PERCEPTION® MAT-PAC

Purchase Orders

A Training Tutorial

This training tutorial outlines the basic features of the *PERCEPTION* system for developing purchase orders.

It is a supplement to the user manual entitled "*PERCEPTION Material Planning, Purchasing & Inventory Control*," which provides more details for the user.

Before using this tutorial, the user should first view the preliminary *PERCEPTION* training tutorial, "Getting Started."

Other related training tutorials for material control are the following:

1. Starting From Scratch: Material Planning, Purchasing & Inventory Control
2. Starting A New Project
3. Managing Drawings & Bills of Materials
4. Material Requisitions
5. Work Order Pallets
6. Tool Room Control
7. Developing A Parts Catalog
8. Managing Stock Inventories
9. Receiving & Warehousing
10. Withdrawing Material to Production
11. Managing Vendor Invoices
12. Managing Customer Billings

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Material Cost Management

The requisition is the repository for <u>all project material & subcontract costs</u> that ultimately are rolled up and summarized by the project's WBS.

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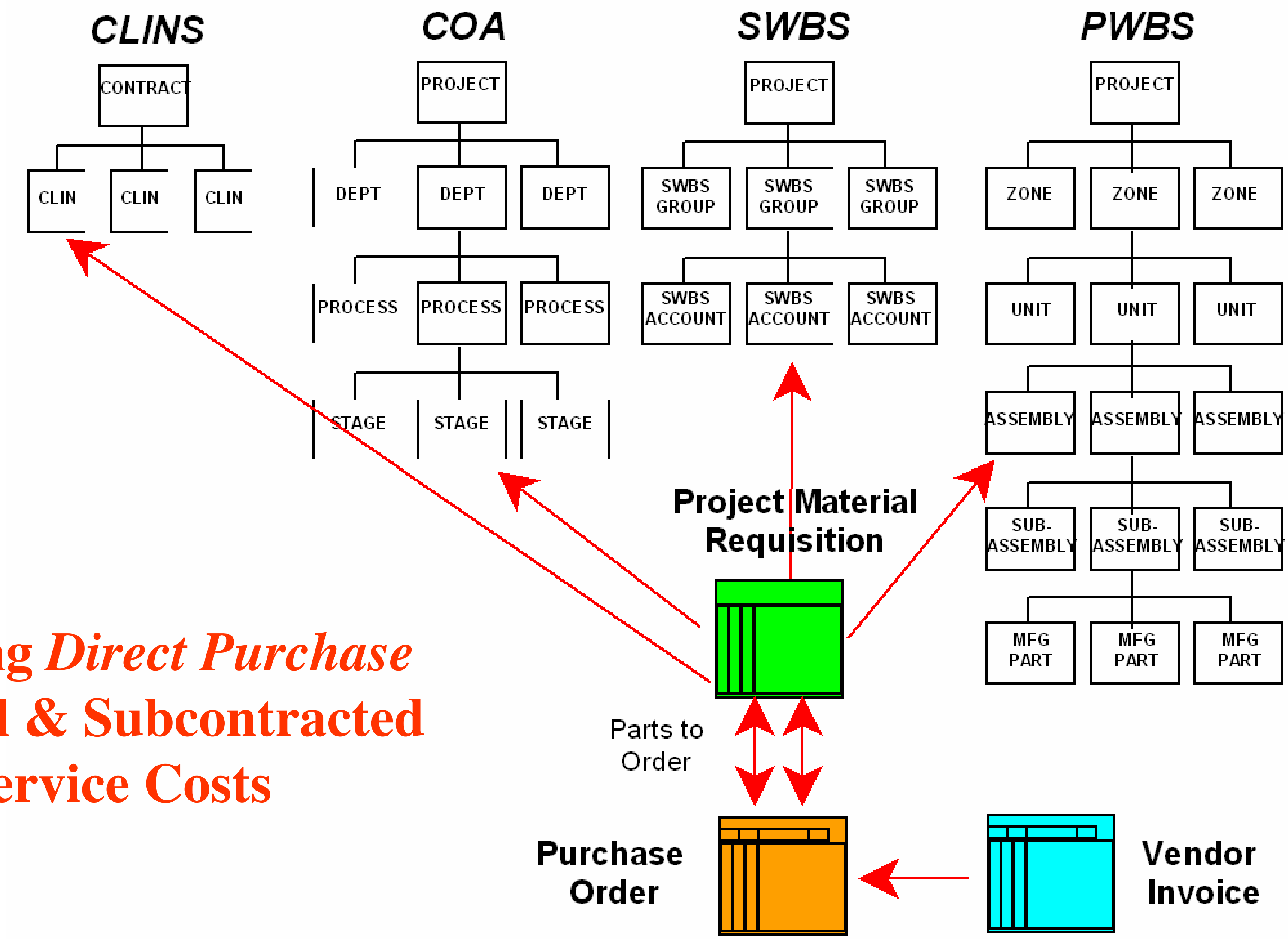
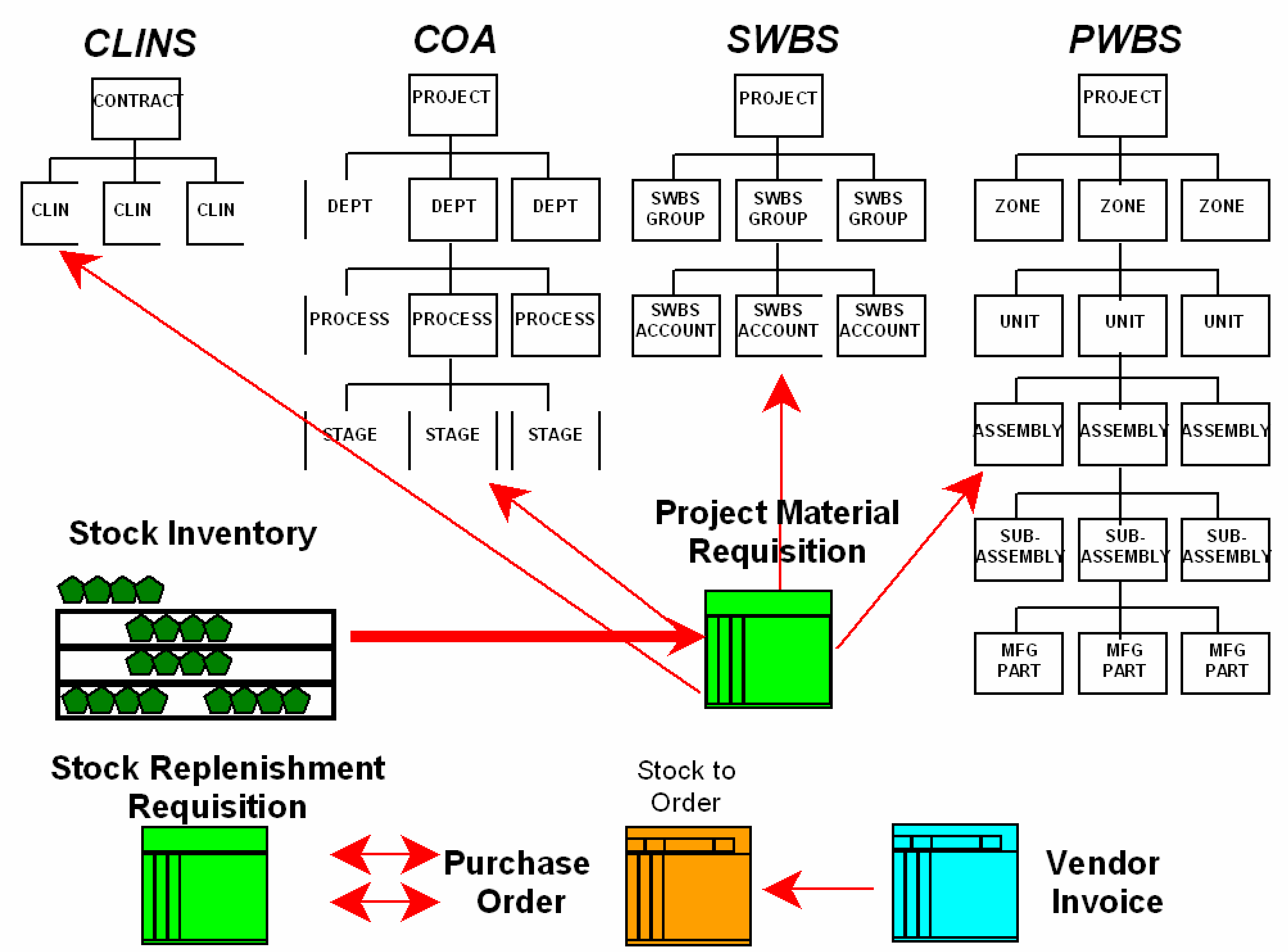
Tracking *Direct Purchase* Material & Subcontracted Service Costs



