Jharkhand Bijli Vitran Nigam Limited.

MATERIALS MANAGEMENT

USER MANUAL

PROCUREMENT OF MATERIALS

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SAP MM – Procurement of Material

Every organization acquires material to complete its business needs. The process of buying materials and obtaining services from vendors or dealers is procurement. Procurement process should be done in such a way that it is ordered in correct quantity, with a proper value at the proper time.

Procurement of Material having following Steps:

1) Purchase Requisition Process
2) Enquiry / Tendering Process
3) Purchase Order(Contract)
4) Purchase Order (Dispatch Instruction)

1 Purchase Requisition Process:

Procurement in every organization starts with gathering requirements. Once requirements are gathered, we need to inform the purchasing organization. A Purchase Requisition is a document that contains a list of requirements. The key points to note about a purchase requisition are as follows:

➢ A purchase requisition is a request that is made to the purchasing organization to procure a certain list of materials.
➢ It is an internal document and remains within the organization.
➢ If a purchase requisition has already been approved, then it can be modified only to a limited extent.

Purchase Requisition (PR) is an internal purchasing document in SAP. It is used to give notification to responsible department (purchasing/procurement) of requirements of materials and/or external services and keep track of such requirements.

It authorizes the Purchasing department to purchase materials or services in specific quantities within a specified time frame. As an approval process it is a check on budget availability. If the funds are not available, the Department manager or authorized personnel take a decision to release or not to release purchase requisition for further process.

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PR must contain information about quantity of a material or a service and the required date.

Purchase Requisitions can be created in two ways.

1. It can be created manually by a person
2. It can be created automatically from Projects.

**1.0) Purchase Requisition Type and Number Range:-**

PR Document Type	Description(20)	From	To	Internal / External
ZHQP	HQ Purchases	4000000000	4099999999	Internal
ZSRV	Service Purchases	4100000000	4199999999	Internal
ZSTO	Stock Transp. Order	4200000000	4299999999	Internal
ZLOC	Local Purchases	4300000000	4399999999	Internal
ZPDI	Project DI	4500000000	4599999999	Internal
ZNDI	Non Project DI	4600000000	4699999999	Internal

1.1   Create Purchase Requisition:-

Path to Create Purchase Requisition Manually:-

SAP Menu Path	Logistics => Materials Management => Purchasing => Purchasing Requisition => Create
SAP T-code	ME51N

1.1.1   SAP Easy Access
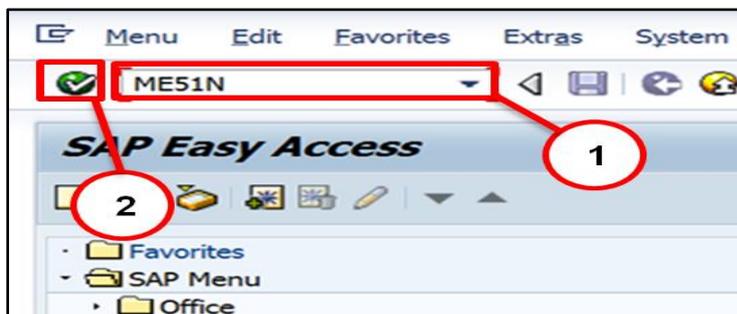
Step	Action

Step	Action
(1)	**ME51N** is now entered in the **Transaction box**.
(2)	Click **Enter** ✅.

1.1.2 ME51N – Create Purchase Requisition

Step	Action
(1)	Purchase Requisition Doc. Type: **Select PR Doc.type**
(2)	**Material, Qty, Del.Date, Plant, S location:** Input the data.
Note:-	1.For Project Material-You have to add "Q"Project in **Account Assignment Category** (If you specify "Q" then you need to update **WBS element** in item details of respective item.) 2. You can add additional text in item details Text field, if required.

1.1.3 ME51N – Create Purchase Requisition
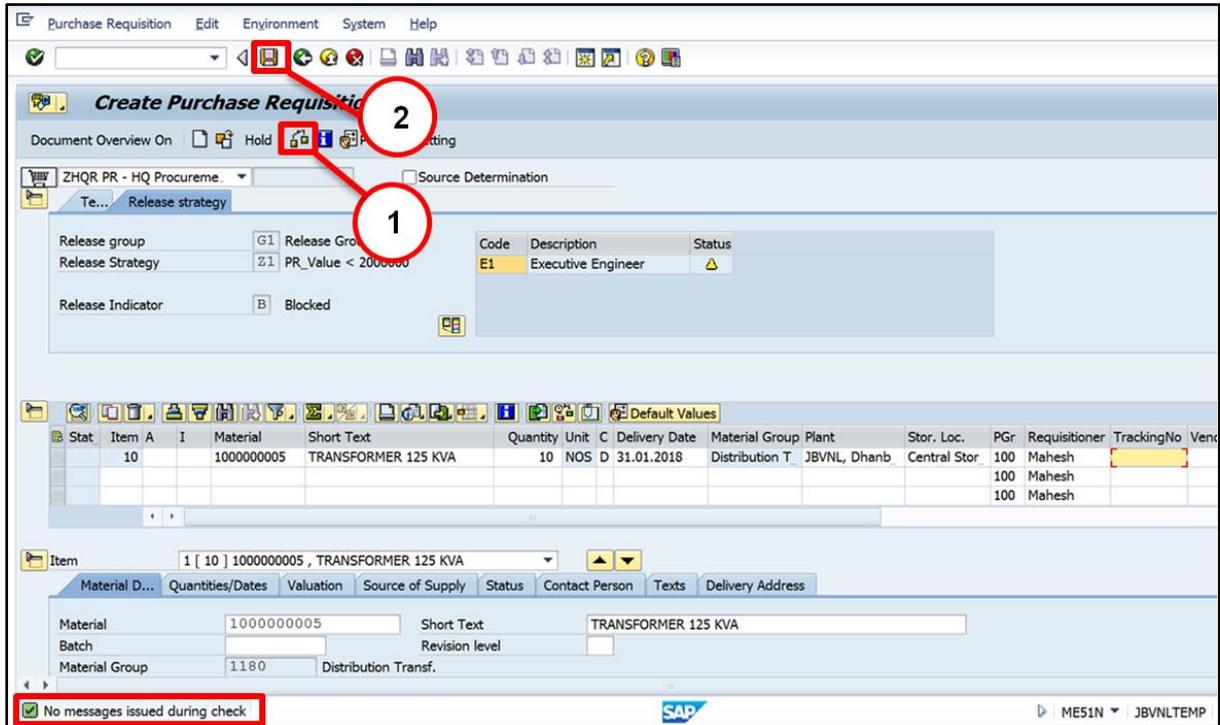
Step	Action
(1)	Click **Check**
	No message issued during check
(2)	Click **Save**

Purchase requisition number 1100000032 created

### 1.2 Change Purchase Requisition:-

Path to Change Purchase Requisition:-

| SAP Menu Path	Logistics => Materials Management => Purchasing => Purchasing Requisition => Change
SAP T-code	ME52N

1.2.1 SAP Easy Access
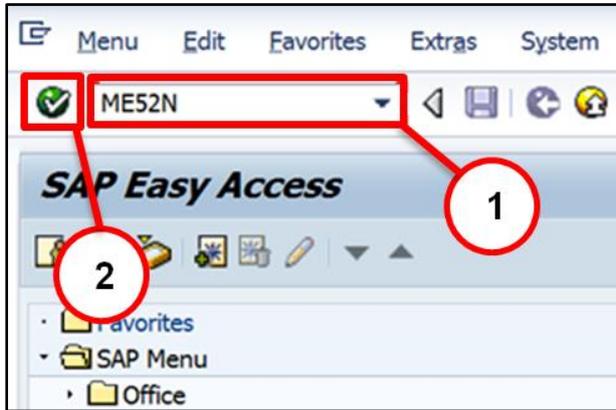
Step	Action
(1)	**ME52N** is now entered in the **Transaction box**.
(2)	Click **Enter** ✅.

1.2.2 ME52N – Change Purchase Requisition
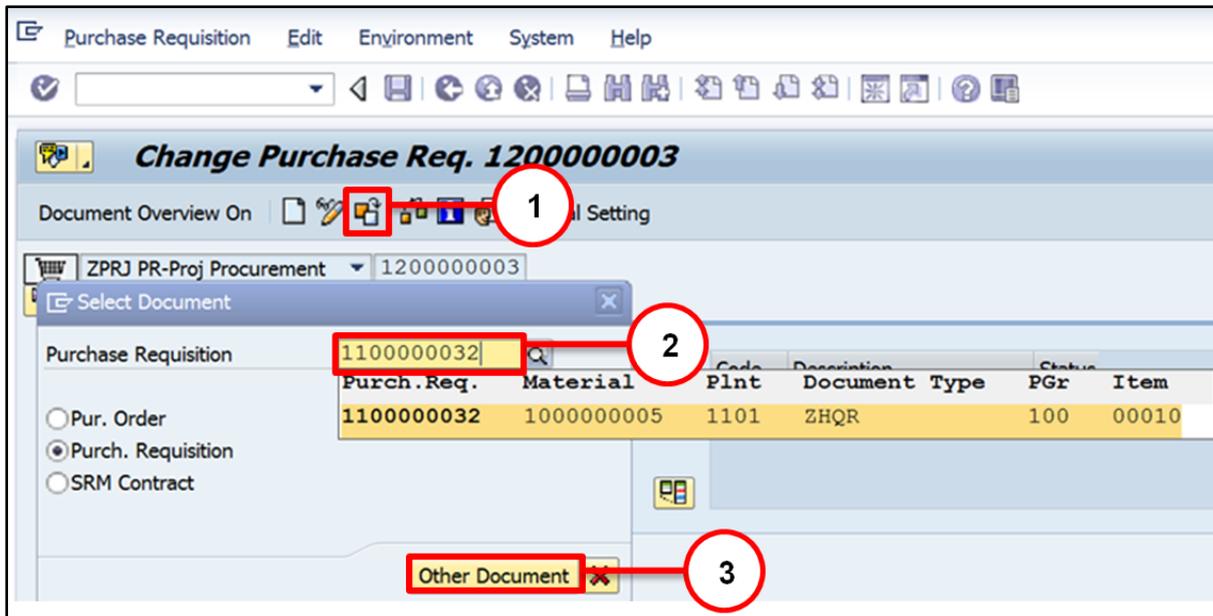
Step	Action
(1)	Other Purchase Requisition: **Click**
(2)	**Purchase Requisition:** Input / Select PR
(3)	**Other Document:** Click

1.2.3 ME52N – Change Purchase Requisition
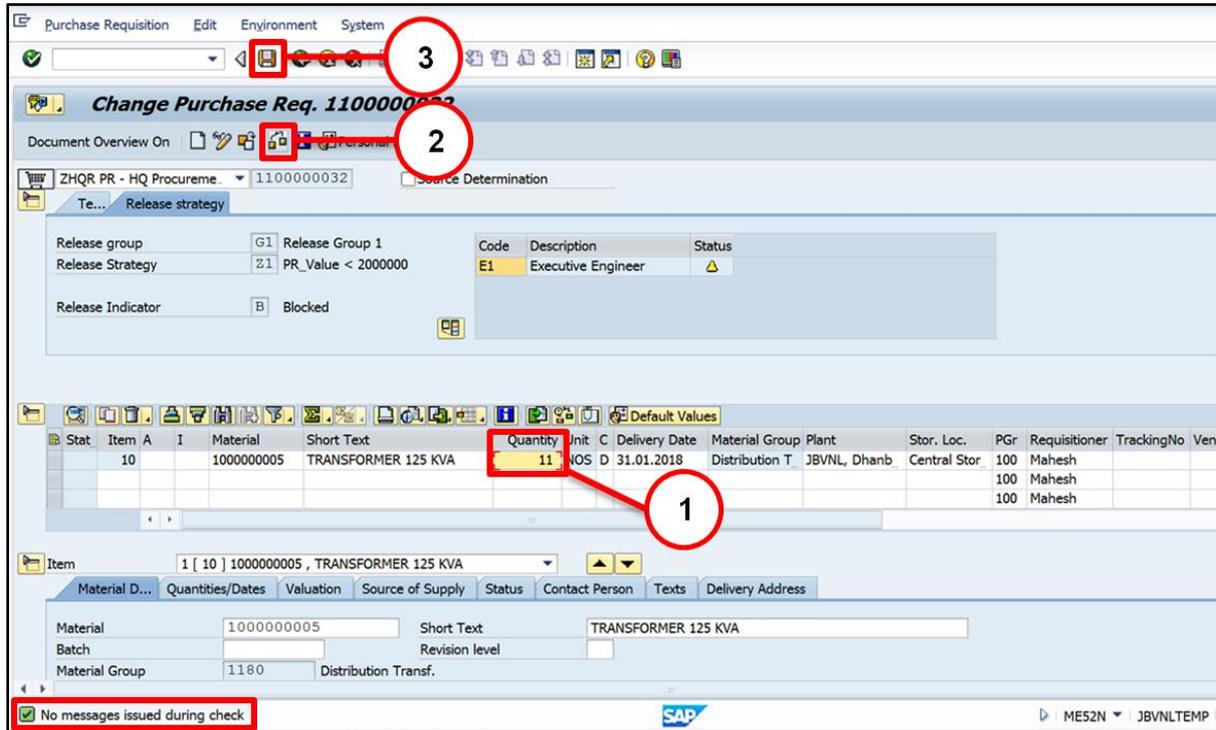
Step	Action
(1)	**Qty:** Change existing qty.(You can change also Mat.no, Item Text…etc)
(2)	Click **Check**
	No message issued during check
(3)	Click **Save**

Purchase requisition 1100000032 changed

1.3 Display Purchase Requisition:-

Path to Display Purchase Requisition:-

SAP Menu Path	Logistics => Materials Management => Purchasing => Purchasing Requisition => Display
SAP T-code	ME53N

1.3.1 SAP Easy Access
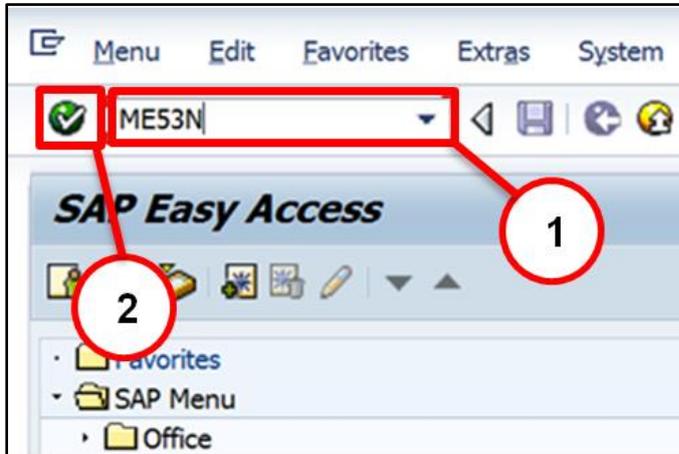
Step	Action
(1)	**ME53N** is now entered in the **Transaction box**.
(2)	Click **Enter** .

