.2025	CN001			P	1006	0	AU		15,000.00	MVR	1	100,000.00	1
AGR/23/30	10	ZGOM	K	010		08.01.2024		Medical Expenses	08.01.2024	31.10.2024	SP099			P		0	AU		5,000.00	MVR	1	500,000.00	1
AGR/23/555	10	ZGOM	K	023		08.01.2024		Const of Airport	08.01.2024	07.01.2025	ZASST100			P		0	AU		50,000.00	MVR	1	500,000.00	1
AGR/23/777	10	ZGOM	K	023		08.01.2024		Supplying of 1kw Generator and Spaes	08.01.2024	08.01.2025	ZASST300			P	1013	0	AU		35,000.00	MVR	1	35,000.00	1

After pressing the button it will shows the account assignment of the Contracts. This include GLs, Fund, Functional Area, Project Code and Business Area as well.

Purchasing Documents per Vendor

Purch.Doc.	Item	SAA	Cost Ctr	WBS Element	Type	Cat	PGr	POH	Doc. Date	Material	Short Text	Val. Start	Validity End	Matl Group	D	I	A	Plant	SLoc	Quantity	OUn	OPU	Quantity	SKU	Net price	Crcy	Per	AA qty	Targ.Val. (Hdr)	C
AGR/23/01	10	1		P-SCH040-001	ZGOM	K	010		06.12.2023		Construction of School	06.12.2023	31.08.2024	ZASST100			P	1006	0001	0	AU	AU			1,540,000.00	MVR	1	1	1,540,000.00	
AGR/23/02		1		P-AIR009-001	ZGOM	K	010		17.12.2023		building mosque	17.12.2023	31.12.2024	ZASST100			P	1006		0	AU	AU			1,500,000.00	MVR	1	1	1,500,000.00	
AGR/23/03		1		P-SPT212-001	ZGOM	K	298		20.12.2023		Const. of airport	20.12.2023	31.12.2025	ZASST100			P	1272		0	AU	AU			25,000,000.00	MVR	1	1	25,000,000.00	
AGR/23/04		1		P-SPT212-001	ZGOM	K	010		27.12.2023		Construction of Airport	27.12.2023	11.12.2024	ZASST100			P	1006		0	AU	AU			10,000,000.00	MVR	1	1	25,000,000.00	
AGR/23/05		1		P-SOC048-001	ZGOM	K	010		08.01.2024		const. of airport	08.01.2024	31.12.2025	ZASST100			P	1006		0	AU	AU			500,000.00	MVR	1	1	5,000,000.00	
AGR/23/07		1		P-SOC048-001	ZGOM	K	010		08.01.2024		detention catering	08.01.2024	08.01.2025	CN099			P			0	AU	AU			50,000.00	MVR	1	1	50,000.00	
AGR/23/071		1		P-SOC048-001	ZGOM	K	022		08.01.2024		medical expens	08.01.2024	10.10.2025	MD099			P			0	AU	AU			500,000.00	MVR	1	1	500,000.00	
AGR/23/08		1		P-SOC048-001	ZGOM	K	010		08.01.2024		immigration building	08.01.2024	09.02.2024	SV0101			P	1029		0	AU	AU			18,000.00	MVR	1	1	35,000.00	
AGR/23/10		1		P-SOC048-001	ZGOM	K	022		08.01.2024		const.of. airport	08.01.2024	31.12.2024	SV0699			P			0	AU	AU			500,000.00	MVR	1	1	500,000.00	
AGR/23/11		1		P-SOC048-001	ZGOM	K	010		08.01.2024		CATERING	08.01.2024	31.12.2025	CN001			P	1006		0	AU	AU			15,000.00	MVR	1	1	100,000.00	
AGR/23/30		1		P-SOC048-001	ZGOM	K	010		08.01.2024		Medical Expenses	08.01.2024	31.10.2024	SP099			P			0	AU	AU			5,000.00	MVR	1	1	500,000.00	
AGR/23/555		1		P-SOC048-001	ZGOM	K	023		08.01.2024		Const of Airport	08.01.2024	07.01.2025	ZASST100			P			0	AU	AU			50,000.00	MVR	1	1	500,000.00	
AGR/23/777		1		P-SOC048-001	ZGOM	K	023		08.01.2024		Supplying of 1kw Generator and Spaes	08.01.2024	08.01.2025	ZASST300			P	1013		0	AU	AU			35,000.00	MVR	1	1	35,000.00	