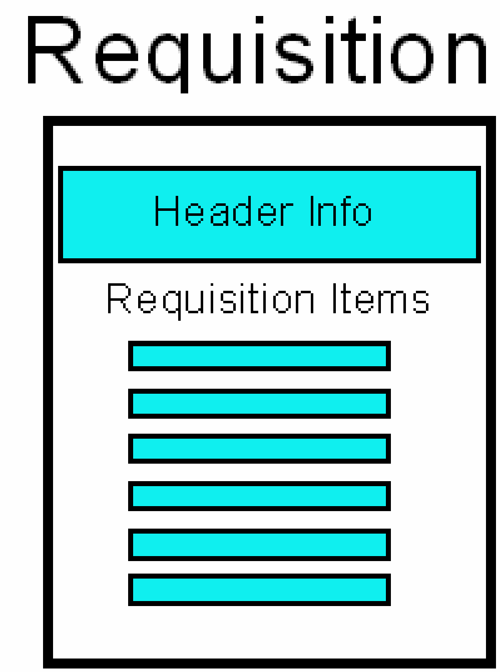
Tracking *Stock* Material Costs



IMPORTANT!

To track project costs properly, <u>all requisition items</u> must identify their appropriate WBS.

Requisitions consist of the <u>requisition header record</u> and <u>requisition item records</u>.



The header record stores general information about the requisition. The requisition items are its details.

Requisition Header Record

Access to requisitions is available either via the drill-down features or directly by selecting *Environment/Material Control/Requisitions* from the main menu.