1.3.2 ME53N – Display Purchase Requisition
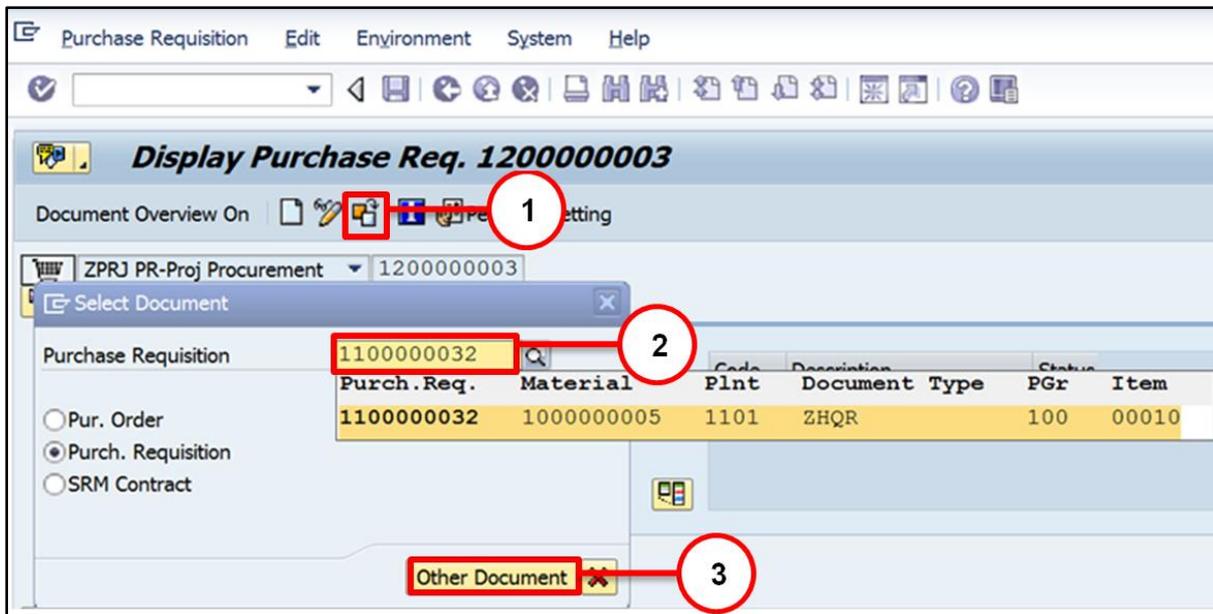
Step	Action
(1)	Other Purchase Requisition**: Click**
(2)	**Purchase Requisition:** Input / Select PR
(3)	**Other Document:** Click

1.3.3 ME53N – Display Purchase Requisition
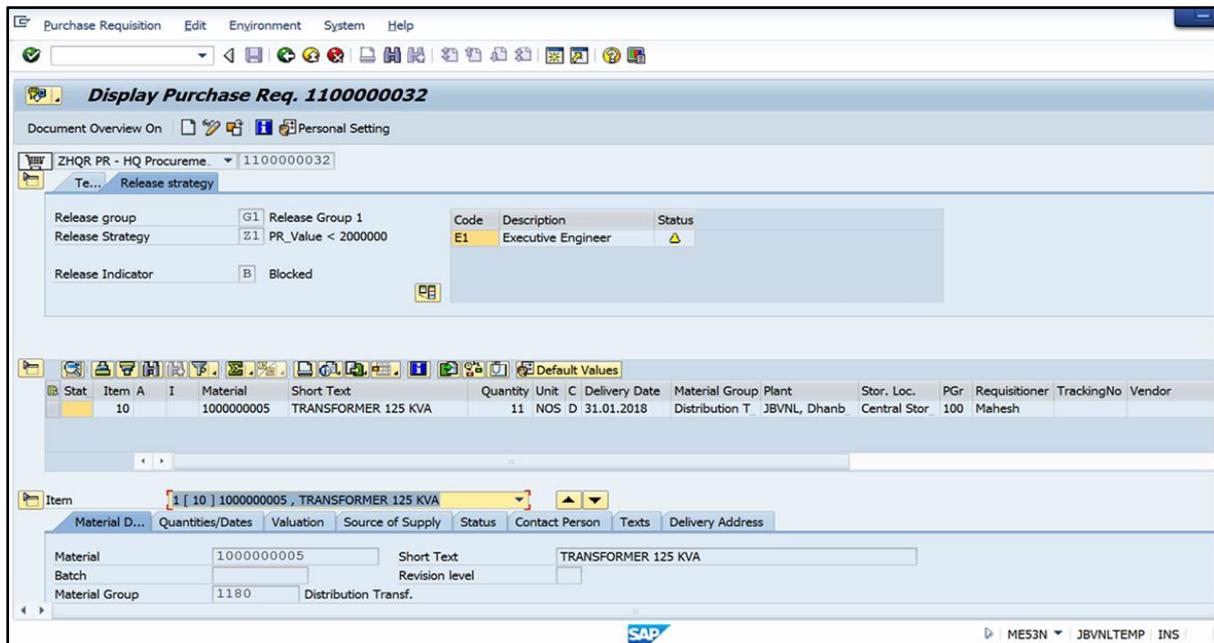
1.4 Release Purchase Requisition:-

It is a setup of approval procedures for purchase requisitions or other purchasing documents. Under such a procedure, if a purchase requisition or external purchasing document fulfills certain conditions (e.g. the total order value exceeds INR 10, 000), it has to be approved (by the Project manager/ Department manager / Cost center manager etc.,) before it can be processed further.

This process of approving (clearing, or giving the "green light" to) a proposed item of expenditure is replicated in the SAP System by the "release procedure".

It is sensible to define separate release procedures for different groups of materials for which different departments are responsible, and to define separate procedures for investment goods and consumption goods.

Path to Release Purchase Requisition:-

SAP Menu Path	Logistics => Materials Management => Purchasing => Purchasing Requisition => Release=>Individual Release
SAP T-code	ME54N

1.4.1 SAP Easy Access
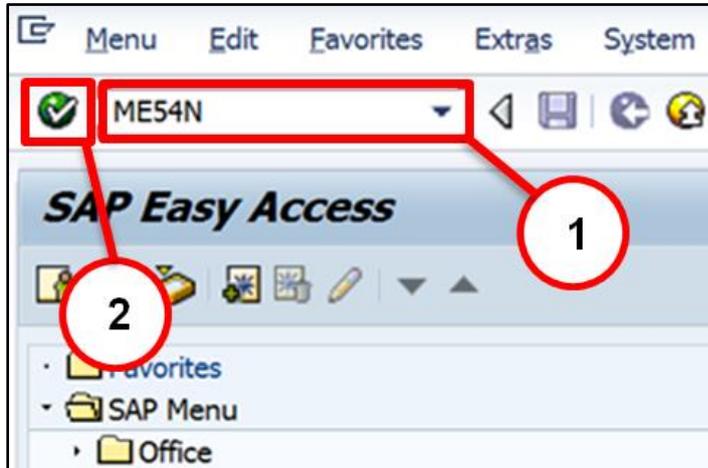
Step	Action
(1)	**ME54N** is now entered in the **Transaction box**.
(2)	Click **Enter** .

1.4.2 ME54N – Release Purchase Requisition

You can check Release strategy in ME53N

Here only 1 Release Code "E1 Executive Engineer"

Executive Engineer Log in to SAP to release Purchase Requisition.
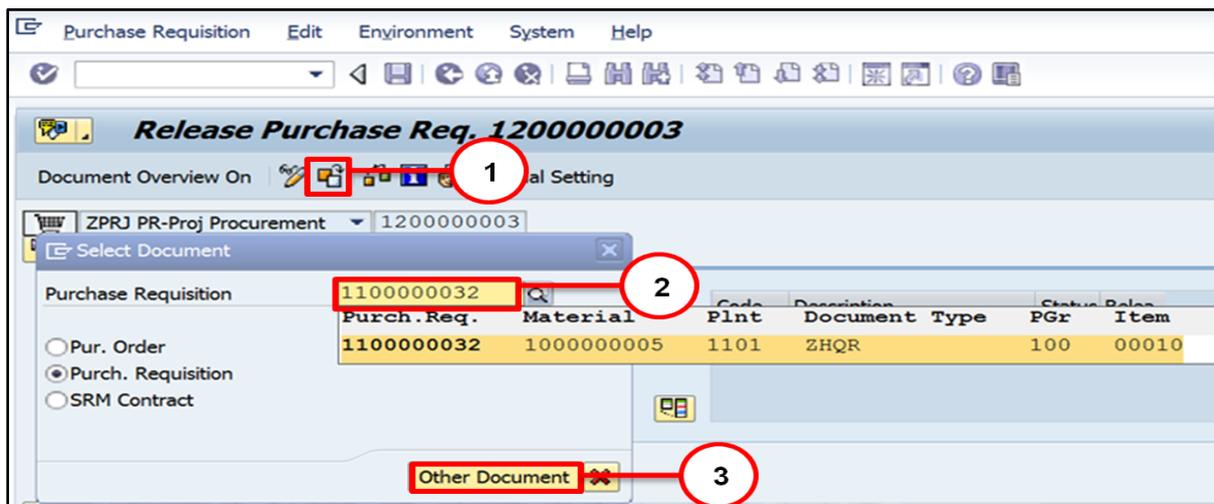
Step	Action
(1)	Other Purchase Requisition**: Click**
(2)	**Purchase Requisition:** Input / Select PR
(3)	**Other Document:** Click

1.4.3 ME54N – Release Purchase Requisition
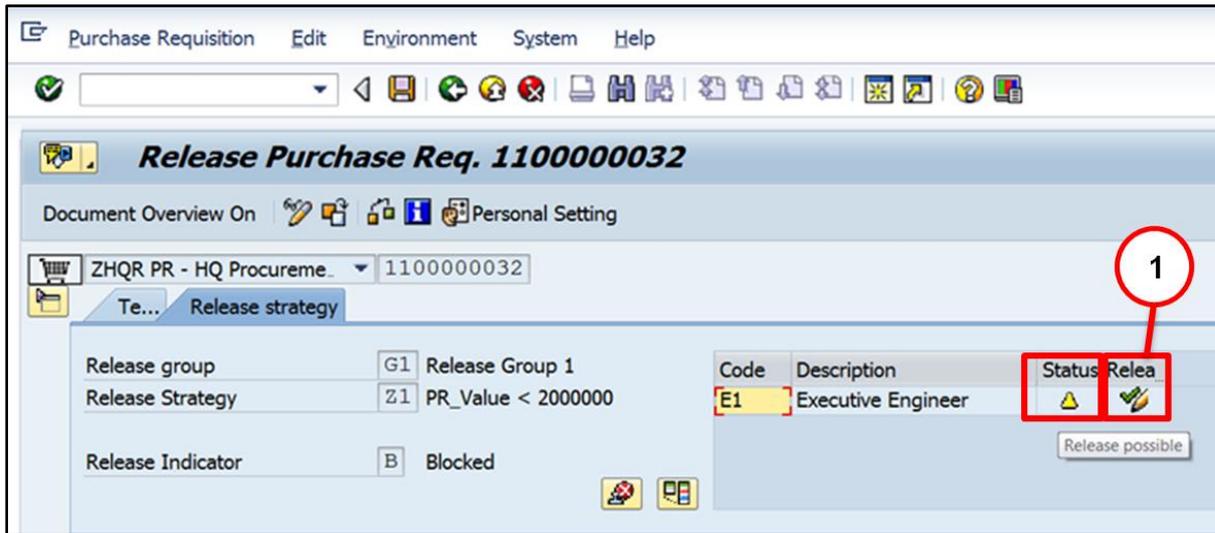
Step	Action
	Status:- ⚠ Release possible
(1)	Click **Release** ✔.

1.4.4 ME54N – Release Purchase Requisition

Step	Action
	In Status ✔ Release effected
	After releasing PR Doc. ☑ Release effected with release code E1
Note: - Only those users can release Purchase Requisition whoever possesses Purchase Requisition release authorization.	