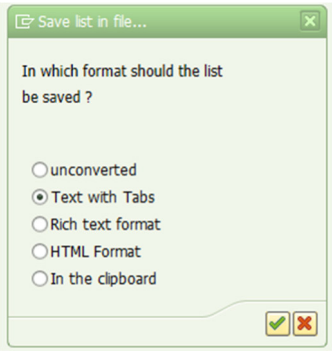
Output fields	**Comments / Remarks**
Val. Start	Contract Start date
Validity End	Contract End date
Doc. date	Date on which contract document is created
P	Account assignment category. The account assignment category determines which account assignment data (such as cost center, asset and so on) is necessary for the item. A = Asset K = Cost Center

	P = Projects
WBS Element	WBS as account assignment in case the expenses are related to project
GL Account	Respective Expenditure code
Business Area	Agency Specific
Fund	Respective Fund Center. Agency Specific

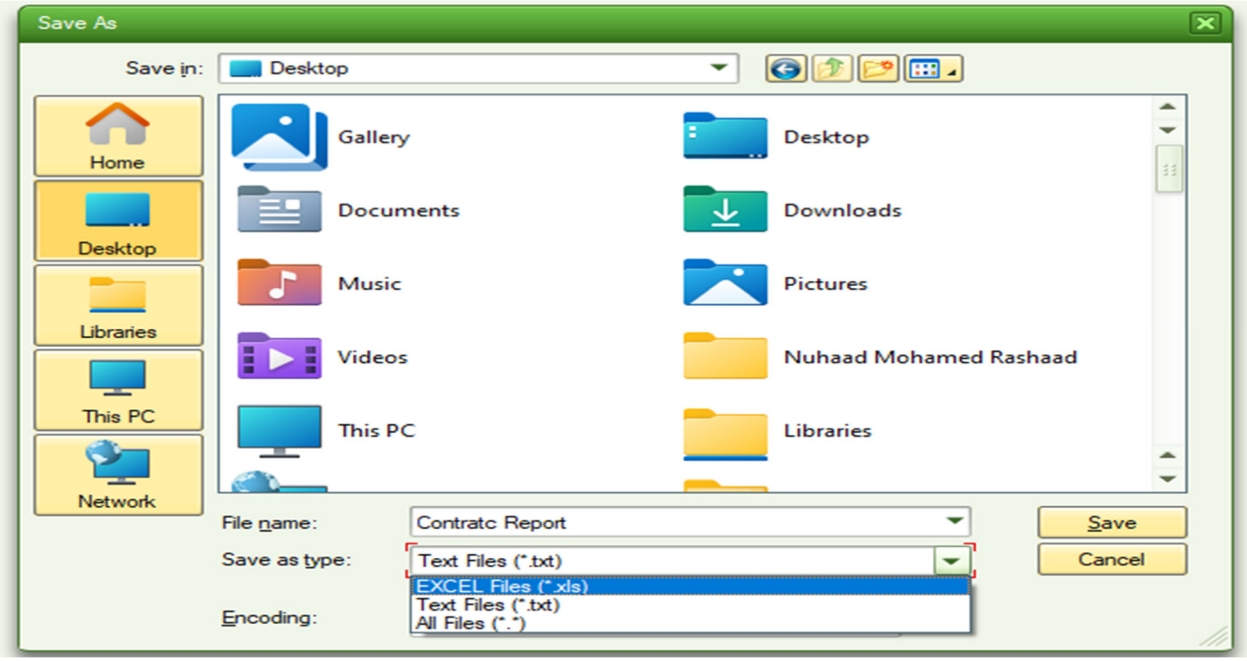
Export to Excel

Click on Save to Local file (Ctrl+Shift+F9)

Click Save to Local file (shown above) -> Popup appears->Select Text with Tabs >Select Ok



Popup appears to enter file destination on local PC -> Select directory (destination) and enter desired file name. To change the file format, press the dropdown box and choose the desired file format and enter the file name and then press save Save button.



After that, press Generate to export the report to desired format.