Requisition Information

	Contract	Project	Reqn	Heading	Drawing	Drawing File Name	Center	Work Order	Authori
6	PD-337	337	1	Hull Structure					
7	PD-337	337	10	Masts Towers & Tetrapods					
8	PD-337	337	11	Service Platforms					
9	PD-337	337	1111	Auto Created from Drawing 0101	0101				Yes
10	PD-337	337	12	Electric Plant Foundations					
11	PD-337	337	13	Auxiliary Systems Foundations					
12	PD-337	337	14	Propulsion I.C. Engines					
13	PD-337	337	15	Auxiliary Propulsion Devices					
14	PD-337	337	16	Propulsion Reduction Gears					
15	PD-337	337	17	Propulsion Shafting					
16	PD-337	337	18	Propulsion Shaft Bearings					
17	PD-337	337	19	Propulsors					
18	PD-337	337	2	Shell & Supporting Structure					
19	PD-337	337	20	Propulsor Shrouds & Ducts					
20	PD-337	337	21	Circulation & Coupling Sea Water Systen					
21	PD-337	337	22	Uptakes					
22	PD-337	337	23	Fuel Service System					
23	PD-337	337	24	Main Propulsion Lube Oil System					
24	PD-337	337	25	Motors & Associated Equipment					
25	PD-337	337	26	Electric Cables					
26	PD-337	337	27	Ship Service Power Generation					

Requisitions Header Worksheet

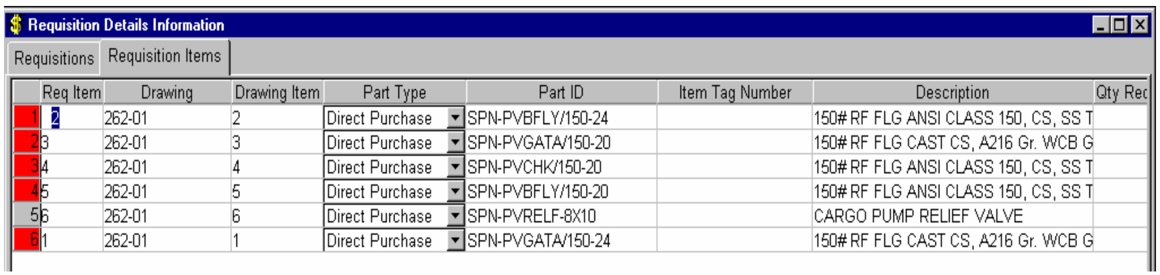
Each requisition is identified uniquely on the database by its set of <u>primary keys</u>:

1. **Contract ID (must be previously defined)**
2. **Project number (must be previously defined)**
3. **Requisition number (maximum 8 alphanumeric characters)**

(The requisition's primary keys are indicated by blue labels on the detail window)

Requisition Items

When the requisition header information is complete, add items by clicking on the Requisition Items tab to display the Requisition Item worksheet



	Req Item	Drawing	Drawing Item	Part Type	Part ID	Item Tag Number	Description	Qty Rec
1	2	262-01	2	Direct Purchase	SPN-PVBFLY/150-24		150# RF FLG ANSI CLASS 150, CS, SS T	
2	3	262-01	3	Direct Purchase	SPN-PVGATA/150-20		150# RF FLG CAST CS, A216 Gr. WCB G	
3	4	262-01	4	Direct Purchase	SPN-PVCHK/150-20		150# RF FLG ANSI CLASS 150, CS, SS T	
4	5	262-01	5	Direct Purchase	SPN-PVBFLY/150-20		150# RF FLG ANSI CLASS 150, CS, SS T	
5	6	262-01	6	Direct Purchase	SPN-PVRELF-8X10		CARGO PUMP RELIEF VALVE	
6	1	262-01	1	Direct Purchase	SPN-PVGATA/150-24		150# RF FLG CAST CS, A216 Gr. WCB G	

Requisition Items Worksheet

Each requisition is identified uniquely on the database by its set of <u>primary keys</u>:

1. **Contract ID (must be previously defined)**
2. **Project number (must be previously defined)**
3. **Requisition number (same as for the header)**
4. **Requisition item number (maximum 8 alphanumeric characters)**

(The requisition item's primary keys are indicated by blue labels on the detail window)

Defining Purchase Orders

Purchase Orders are formal commitments to vendors to purchase material and services:

- **For contract material**
- **For general stock inventory material**
- **For subcontracted services**

Special features include:

1. Use of foreign currencies
2. Automated conversions of units of measure from what is required to what is ordered (e.g., require “x” feet of each, but purchase “y” meters)
3. Functions to process various taxes and duties
4. Bulk item purchasing options
5. Blanket purchasing agreements

Bulk Item Purchasing

Bulk purchase order items are a convenient way to buy material when the same Part ID is listed on multiple requisitions. The system will automatically create one purchase order item and consolidate the quantities.

Bulk items can be ordered across contracts, projects and/or drawings.

Stock Replenishment Purchase Order

To purchase material for stock inventory replenishment, a stock replenishment requisition must be created on the system.

This requisition is then used to create the stock replenishment purchase order.

Stock replenishment requisitions must be identified with special "stock projects."

These projects must include the characters "STK" anywhere in the project number data field:

Example:

Stock Replenishment Project Number = STK2003.

(stock replenishments for year 2003)

The stock items on the requisition must be identified with a valid Part ID in the Parts Catalog and must have a Part Type of "Stock."

Stock items on the replenishment requisition do not create any stock reservation transactions on the Parts Catalog.

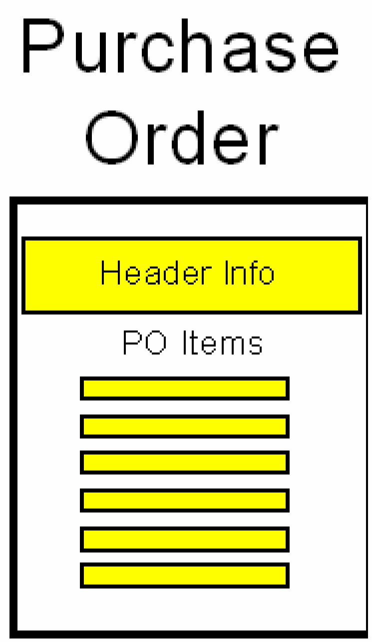
They do, however, increase the "Quantity on Requisitions" in the Parts Catalog to indicate that these items have been defined on a requisition and are therefore available for purchasing.