1.4.5 ME54N – Release Purchase Requisition
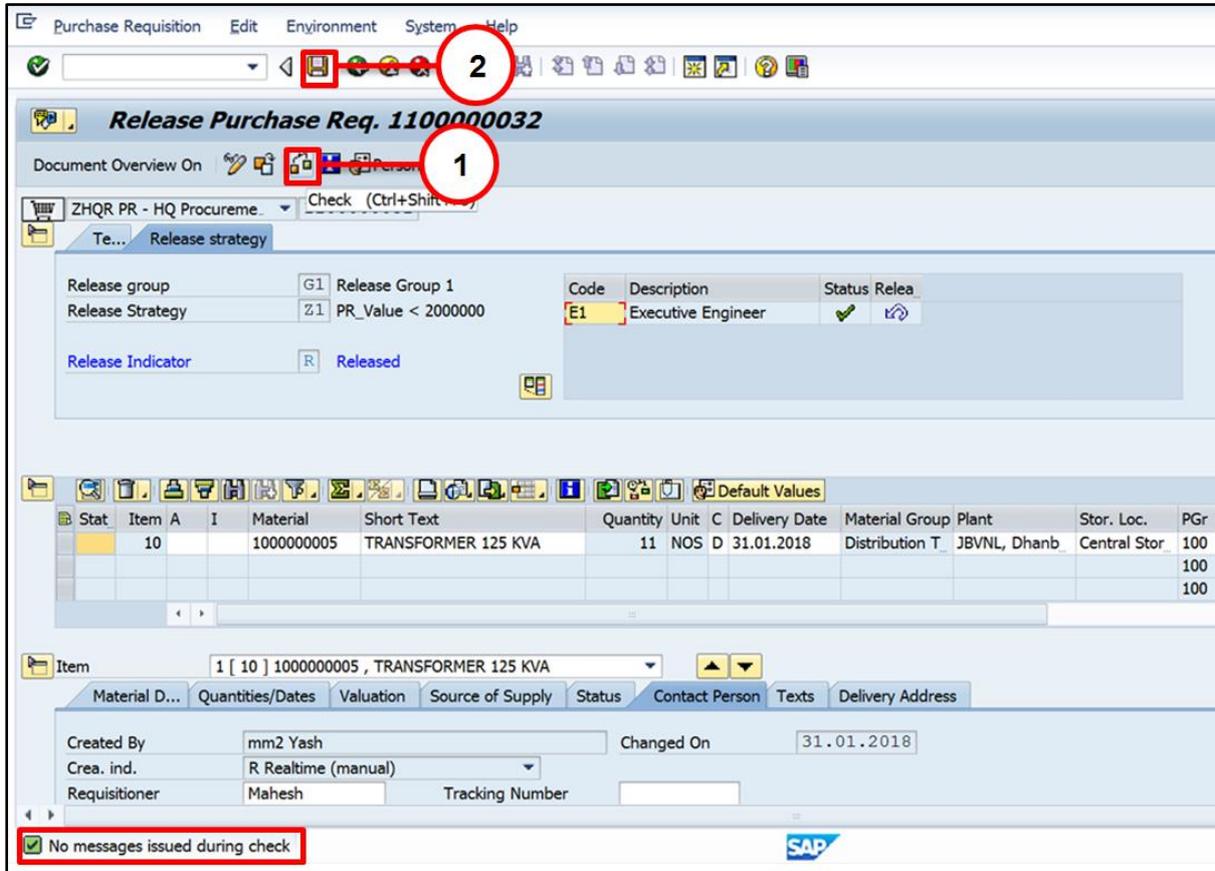
Step	Action
(1)	Click **Check** 🔳
	No message issued during check
(2)	Click **Save** 💾

Purchase requisition 1100000032 changed

1.5 Close Purchase Requisition:-

Path to Close Purchase Requisition:-

SAP Menu Path	Logistics => Materials Management => Purchasing => Purchasing Requisition => Change
SAP T-code	ME52N

1.5.1 SAP Easy Access
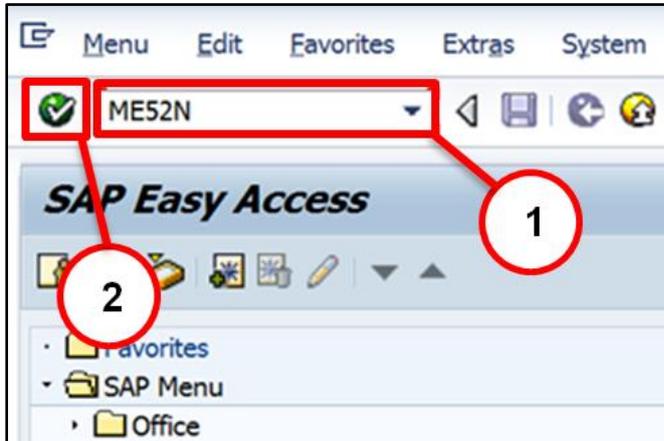
Step	Action
(1)	**ME52N** is now entered in the **Transaction box**.
(2)	Click **Enter** ✅.

1.5.2 ME52N – Change Purchase Requisition
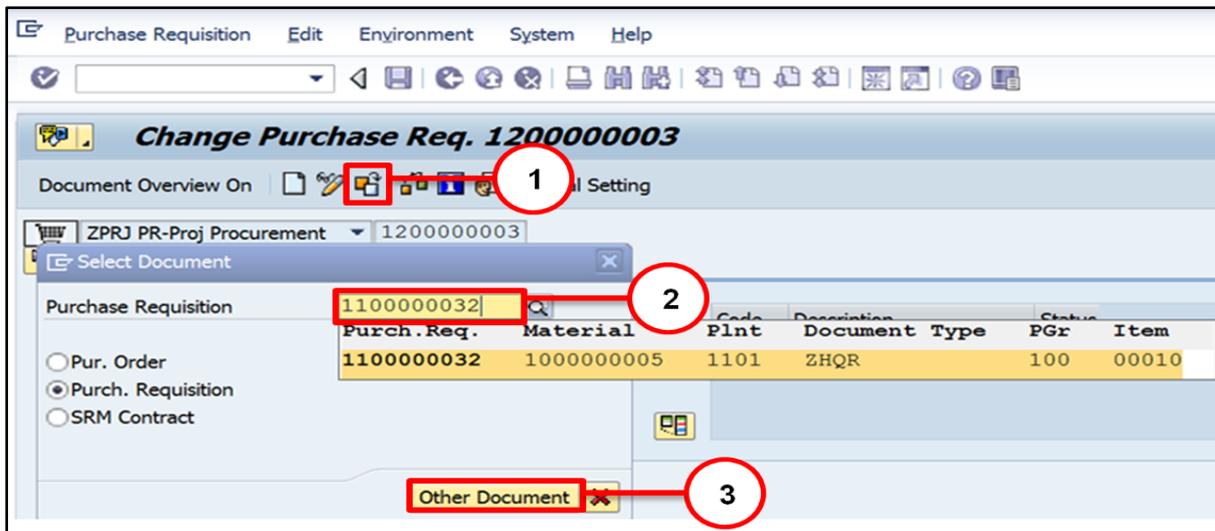
Step	Action
(1)	Other Purchase Requisition: **Click**
(2)	**Purchase Requisition:** Input / Select PR
(3)	**Other Document:** Click

1.5.3 ME52N – Change Purchase Requisition
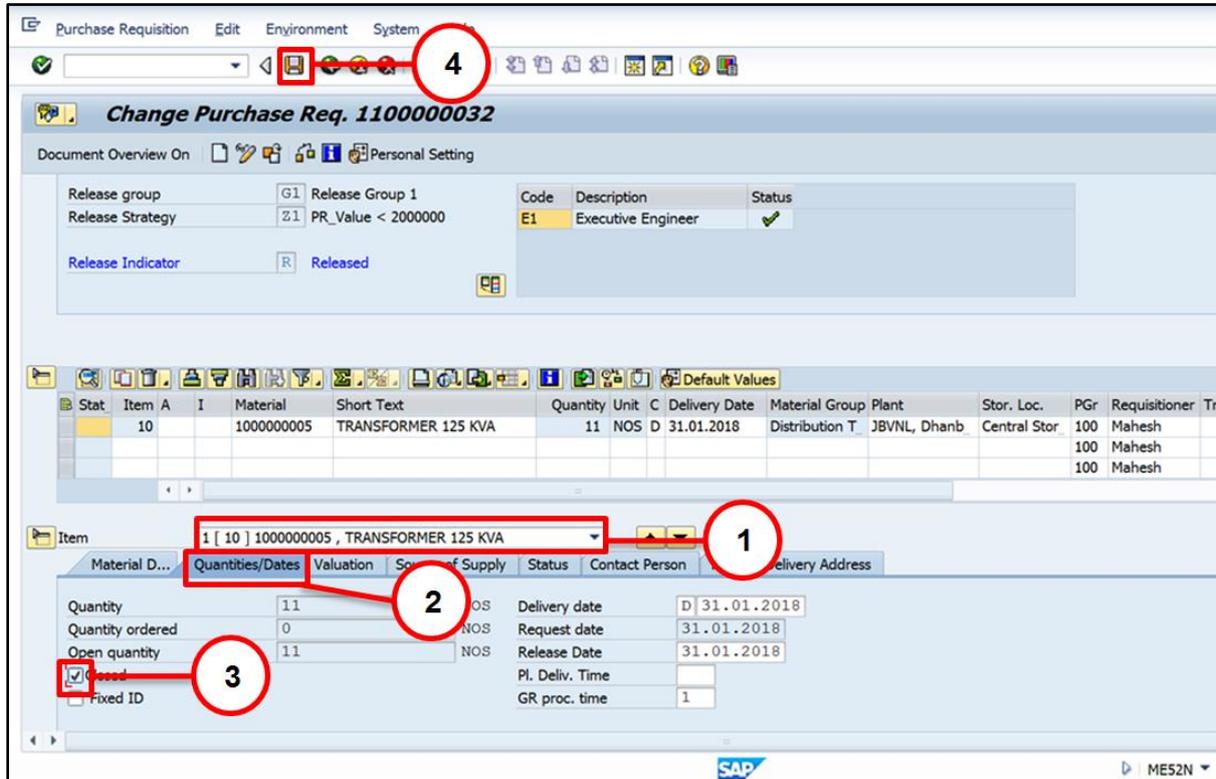
Step	Action
(1)	Select Item
(2)	select **Quantities/Dates** Tab
(3)	Ticked "Closed" field
(4)	Click **Save** 💾

Purchase requisition 1100000032 changed

2   Enquiry / Tendering(Request for Quotation) Process:

Vendor selection is an important process in the procurement cycle. Once requirements are gathered, we start looking for possible suppliers who can fulfil the requirements at the best possible price. So, a request is made to the vendors to submit their quotations indicating the price of the material along with their terms and

conditions. This request is known as the request for quotation (RFQ). Listed below are the key points to note about a request for quotation:

 ➢ Request for quotation is a form of invitation that is sent to the vendors to submit a quotation indicating their pricing and terms and conditions.
 ➢ It contains details about goods or services, quantity, date of delivery, and date of bid on which it is to be submitted.
 ➢ Quotation is a reply by a vendor in response to a request for quotation.

An RFQ can be created by the following two ways:

 ➢ Reference to Purchase Requisition
 ➢ Manually

We are creating RFQ after L1 Bidder finalization with combination of material and L1 bidder.

2.0) RFQ Type and Number Range:-

RFQ Document Type	Description	Number Range		Internal / External
		From	To	
ZOTM	Tenders - Materials	AAA	ZZZ	External
ZOTS	Tenders - Services	AAA	ZZZ	External
ZOTT	Tenders - Turnkey	AAA	ZZZ	External

2.1   Create RFQ:-

Path to Create Request for Quotation:-

SAP Menu Path	Logistics => Materials Management => Purchasing => RFQ/Quotation => Request for Quotation => Create
SAP T-code	ME41

2.1.1 SAP Easy Access
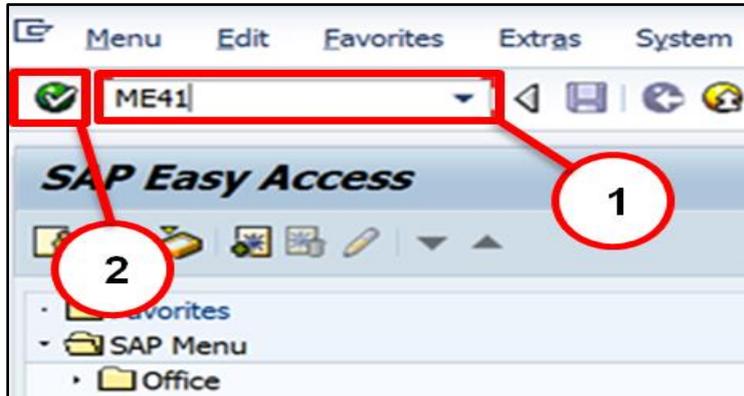
Step	Action
(1)	**ME41** is now entered in the **Transaction box**.
(2)	Click **Enter** ✅.

