

Quick Start: Create Purchase Blanket Agreement

The following details the process by which to set up a new Purchase Blanket Agreement. This is a companion article to a video Webinar that specifically outlines Hop/Purchasing Contracts.

Overview

Blanket agreements are long-term contracts between a purchasing organization and a vendor, or a sales organization and a customer, for the supply of items or services over a period of time based on pre-defined terms and conditions. Blanket agreements can be used as a basis for expected revenue forecasts, quantity reservation, and for Material Requirements Planning (MRP)

Below, you'll find that we've broken down the process based upon the two different <u>Agreement</u> <u>Types</u> - General and Specific:

- <u>General</u> blanket agreements are used to track fulfillment of terms to obtain a special bonus at year end. For example, for selling or purchasing a certain quantity of an item or for achieving a defined turnover.
- <u>Specific</u> blanket agreements: Are used to track fulfillment of terms to obtain a special discount for the individual sales or purchasing transaction. They are also used to determine a delivery schedule, for example, by defining at which intervals which quantity of goods should be delivered.

Getting Started

The **Purchase Blanket Agreement** can be easily found in Orchestrated as the first topic under the **Purchasing - A/P** module.





Steps for Agreement Creation

General Agreement

Additional steps for <u>Specific Agreement</u> found below

- 1. Upon opening a **Purchase Blanket Agreement** you'll notice that it's in *Find* mode, so you'll want to click on the **Binoculars** in the toolbar or key **ctrl-A** to change over to *Add* mode.
- 2. In the General Area (header), specify the following:
 - BP Code or Name
 - Start Date
 - o <u>End Date</u>



- 3. Optional: In the <u>Description</u> field, enter a short description of the agreement.
- 4. On the <u>General</u> tab, select the <u>Agreement Type</u> (General or Specific)
 - Specify the <u>Status</u> of the agreement
 - Note: You can create sales and purchasing documents associated with a blanket agreement only if the blanket agreement has the status <u>Approved</u> or <u>Terminated</u>. If the status is <u>Terminated</u>, the posting date of the document must be within the date range of the agreement, that is, between the start date and the termination date.
 - Choose whether to use the prices you specify on the <u>Items</u> tab of the blanket agreement or to use the prices defined in the price list. In the latter case, leave the **Ignore Prices Specified in Blanket Agreement** checkbox selected.
 - If you want a reminder to appear before the blanket agreement expires, select the <u>Renewal</u> checkbox.
- 5. On the <u>Items</u> tab, specify at least one item, and the prices and quantities governed by the agreement.

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* If completing a <u>Specific Agreement Type</u>:



To enter detailed information, such as the intervals at which items should be released against the blanket agreement, double-click a specific item line within the <u>Details</u> tab.

The Blanket Agreement Details window appears.

- 1. Enter the following mandatory information:
 - Frequency
 - From and To date
 - o <u>Quantity</u>
 - o Consume Forecast
- 2. After you have made your entries in the <u>Blanket Agreement Details</u> window, choose **Update** and **OK**.