Brokered Material

Purchased material can be directed for processing by a third party broker. There are various ways to do this using the system, including the following:

1. **Provide the broker's name, address and vendor instructions in either the purchase order header or footer. If use of the broker is commonplace, this information can be defined as a standard purchase order clause (*Environment/Purchasing/Clauses*).**
2. **When the broker submits its fee invoice, issue a purchase order to cover the cost and allocate to the appropriate contract/project.**

Similar to requisitions, purchase orders consist of the purchase order header record and detail purchase order item records.



The header record stores general information about the purchase order. The PO items are its details.

Purchase Order Header Record

Access to purchase orders is available by selecting *Environment/Purchasing/Purchase Orders* from the main menu.

Purchase Orders for the Purchasing Environment

	PO	PO Heading	Date Required	Current ETA	Last Update	Original ETA	Last Issue Date	Amendment ID	Amendment Date
1	1	Valves	00/00/0000	00/00/0000	00/00/0000	00/00/0000	11/07/2001	4	11/07/2001
2	2	Valves	00/00/0000	00/00/0000	00/00/0000	00/00/0000	10/08/2001		00/00/0000
3	02	Purchase pipe fittings	00/00/0000	07/30/2001	07/06/2001	06/01/2001	09/18/2001	4	09/18/2001
4	03	Misc. pipe & fittings	00/00/0000	00/00/0000	00/00/0000	00/00/0000	00/00/0000		00/00/0000
5	R1	po for req R1	03/30/2002	00/00/0000	00/00/0000	00/00/0000	02/19/2002		00/00/0000
6	001		00/00/0000	00/00/0000	00/00/0000	00/00/0000	10/02/2001		00/00/0000
7	004	test	00/00/0000	00/00/0000	00/00/0000	00/00/0000	10/02/2001		00/00/0000
8	015	Outfit Assembly Materials	09/11/2001	00/00/0000	00/00/0000	00/00/0000	09/11/2001	1	09/11/2001
9	262	Machinery Arrangement	10/20/2001	10/20/2001	10/11/2001	10/20/2001	10/18/2001	1	10/18/2001
10	265		10/20/2001	00/00/0000	00/00/0000	00/00/0000	10/18/2001		00/00/0000
11	0909	demo	00/00/0000	00/00/0000	00/00/0000	00/00/0000	00/00/0000		00/00/0000
12	12345	Steel for drawing	05/01/2001	00/00/0000	00/00/0000	00/00/0000	00/00/0000	11	09/11/2001
13	12346	Misc. sailboat fittings	00/00/0000	00/00/0000	00/00/0000	00/00/0000	09/19/2001		00/00/0000
14	12347	Sample Purchase Order	00/00/0000	00/00/0000	00/00/0000	00/00/0000	00/00/0000		00/00/0000
15	12349	pipe purchase	00/00/0000	00/00/0000	00/00/0000	00/00/0000	00/00/0000		00/00/0000
16	12350	BUY BULK PIPE	00/00/0000	00/00/0000	00/00/0000	00/00/0000	09/03/2002	1	09/03/2002
17	12352	Pipe for Project 5	00/00/0000	00/00/0000	00/00/0000	00/00/0000	09/03/2002		00/00/0000
18	V0000002	Auto Created by Voucher R2	02/19/2002	02/19/2002	00/00/0000	02/19/2002	02/19/2002		00/00/0000
19	V0000003	Auto Created by Voucher R3	02/19/2002	02/19/2002	00/00/0000	02/19/2002	02/19/2002		00/00/0000

Purchase Order Header Worksheet

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Every purchase order must be identified on the database by its unique purchase order number:

Purchase Order Number (maximum 8 alphanumeric characters)

A new purchase order can be added to the Purchase Order Header worksheet.