2.1.2 ME41 – Create RFQ
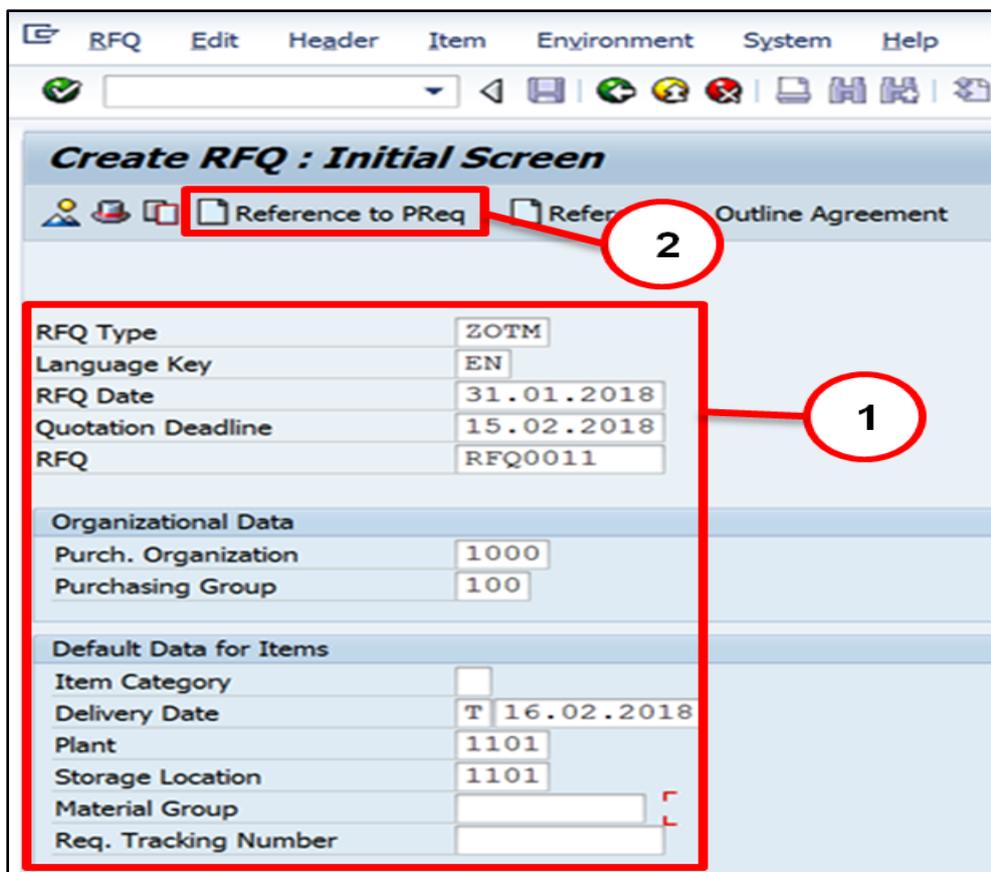
Step	Action
(1)	**RFQ type, RFQ Date, RFQ (Ext .Number range), Pur.Orgnization, Pur. Group, Item Category, Delivery date (Should be later than quot. Deadline date) Plant, Storage location:** Input/ select the data.
(2)	**Reference to PR:** Click
	Press **Enter**
Note:-	1) We are creating RFQ with reference to released PR. 2) We need to provide RFQ Number, as our RFQ number range in external.

2.1.3 ME41 – Create RFQ
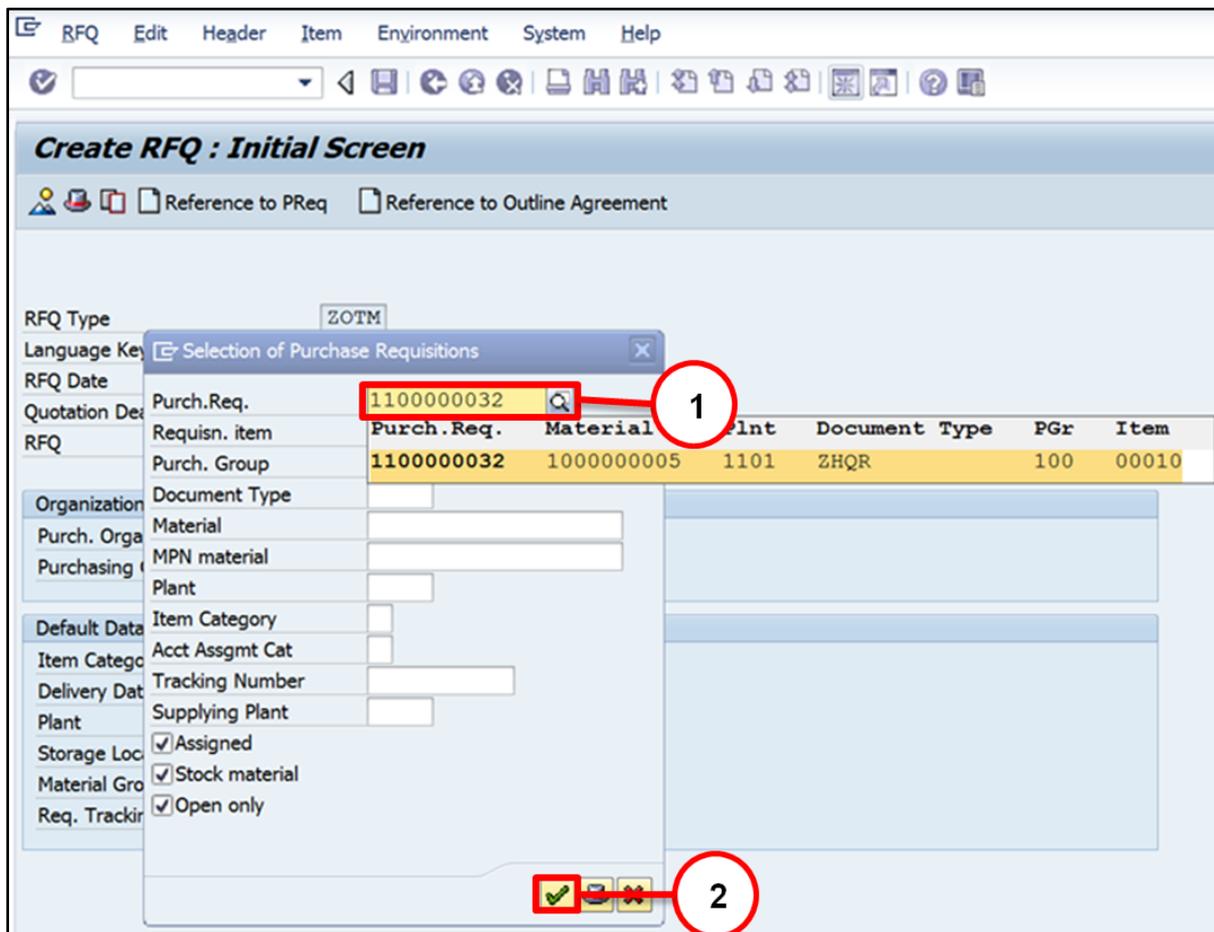
Step	Action
(1)	**Purchase Requisition:** Input / Select PR
(2)	Click **Continue (Enter)** .

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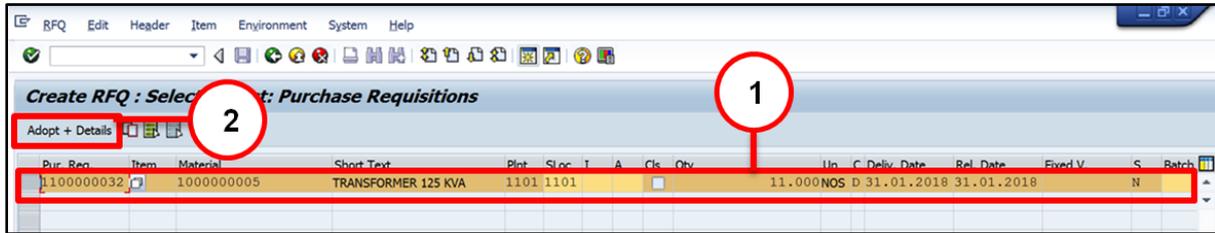
2.1.4 ME41 – Create RFQ

Step	Action
(1)	Select line item.
(2)	Click **Adopt + Details**

2.1.5 ME41 – Create RFQ
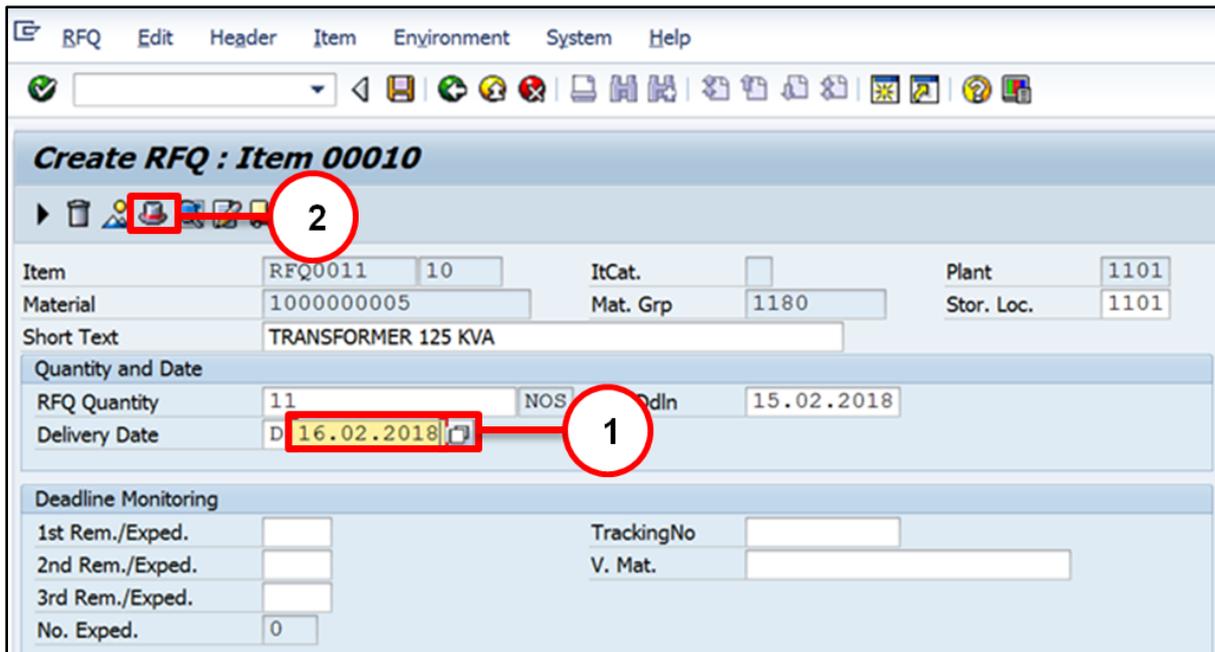
Step	Action
(1)	**Delivery Date:** Input / Select Del.Date(Must be later than Qut. Deadline date)
(2)	Click **Header**

2.1.6 ME41 – Create RFQ

Step	Action
(1)	**Collective No.:** Input / Select Collective no.
(2)	Click **Tender Details**

2.1.7 ME41 – Create RFQ

Step	Action
(1)	**Tender ref No, Tender Type, Tender Category, Form of Contract, Tender Fee, EMD amt., Description, Product Category, Tender Dates:** Input/ select the data.
(2)	Click **Back**

2.1.8 ME41 – Create RFQ

Step	Action
(1)	Click **Save** 💾

☑ Tenders - Materials created under the number RFQ0011

2.2   Change RFQ:-

Path to Create Request for Quotation:-

SAP Menu Path	Logistics => Materials Management => Purchasing => RFQ/Quotation => Request for Quotation => Change
SAP T-code	ME42

You can change RFQ with ME42 transaction code.

2.3   Display RFQ:-

Path to Display Request for Quotation:-

SAP Menu Path	Logistics => Materials Management => Purchasing => RFQ/Quotation => Request for Quotation => Display
SAP T-code	ME43

You can Display RFQ with ME43 transaction code.

2.4   Maintain Quotation:-

Path to Maintain Quotation:-

SAP Menu Path	Logistics => Materials Management => Purchasing => RFQ/Quotation => Quotation => Maintain
SAP T-code	ME47

2.4.1 SAP Easy Access
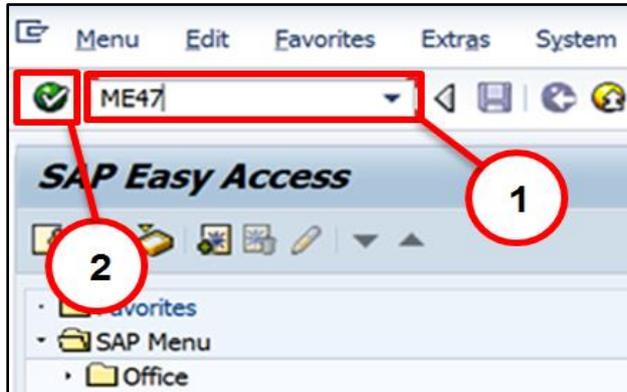
Step	Action
(1)	**ME47** is now entered in the **Transaction box**.
(2)	Click **Enter** .

2.4.2 ME47 – Maintain RFQ
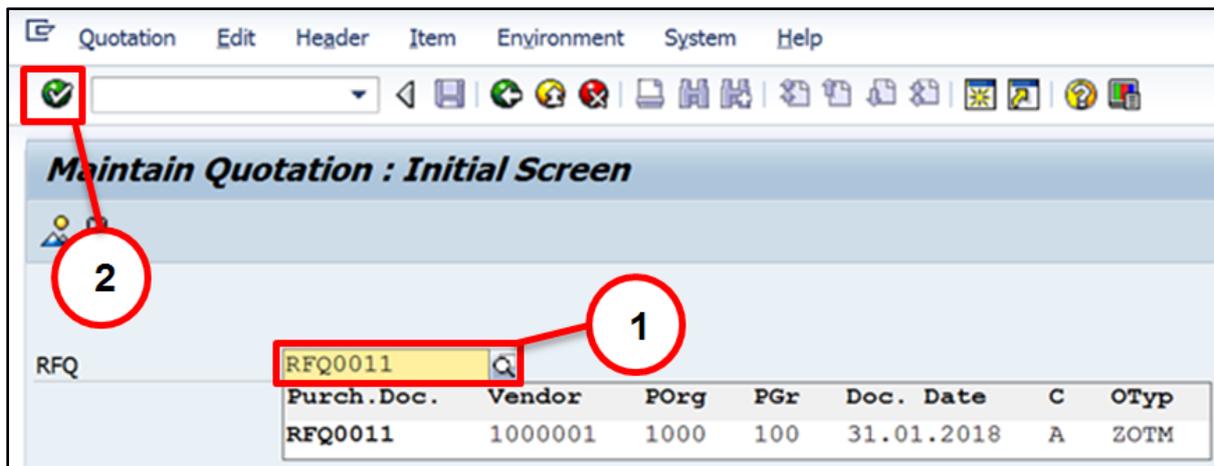
Step	Action
(1)	**RFQ:-** Input / Select RFQ number
(2)	Click **Enter** .