The purchase order header must identify

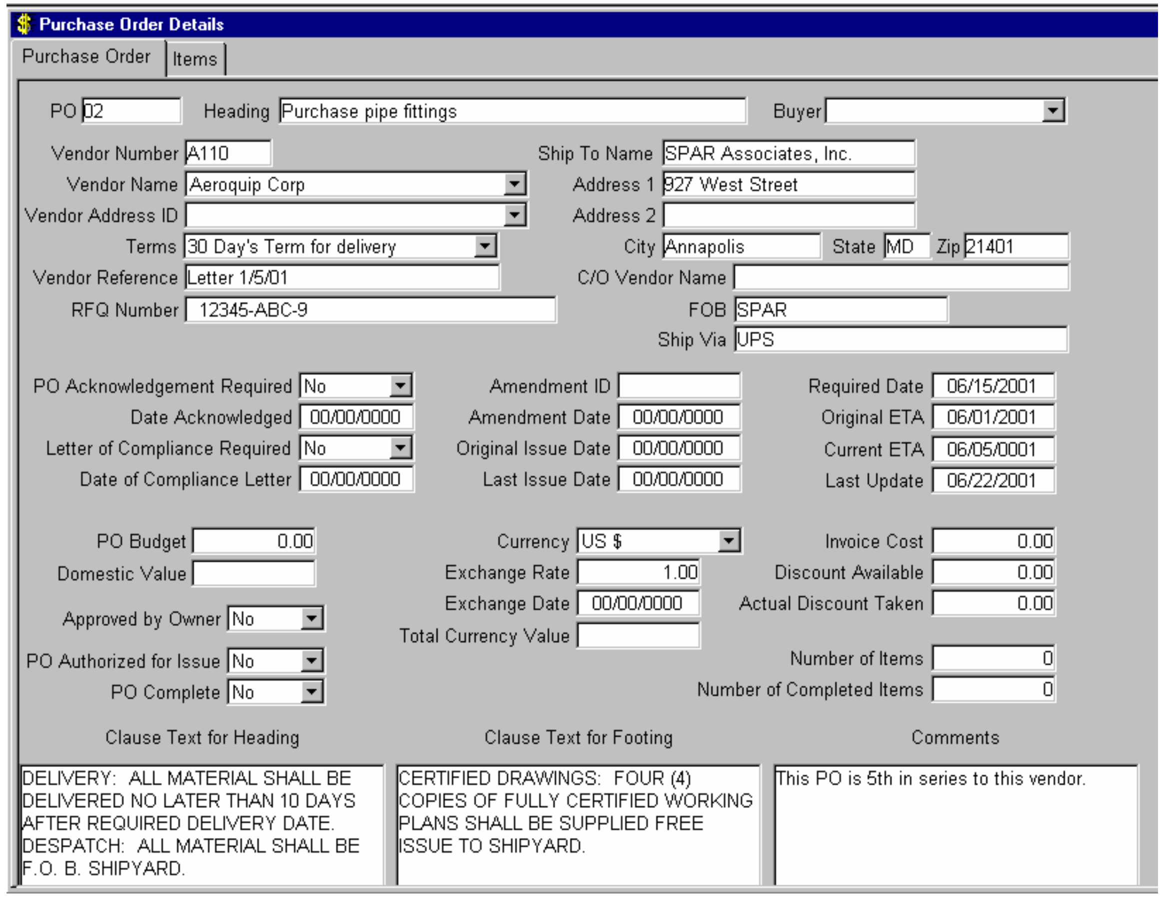
- **Vendor**
- **Terms**
- **Currency requirements.**

The other information typically required identify

- **The *Ship To* address and**
- **Any necessary header and/or footer text specifications.**

Double clicking on a desired purchase order will open the *Purchase Order Details* tab window.

This window provides most of the information available at the header level of the purchase order.



Purchase Order Detail Window

Purchase Order Header Information

The following describes the various fields of information (many optional) on a purchase order:

Purchase Order Header Detail Information

The purchase order header record holds overall information about the purchase order:

PO Number

The *PO Number* can be a sequential number, but it must uniquely identify the purchase order on the database.

The *PO Number* is limited to a maximum of 8 alphanumeric characters.

PO Heading

The *PO Heading* is a brief description of the purchased items. The heading is used on all PO summary and status reports.

The *PO Heading* is limited to a maximum of 40-characters in length.

Buyer

The *Buyer* is the individual who is composing the purchase order and who should have the best understanding of its contents and any communications between the shipyard and the vendor.

The buyer must have been defined on the employee table as a buyer (*Environment/ Accounting/Employees*).

Vendor Number

The *Vendor Number*, limited to 8 alphanumeric characters), identifies the vendor in the database Vendor Catalog (*Library/Vendor Catalog*). The vendor number is retrieved by the system when the user identifies the vendor by name.

Vendor Name

The *Vendor Name* is as defined on the Vendor Catalog. The user (buyer) must select the name from the name drop-down list. For large vendor catalogs, the user can enter only the first few characters of the vendor name and the system will immediately move the focus of the drop down list to that area of the catalog.

Vendor Detail ID

A vendor may be defined with multiple contacts and addresses. Each contact and address must be cataloged under a different *Vendor Detail ID*. This *Vendor Detail ID* is defined when the vendor is defined in the Vendor Catalog (*Library/Vendor Catalog*).

The *Vendor Detail ID* may be a sequential number. It has a maximum field length of 8-characters.

Terms

The terms and conditions must be selected from the drop down list that operates from the selections defined on the database (*Environment/Purchasing/Terms*).

Vendor Reference

The *Vendor Reference* can be any identifiable communications (fax, email, phone call, etc.) that can be used to associate the purchase order with earlier communications with the vendor.

The *Vendor Reference* is limited to a maximum of 16-characters in length.

RFQ Number

The *RFQ Number* is for information purposes only.

The *RFQ Number* is limited to a maximum of 30-characters in length.

Ship To Name

The *Ship To Name* is initially set to be the shipyard's own name and address as it appears in the company default table (*Library/Company Parameters*). However, the user may over-ride this with a manual entry that designates a destination to another name and address.

C/O Vendor Name

The *C/O Vendor Name* is optional information, limited to 16-characters.

FOB

Freight On Board designates whether the cost of shipping is borne by the vendor or by the shipyard.

FOB is limited to a maximum of 16-characters in length.

Ship Via

Ship Via is an optional instruction to the vendor to use a particular shipping company of the shipyard's preference. *Ship Via* is limited to 20-characters.

PO Acknowledgement Required

Some purchase orders require that the vendor acknowledge receipt of the purchase order.

Date Acknowledged

When the shipyard receives the vendor's acknowledgement that he has received the PO, the user should manually enter the *Date Acknowledged*.

Letter of Compliance Required

Some purchase orders require that the vendor provide a "Letter of Compliance" to all the specifications for material, quality, etc.

Date of Compliance Letter

When the shipyard receives the vendor's "Letter of Compliance," the user should manually enter the *Date of Compliance Letter*.

Amendment ID

When a purchase order has been issued to the vendor, it cannot be modified in any way unless the user makes a formal amendment. The *Amendment ID* is a numbering scheme devised by the user to track each amendment that might be issued for the PO.

The Amendment ID is limited to a maximum of 8 alphanumeric characters.