2.4.3 ME47 – Maintain RFQ
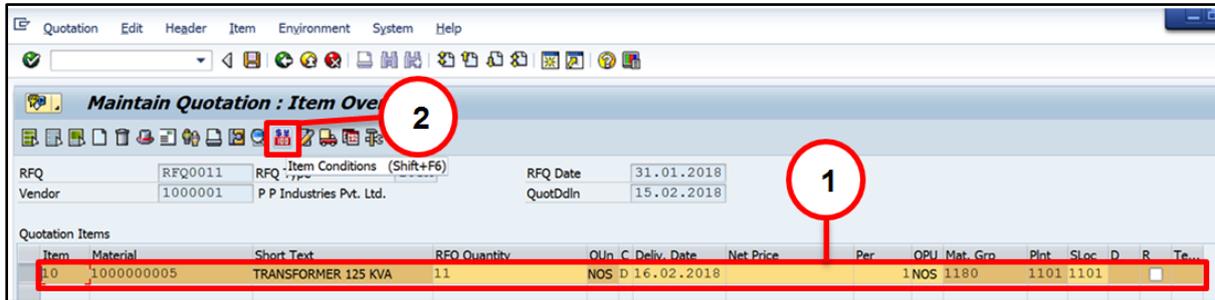
Step	Action
(1)	**Select line Item**
(2)	Click **Item Condition**

2.4.4 ME47 – Maintain RFQ
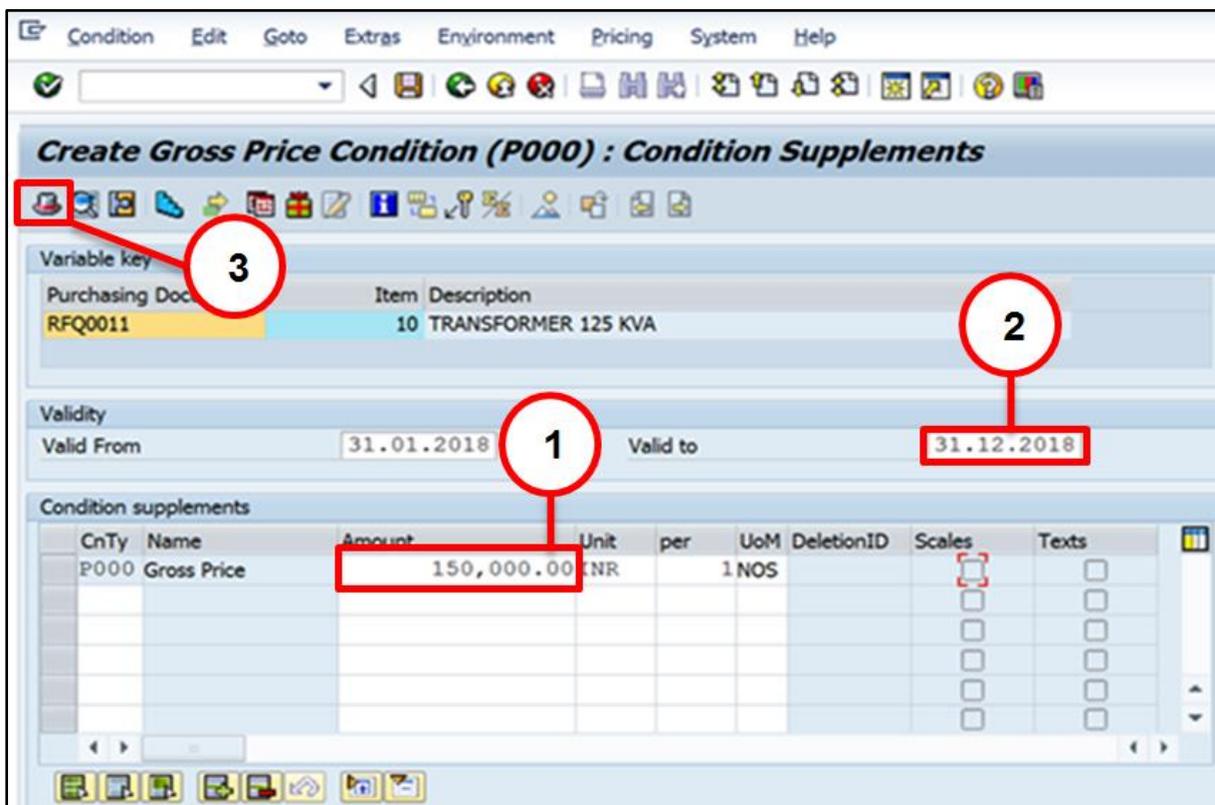
Step	Action
(1)	**Amount:** Input amount with respect to condition type.

Step	Action
	If you want to add Freight then use **FRC1** condition type to maintain it.
(2)	**Valid to:-** select valid to date
(3)	Click **Header**

2.4.5 ME47 – Maintain RFQ

Step	Action
(1)	Click **Save**

Quotation for Tenders - Materials RFQ0011 maintained

3 Purchase Order (Contract):

3.0) Contract PO Type and Number Range:-

Document Category	Document	Description	Number Range		Internal /
			From	**To**	

	Type				External
Contract (Quantity)	ZPJM	Project Material PO	6100000000	6199999999	Internal
Contract (value)	ZTUR	Turnkey Purchase PO	6200000000	6299999999	Internal

3.1 Create Contract:-

Path to Create Contract:-

SAP Menu Path	Logistics => Materials Management => Purchasing => Outline Agreement => Contract=> Create
SAP T-code	ME31K

3.1.1 SAP Easy Access
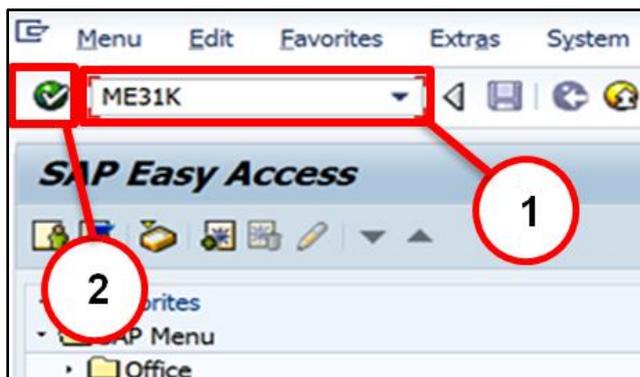
Step	Action
(1)	**MM31K** is now entered in the **Transaction box**.
(2)	Click **Enter** .

3.1.2 ME31K – Create Contract

Step	Action
(1)	**Agreement type, Pur.Orgnization, Pur. Group, Item Category, Plant, Storage location:** Input/ select the data.
(2)	**Reference to RFQ:** Click
Note:-	We are creating Contract with reference to RFQ.

3.1.3 ME31K – Create Contract

Step	Action
(1)	**RFQ:** Input / Select RFQ
(2)	Click **Continue (Enter)** ✅ .

3.1.4 ME31K – Create Contract

Step	Action
(1)	**Validity End date:** Input / Select Validity End date
(2)	**Target Value:** Input Target Value (For Turnkey/Value Contract only) For "ZPJM" Contract Target value is not required, as this is qty Contract.
(3)	**Your reference:** Input Your reference if required any (Optional)
(4)	Click **Enter** ✅ .

3.1.5 ME31K – Create Contract

Step	Action
(1)	Select line item.
(2)	Click **Adopt + Details**

3.1.6 ME31K – Create Contract

Step	Action
(1)	**Tax Code:-** Input / Select Tax Code (mandatory field)
(2)	Click **Item Condition** 🈸

3.1.7 ME31K – Create Contract

Step	Action
(1)	**Check Amount with respect to Condition type.(Mandatory Fields)** Need to Provide P000-Gross Price (Ex. Work's price), FRC1-Freight, whichever is applicable
(2)	Click **Save** 💾

☑ Project Material PO created under the number 6100000000

3.2 Change Contract:-

Path to Change Contract:-

SAP Menu Path	Logistics => Materials Management => Purchasing => Outline Agreement => Contract=> Change
SAP T-code	ME32K

You can change Contract with ME32K transaction code.

3.3 Display Contract:-

Path to Display Contract:-

SAP Menu Path	Logistics => Materials Management => Purchasing => Outline Agreement => Contract=> Display
SAP T-code	ME33K

3.3.1 SAP Easy Access
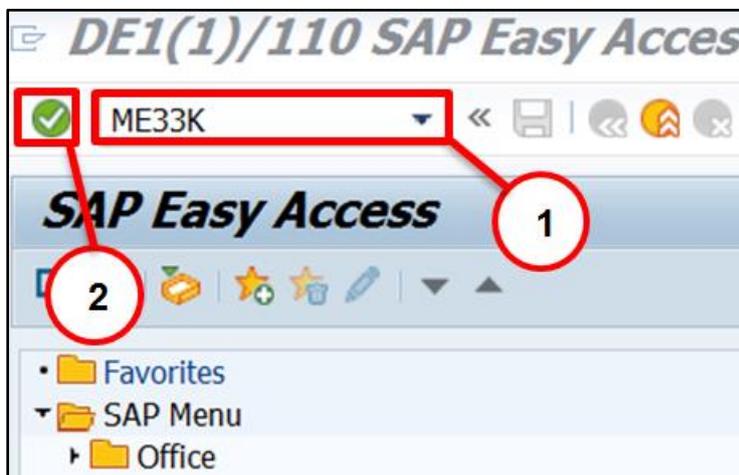
Step	Action
(1)	**MM33K** is now entered in the **Transaction box**.
(2)	Click **Enter** .

3.3.2 ME33K – Display Contract

Step	Action
(1)	**Agreement:** Input / Select Agreement
(2)	Click **Enter** ✅.

3.3.3 ME33K – Display Contract
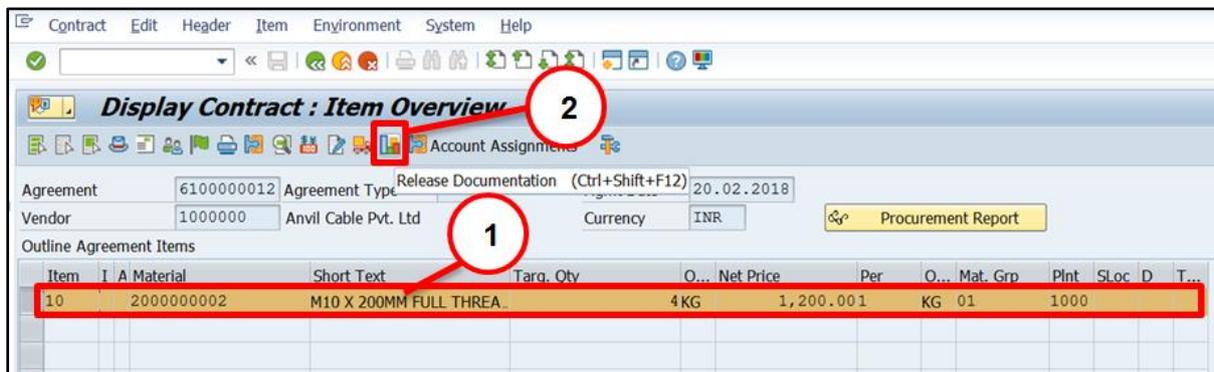
Step	Action
(1)	Select Line item
(2)	Click **Release Documentation** 📊

3.3.4 ME33K – Display Contract

Step	Action
(1)	Double click on PO to display
	See release document details

4 Purchase Order (Dispatch Instruction):

The type of procurement can be maintained in a field that is known as **item category** as shown below.

4.0) PO(DI) Type and Number Range:-

Document Category	Document Type	Description	Number Range		Internal / External
			From	**To**	
PO	ZHQP	HQ Purchases	4000000000	4099999999	Internal
PO	ZSRV	Service Purchases	4100000000	4199999999	Internal
PO	ZSTO	Stock Transp. Order	4200000000	4299999999	Internal
PO	ZLOC	Local Purchases	4300000000	4399999999	Internal
PO	ZFO	Blanket Order	4400000000	4499999999	Internal
PO	ZPDI	Project DI	4500000000	4599999999	Internal
PO	ZNDI	Non Project DI	4600000000	4699999999	Internal
PO	ZTUR	Turnkey Purchases	4700000000	4799999999	Internal

4.1 Create PO(DI):-

Path to Create PO (DI):-

SAP Menu Path	Logistics => Materials Management => Purchasing => Purchase Order => Create => Vendor/Supplying Plant known
SAP T-code	ME21N

4.1.1 SAP Easy Access
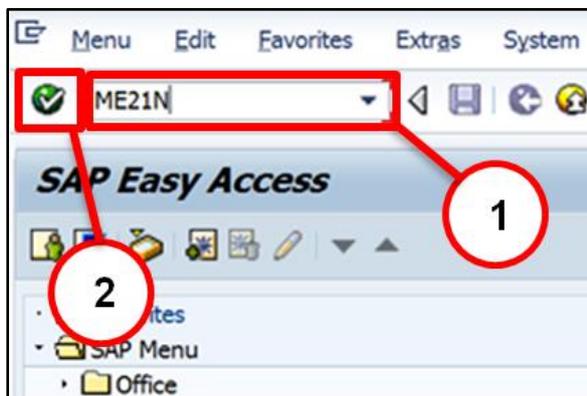
Step	Action
(1)	**ME21N** is now entered in the **Transaction box**.