Amendment Date

The system automatically inserts the current date.

Original Issue Date

When the purchase order is originally issued to the vendor, the system applies the date of the issues as the *Original Issue Date*.

Last Issue Date

The *Last Issue Date* is the date that the PO was issued most recently.

Required Date

The *Required Date* is the Required-In-Yard (RIY) Date. Initially, the user may manually set this date for the PO header. However, if the PO items reference requisition items that have been scheduled by either work orders or production pallets, these items will have their individual RIY dates computed by the system as described in the chapter "Material Planning & Scheduling" of the "Material Planning, Purchasing & Inventory Control User Manual.". When items are defined for the PO, the PO header's Required Date will be set by the system as the earliest RIY date of the PO items.

Original ETA

The *Original ETA* is the ETA provided when the vendor acknowledges receipt of the PO. Various expediting reports measure this *Original ETA* against the *Current ETA* and against the actual time of arrival. Such measures can be helpful in identifying vendors that cannot adhere to their original promises.

The *Original ETA* is set automatically by the system when the user first enters a *Current ETA*. Once the purchase order record is saved to the database, the *Original ETA* cannot be modified.

Current ETA

As the user expedites deliveries and obtains updates from the vendor as to the actual times of delivery, the *Current ETA* (Estimated Time of Arrival) date can be entered. Various expediting reports track these dates against the Required Date and warn the user of schedule problems that may result if the vendor's ETA is recognized by the system as late.

Last Update

When the user updates the Current ETA, the system applies the date when it was entered. This date enables the expediter to determine if additional follow-up communications with the vendor should be made to ensure that the ETA is indeed still current.

PO Budget

The *PO Budget* is optional and allows the buyer to measure the relative success of the final purchasing cost. Several reports are available for comparing PO budgets versus their actual costs.

Domestic Value

For purchase orders that are issued using foreign currency prices, the system computes the equivalent *Domestic Value* as follows:

Domestic Value = Foreign Currency Price x Currency Exchange Rate

The *Domestic Value* is the full value of all PO items in the purchase order.

Previous Domestic Value

If a purchase order is amended and that amendment causes the total purchase order value to change, the system will track the previous value and print it on the issued purchase order.

Currency

For POs using foreign currencies, the user must select the correct *Currency* from the drop down list. This list is maintained on the currency database table (*Library/Currency*).

The currency designation will be used as the default designation for purchase order items created after the PO header has been saved. Once purchase order items have been created and saved, the PO header currency designation may be changed, but this change will not be reflected automatically to any existing items. This change will only apply to any new items added to the purchase order. To change the currency designation to existing purchase order items, the items must be manually modified in their worksheet.

Exchange Rate

The currency *Exchange Rate* is obtained by the system from currency database table but can be changed for an individual purchase order.

Exchange Date

The currency *Exchange Date* is obtained by the system from currency database table.

Total Currency Value

The *Total Currency Value* is the total value of the purchase order. If the purchase order is issued in terms of foreign currency, the *Total Currency Value* is in terms of the foreign currency. If the purchase order is issued in terms of domestic currency, the *Total Currency Value* equals *Domestic Value*.

Previous Total Value

If a purchase order is amended and that amendment causes the total purchase order value to change, the system will track the previous value and print it on the issued purchase order.

Invoice Cost

If the system invoice processing features are used, the system summarizes the recorded costs of all invoices made by the vendor against the purchase order.

Discount Available

A purchase order requires that its terms and conditions be defined on the terms library (*Environment/Purchasing Terms*). Terms can be defined with standard discounts offered by a vendor: percent discount, discount days (calendar days after date of invoice prior to which a discount may be applied), and days after invoice payments are due.

The *Discount Available* is computed by the system as the total possible discount value of the purchase order.

Actual Discount Taken

The *Actual Discount Taken* is tracked by the system after the vendor invoice has been processed (*Environment/Accounting/Vendor Invoices*).

Approved by Owner

Some contracts require that the owner approve certain purchase orders. If the Approved by Owner is made affirmative ("Yes"), no further changes can be made to the purchase order unless this approval is turned off.

PO Authorized for Issue

The purchase order cannot be issued to the vendor unless it has been *Authorized*. Once authorized, the PO cannot be modified in any way unless a PO amendment is processed.

PO Complete

If all PO items have been fully received, the system will automatically flag the PO as *Complete*. However, even if all items have not been fully received, the shipyard may still consider the PO complete and not expect any further deliveries. Setting the header to complete will update all items as complete.

Number of Items

The system provides an automatic count of the *Number* of items included in the purchase order.

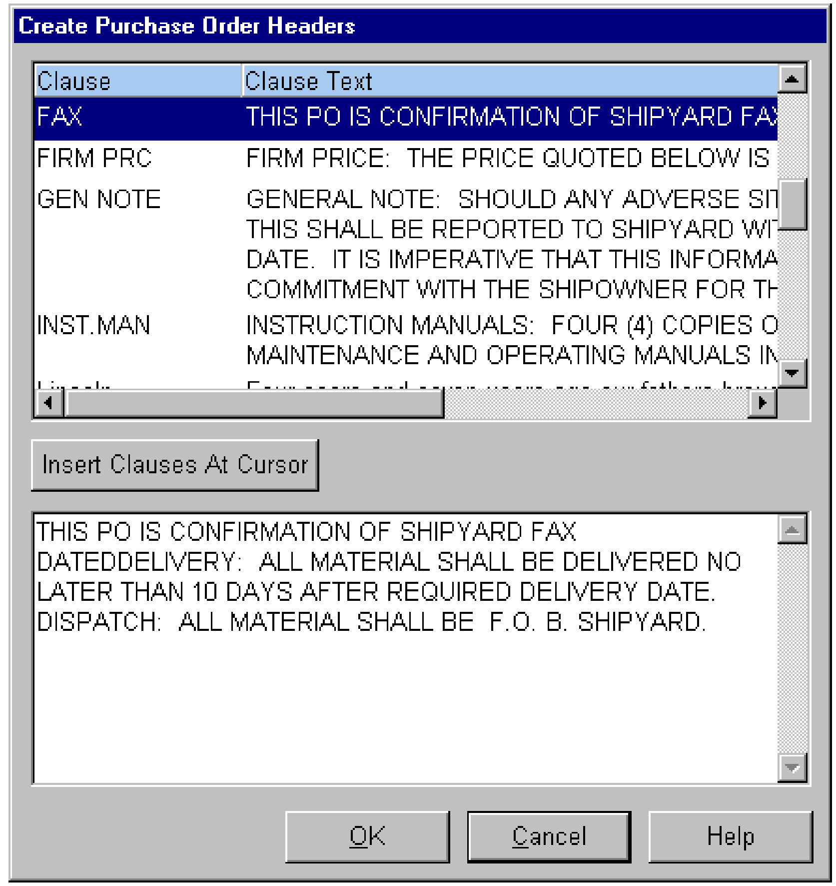
Number of Completed Items

When a PO item has been fully received, the system makes the assessment that the item is complete. The system provides an automatic count of these completed items.

Clause Text for Heading

Heading Text is information that the buyer wishes to be displayed at the top of the PO. This information can be manually entered using standard text editing procedures.

The user also may formulate this text using Clauses from the library (*Environment/Purchasing/Clauses*).



***Edit/Create PO Heading* enables the user to use these clauses in compiling and editing the PO Heading.**

Select a clause from the library listing, then click on the *Insert Clauses At Cursor* button. Additional clauses can be added, but one at a time, by repeating this procedure. Manual editing of the results here is permitted.

<u>Warning</u>, do not use the *Enter* key on your keyboard, as this will cause your text to disappear. If blank lines are required, create the text in Notepad or WordPad and copy and paste into the PO column.

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Clause Text for Footer

Footer Text is information that the buyer wishes to be displayed at the bottom of the PO. This information can be manually entered using standard text editing procedures.

The user also may formulate this text using Clauses from the library (*Environment/Purchasing/Clauses*). *Edit/Create PO Footer* enables the user to use these clauses in compiling and editing the PO Footer. Follow the same procedures as described for the PO Heading.

Comments

These comments are for user-information purposes only. They appear in no material control document.

Purchase Order Items

When the purchase order header information is complete, click on the *Items* tab to display the Purchase Order Item worksheet and add the PO items:

Purchase Order Details

Purchase Order | Items

	PO	PO Item	Description	Qty Ordered	Reqn UoM	PO UoM	Part Type	Part ID	Unit Price
1	02	1	EX STG Butt Weld SMLS, CS, Concentric	2.00	EA	EA	Direct Purchase	PCRED/XS-24X20	275.000
2	02	2	EX STG Butt Weld SMLS, CS, 90-deg SR E	12.00	EA	EA	Direct Purchase	PE90SR/XS-24	255.000
3	02	3	EX STG ERW/SMLS, CS, Pipe	5.67	M	M	Direct Purchase	PI/XS-10	93.500
4	02	4	EX STG ERW/SMLS, CS, Pipe	1.00	M	M	Direct Purchase	PI/XS-14	154.200
5	02	5	EX STG ERW/SMLS, CS, Pipe	66.33	M	M	Direct Purchase	PI/XS-20	262.470
6	02	6	EX STG ERW/SMLS, CS, Pipe	23.00	M	M	Direct Purchase	PI/XS-24	344.490
7	02	7	EX STG ERW/SMLS, CS, Pipe	0.67	M	M	Direct Purchase	PI/XS-8	100.070
8	02	8	EX STG Butt Weld SMLS, CS, Tee	2.00	EA	EA	Direct Purchase	PTEE/XS-24	1,600.000
9	02	9	EX STG Butt Weld SMLS, CS, Reducing Te	2.00	EA	EA	Direct Purchase	PTRED/XS-24X20	1,150.000
10	02	10	150# RF Flg, CS, SS Trim Butterfly Val	9.00	EA	EA	Direct Purchase	PVBFLY/150-20	2,850.000
11	02	11	150# RF Flg, CS, SS Trim Butterfly Val	4.00	EA	EA	Direct Purchase	PVBFLY/150-24	3,000.000
12	02	12	150# RF Flg, CS, SS Trim Wafer Check V	3.00	EA	EA	Direct Purchase	PVCHK/150-20	4,500.000
13	02	13	150# RF Flg, CS, Gate Valve w/Actuator	3.00	EA	EA	Direct Purchase	PVGATA/150-20	10,000.000
14	02	14	150# RF Flg, CS, Gate Valve w/Actuator	3.00	EA	EA	Direct Purchase	PVGATA/150-24	10,000.000
15	02	15	Cargo Pump Relief Valve	2.00	EA	EA	Direct Purchase	PVRELF-8X10	5,000.000

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Every purchase order item must be identified on the database by its <u>unique combination of purchase order number & item number</u>:

1. **Purchase Order Number (maximum 8 alphanumeric characters)**
2. **Purchase Order Item Number (maximum of 8 alphanumeric keys)**

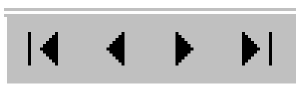
Purchase order items can be added in the Purchase Order Item worksheet.