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Step	Action
(2)	Click **Enter** .

4.1.2 ME21N – Create Purchase Order(DI)
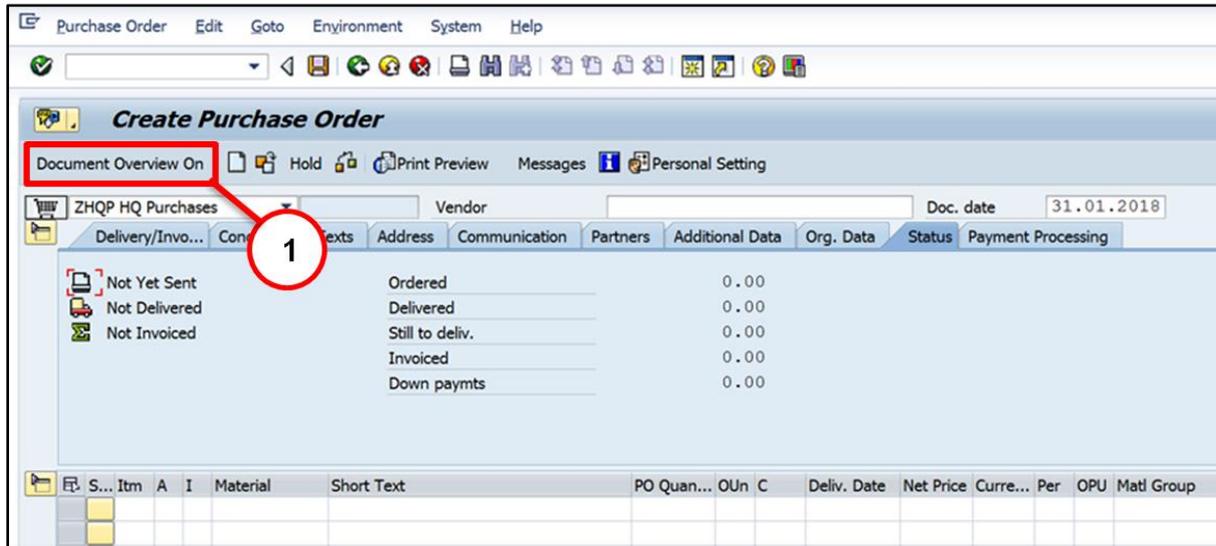
Step	Action
(1)	**Document Overview On:** Click (If Doc. overview not On)

4.1.3 ME21N – Create Purchase Order(DI)
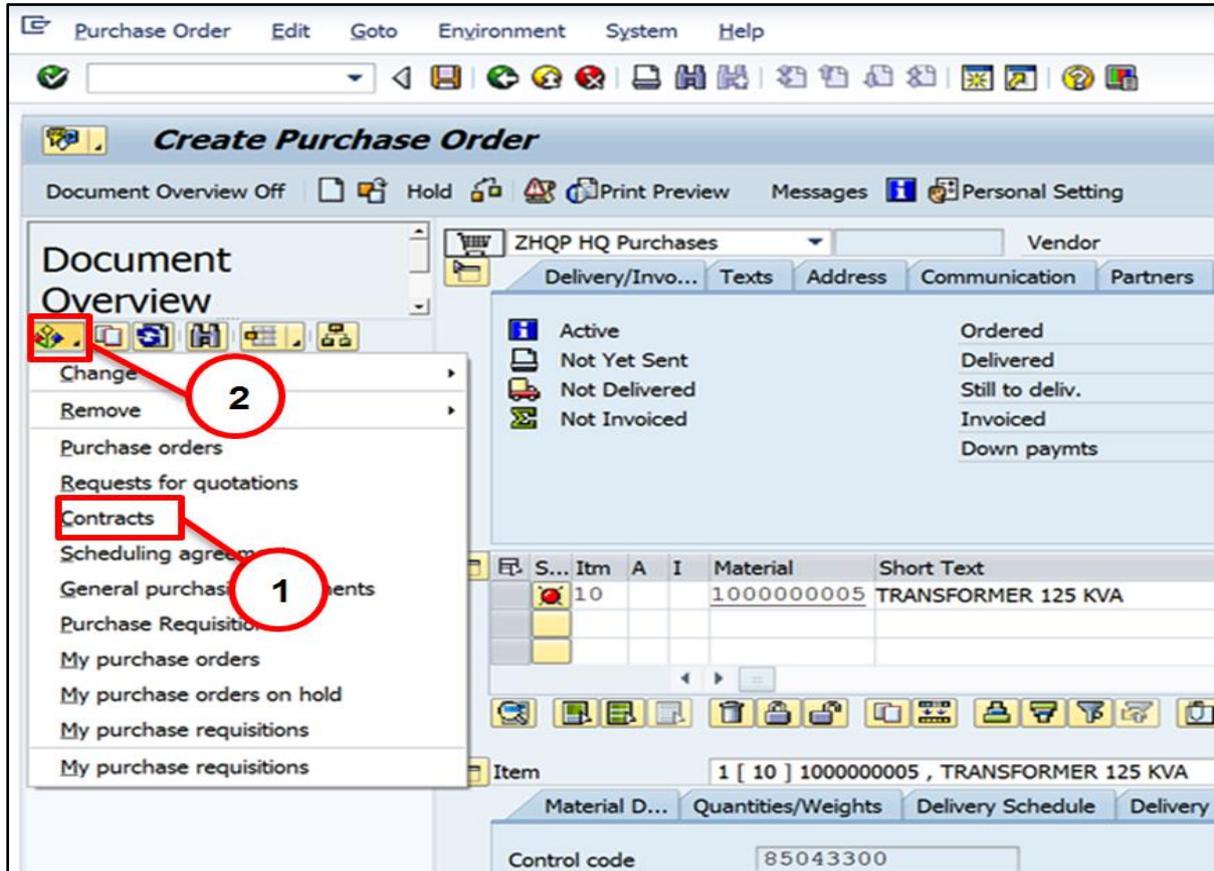
Step	Action
(1)	Click **Selection Variant** 🌸
(2)	**Contract:-** Select

4.1.4 ME21N – Create Purchase Order(DI)

Step	Action
(1)	**Material Number:** Input Material Number
(2)	**Document Type:** Input Doc. type
(3)	Click **Execute**

4.1.5 ME21N – Create Purchase Order(DI)
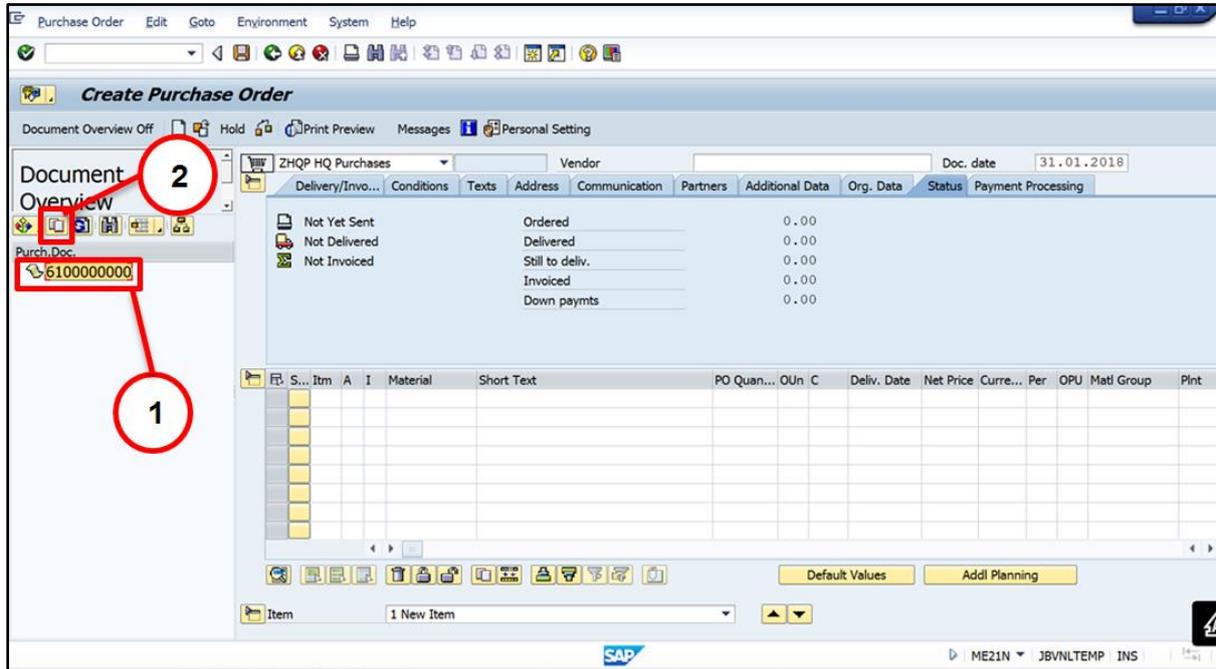
Step	Action
(1)	**Purc.Doc:** Select Pur.Doc.
(2)	Click **Adopt**

4.1.6 ME21N – Create Purchase Order(DI)
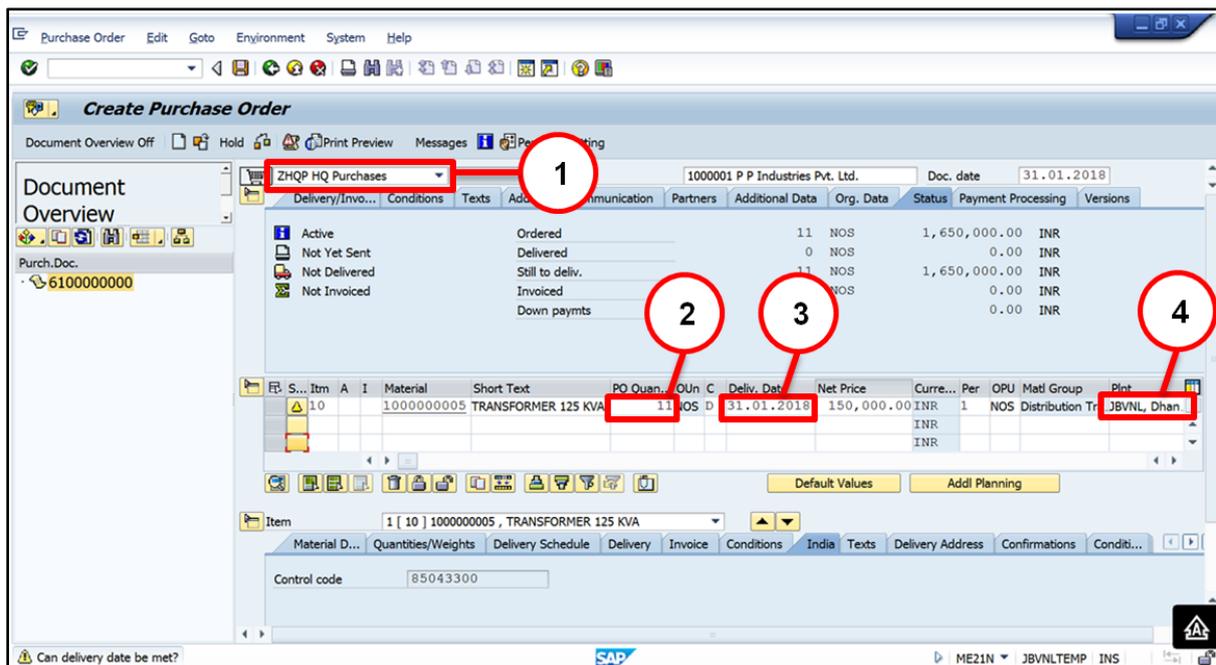
Step	Action
(1)	**PO Doc Type:** Select PO Doc Type
(2)	**Qty:** Input PO Qty
(3)	**Delivery Date:** Check Delivery date.
(4)	**Plant & Storage Location:-** Input/Select Plant & S Loc

4.1.7 ME21N – Create Purchase Order(DI)

Step	Action
(1)	Select item
(2)	Select **Condition** tab
	Check Pricing elements.

4.1.8 ME21N – Create Purchase Order(DI)
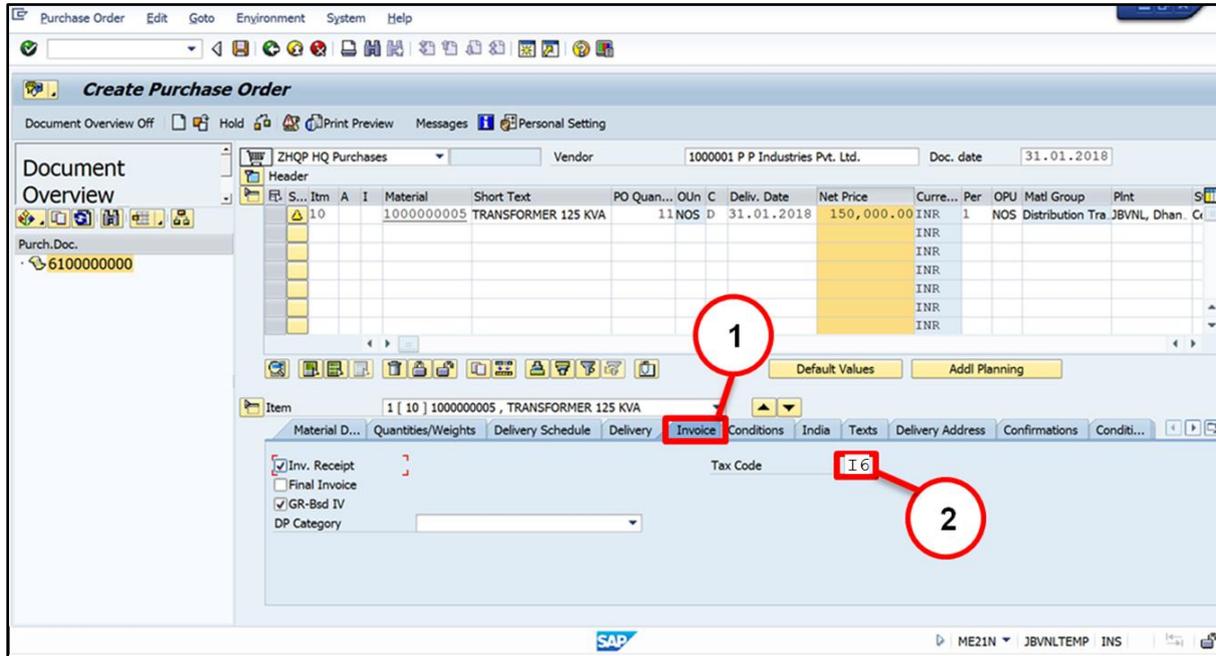
Step	Action
(1)	Select **Invoice** tab
(2)	Tax Code:- Input/Select Tax Code
	Press Enter
Note:-	GR-Based Invoice Verification Ticked Mandatory

4.1.9 ME21N – Create Purchase Order(DI)
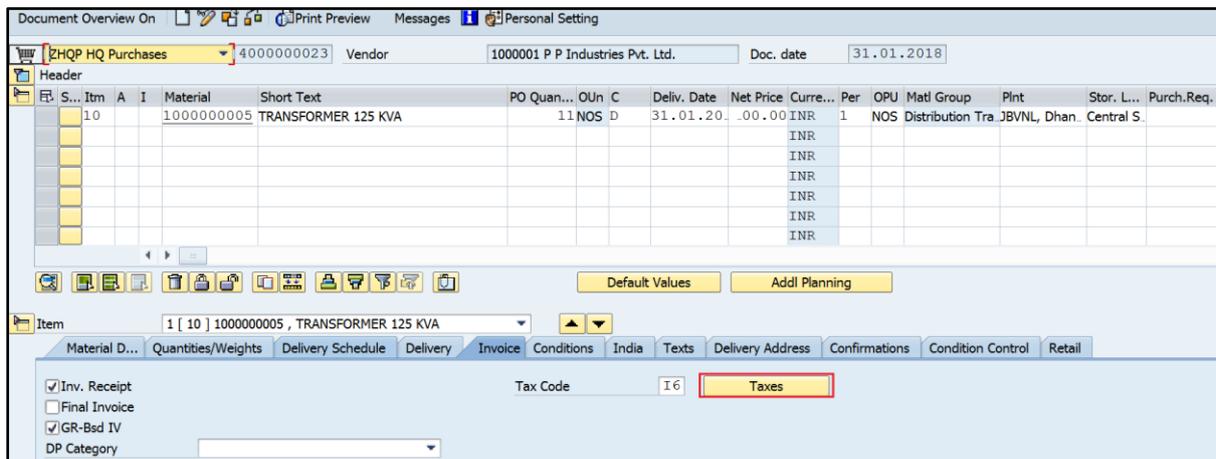
Step	Action

Step	Action
	Click **Taxes**

4.1.10 ME21N – Create Purchase Order(DI)

Step	Action
	See Pricing element of Taxes
(1)	Click **Back**

4.1.11 ME21N – Create Purchase Order(DI)

Step	Action
(1)	Click **India** Tab
	Check Control code(HSN number)

4.1.12 ME21N – Create Purchase Order(DI)
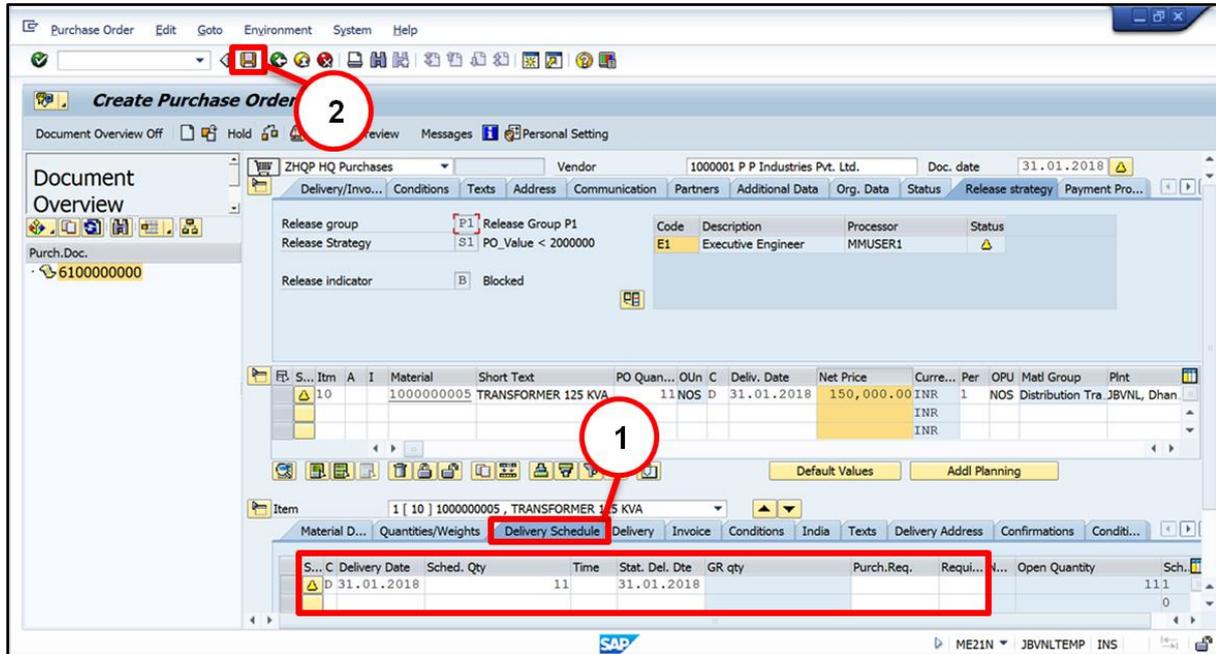
Step	Action
(1)	Select **Condition** tab
	Check Delivery Schedule and dates
(2)	Click **Save** 💾

✅ HQ Purchases created under the number 4000000023

4.2   Change PO(DI):-

Path to Change PO (DI):-

SAP Menu Path	Logistics => Materials Management => Purchasing => Purchase Order => Change
SAP T-code	ME22N

You can change PO (Dispatch Instruction) with ME22N transaction code.

4.3   Display PO(DI):-

Path to Display PO (DI):-

SAP Menu Path	Logistics => Materials Management => Purchasing => Purchase Order => Display
SAP T-code	ME23N

You can Display PO (Dispatch Instruction) with ME23N transaction code.

4.4   Release PO(DI):-

Path to Release PO (DI):-

| SAP Menu Path	Logistics => Materials Management => Purchasing => Purchase Order => Release=>individual Release
SAP T-code	ME29N

You can check 1st processor (Release Code) to release the Purchasing Document.

Code	Description	Processor	Status
E1	Executive Engineer	MMUSER1	⚠

Here "MMUSER1" is only 1 Processor to release the PO.

MMUser1 Log in to SAP.

4.4.1 SAP Easy Access
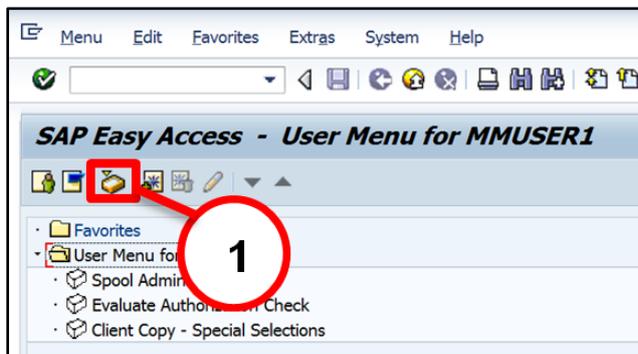
Step	Action
(1)	Click **SAP Business Workplace**

4.4.2 SAP Easy Access
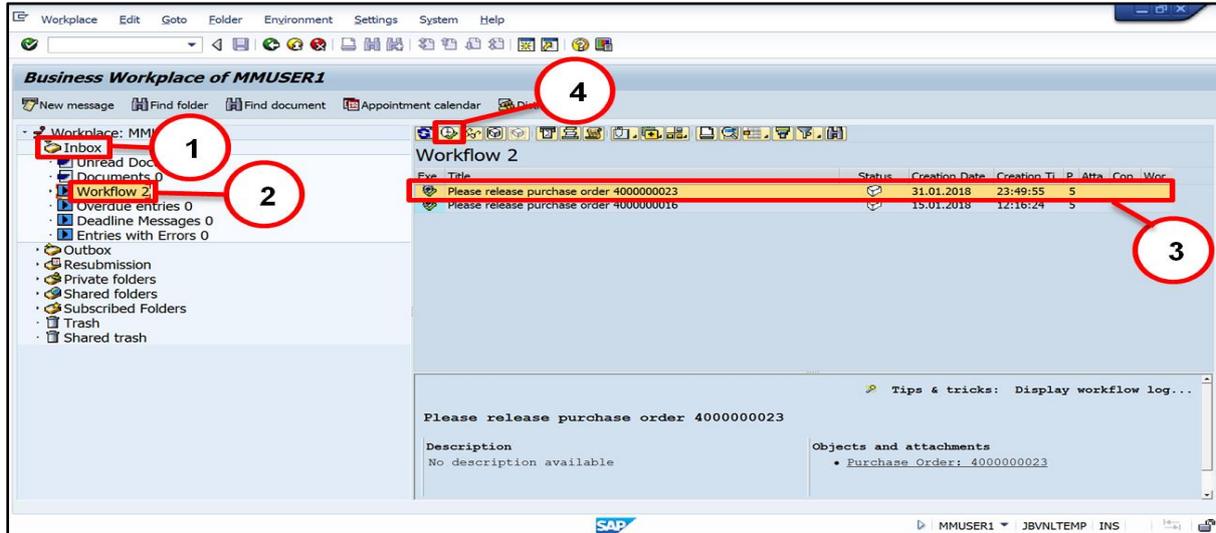
Step	Action
(1)	Click **Inbox**
(2)	Click **Workflow**
(3)	Select PO
(4)	Click **Execute**

4.4.3 SAP Easy Access
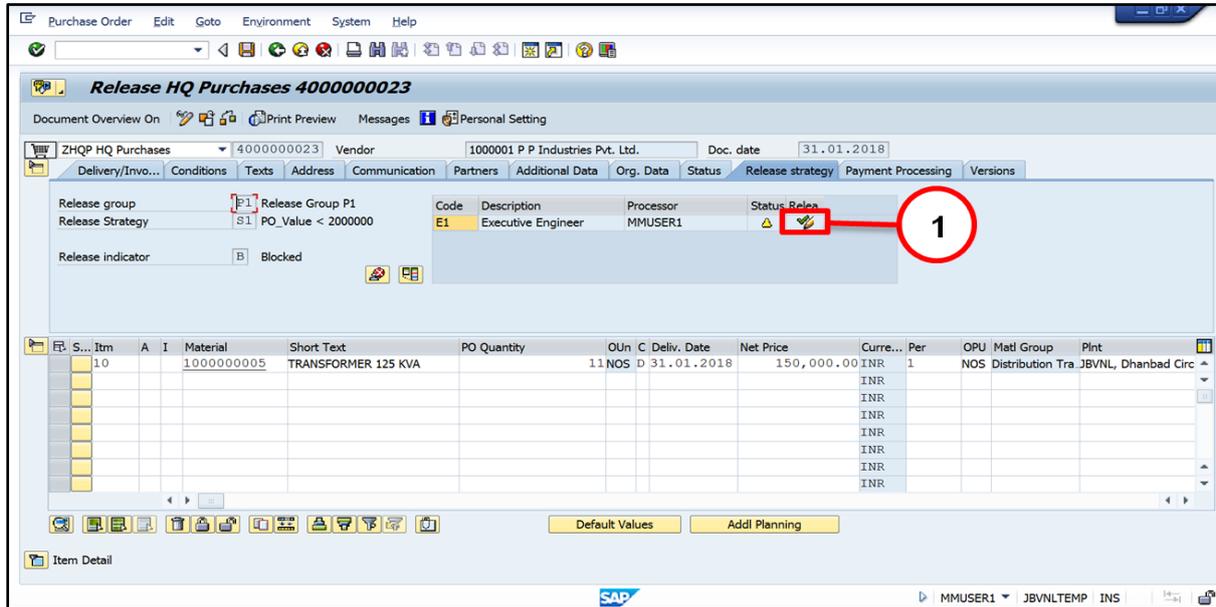
Step	Action
(1)	Click **Release** ✔ and SAVE

4.4.4 Release PO
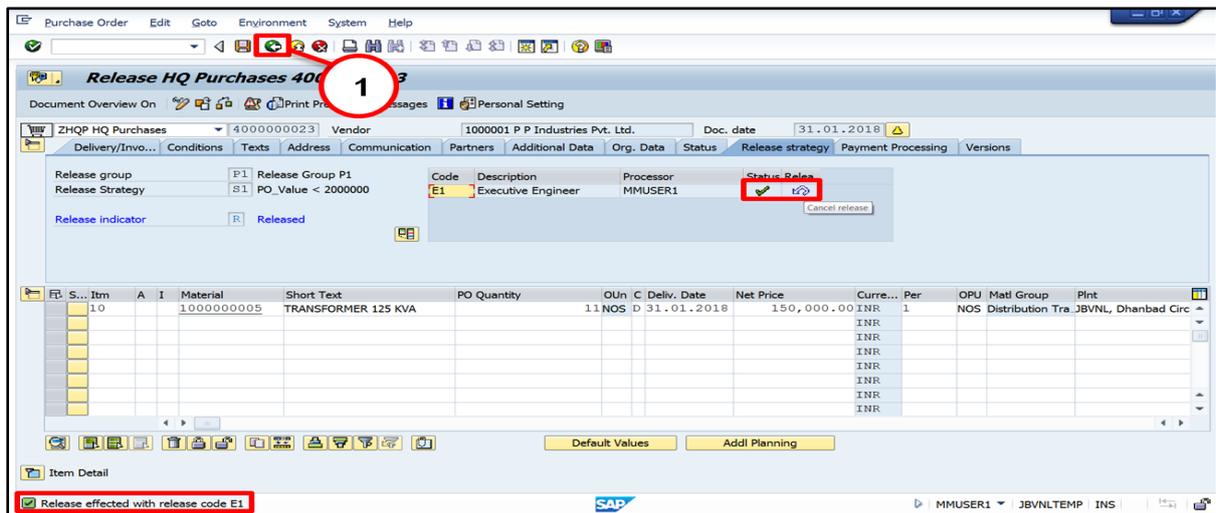
Step	Action
	Check Status
	See Information message at the bottom of the screen.
(1)	Click **Back**

4.4.5 SAP Easy Access
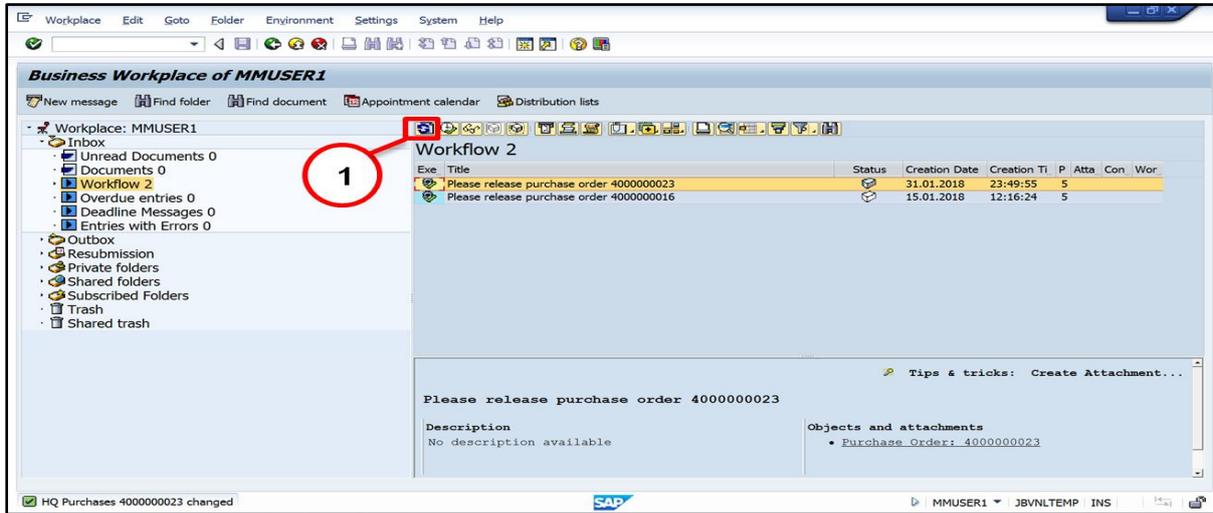
Step	Action
(1)	Click **Update.**
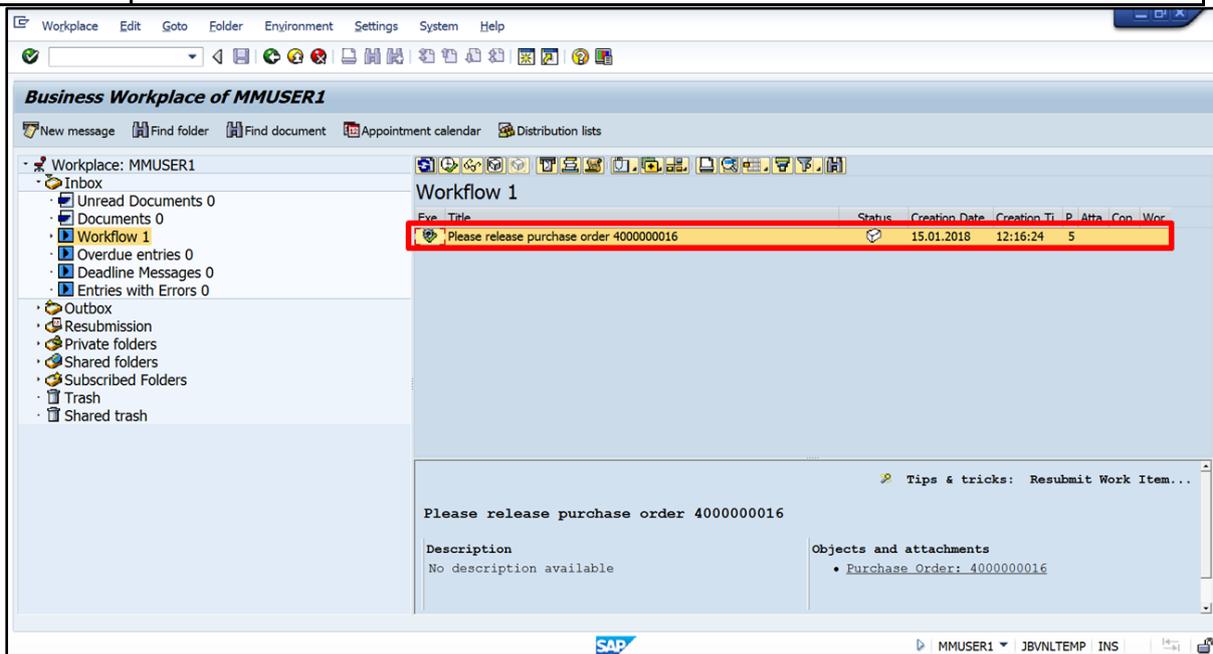
Step	Action
(1)	System update workflow list, and removed Released PO.

4.5 Amendment PO(DI):-

**Path to Amendment PO (DI):-**

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SAP Menu Path	Logistics => Materials Management => Purchasing => Purchase Order => Change
SAP T-code	ME22N

4.5.1 SAP Easy Access
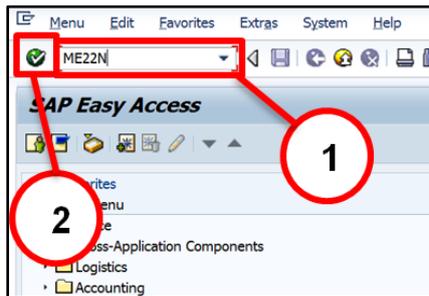
Step	Action
(1)	**ME22N** is now entered in the **Transaction box**.
(2)	Click **Enter** .

4.5.2 ME22N – Change Purchase Order (DI)
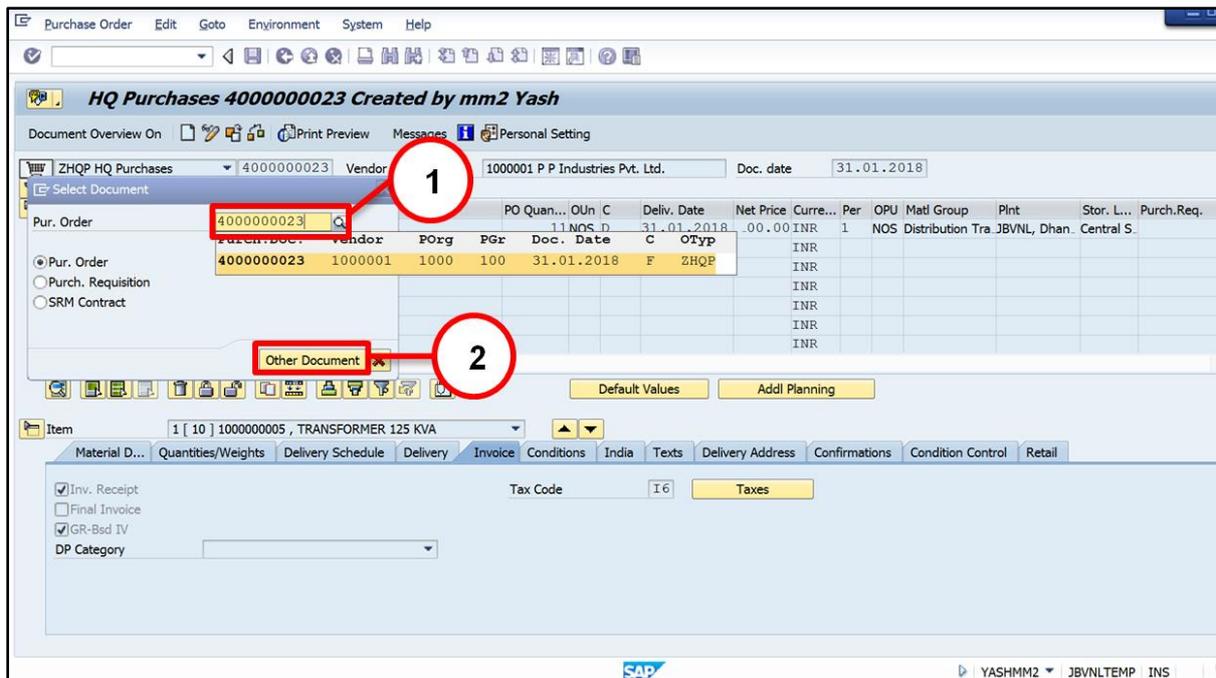
Step	Action

Step	Action
(1)	**Purchase Order:-** Input / Selection Purchase order number
(2)	Click **Other Document**

4.5.3 ME22N – Change Purchase Order (DI)

Step	Action
(1)	**Delivery date:-** Change Delivery date (Change as per your requirement)
(2)	Click **Header**

4.5.4 ME22N – Change Purchase Order (DI)
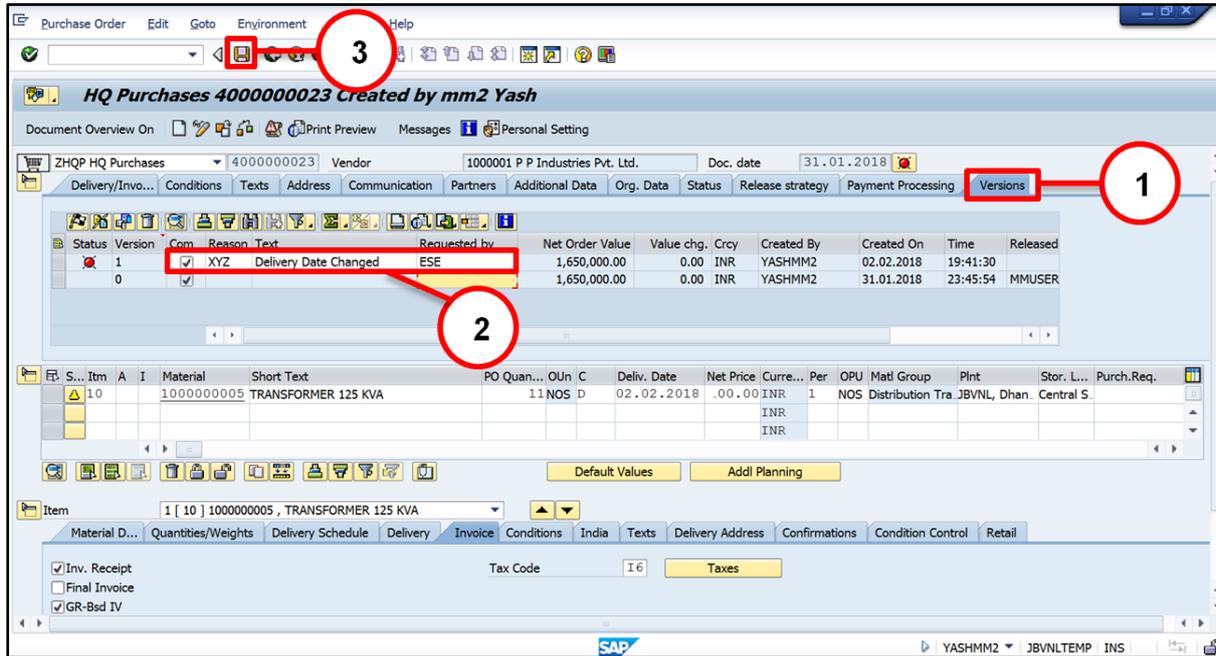
Step	Action
(1)	Select **versions** tab
(2)	Input change (Active Completed, Reason, Text, Requested By)
(3)	Click **Save**

HQ Purchases 4000000023 changed

4.6 Cancellation PO(DI):-

Path to Cancellation PO (DI):-

SAP Menu Path	Logistics => Materials Management => Purchasing => Purchase Order => Change
SAP T-code	ME22N

You can cancel PO in ME22N transaction code by "Delivery Completed" Indicator tick.

Manual End