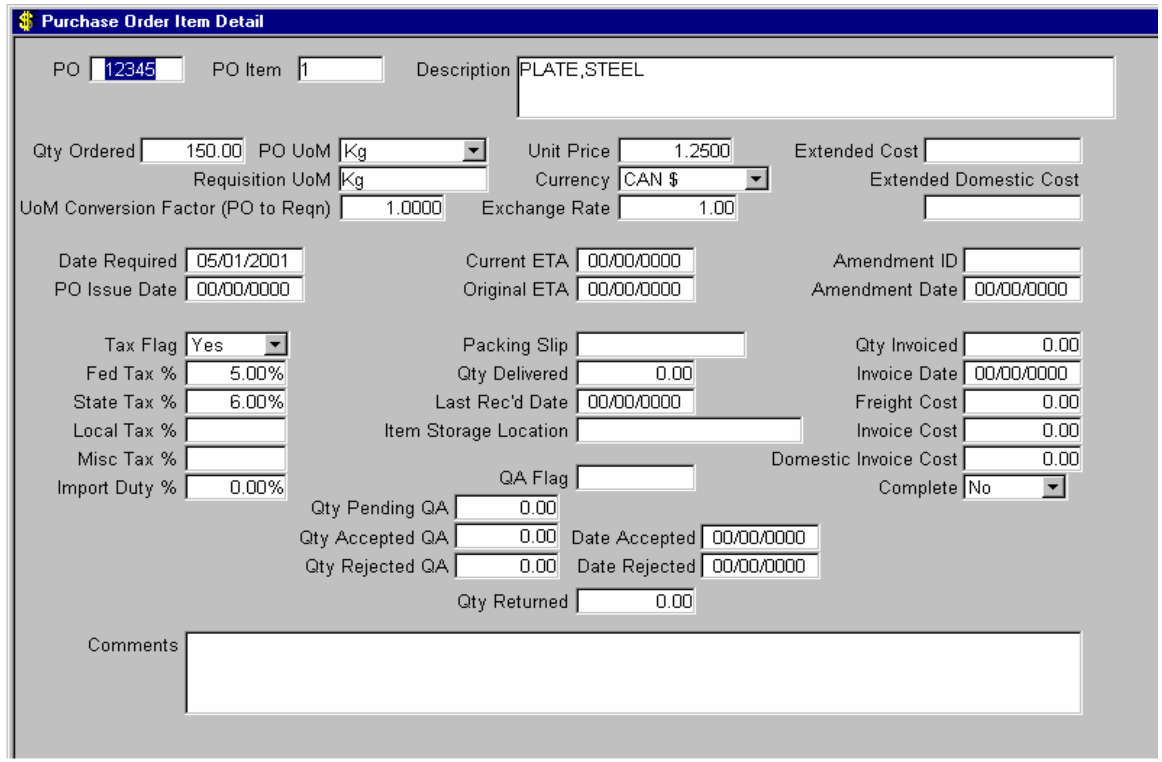
Every PO item <u>must identify</u> an item on an existing requisition.

The requisition also must be flagged as *authorized*, otherwise the system will display an error.

Double click on any PO item in the PO Item worksheet to display its detail window or by click on the the *Drill Down* button  on the tool bar and select *Details*.

Other items can be viewed from this same window by cycling through them using the scrolling buttons on the tool bar.





Purchase Order Item Detail Window

The following describes the information displayed about the PO item (many are optional):

PO Number

The *PO Number* is updated automatically from the header .

PO Item

The *PO Item Number* can be a sequential number that uniquely identifies the purchase order item on the database.

The *PO Item Number* is limited to a maximum of 8 alphanumeric characters.

Description

The *Description* automatically is set by the system to be the same as the description for the requisition item to which the PO item has been linked.

The user may wish to manually edit and modify this description for the purchase order.

Qty Ordered

The *Qty Ordered* automatically is set by the system to be the same as the required quantity for the requisition item to which the PO item has been linked. However, there are the following exceptions:

If the requisition item has already been ordered on a previous purchase order, this quantity will be set to the *Quantity Required* minus the *Quantity Ordered* on the requisition item .

If the PO item links to multiple requisition items, such as possible with a bulk purchase of standard parts from the Parts Catalog, the *Qty Ordered* will be set by the system as the sum of all these requisition item required quantities.

The user may manually edit and modify this *Qty Ordered* for the purchase order if the PO item is attached to only one single requisition item.

PO UoM

The *PO UoM* (purchase order unit of measure), by default, is set by the system to be the unit of measure of the linked requisition item(s). However, the user can change this if the unit of measure is different for the purchased quantity. For example, paint may be withdrawn to production on the basis gallons, but purchased by the drum. For these situations, the user must make the appropriate changes to the *Qty Ordered* and define the appropriate *UoM Conversion Factor*.

Only units of measure stored in the library (*Library/Units of Measure*) are available in the *PO UoM* drop down box.

Requisition UoM

The *Requisition UoM* is the unit of measure of the linked requisition item(s). Only changing the unit of measure on the requisition item can change it.

UoM Conversion Factor (Purchase Order To Requisition)

The *UoM Conversion Factor*, by default, is set by the system to be 1.0. However, if the user changes the unit of measure for the Qty Ordered, the user must supply the appropriate conversion factor. This factor is required by the system so that after the ordered material has been received from the vendor in terms of the purchased units of measure, it can be processed for production in the original requisitioned units of measure.

The conversion factor is the following ratio:

UoM Conversion Factor = *PO UoM* / Requisition *UoM*

Unit Price

The user sets the *Unit Price* based upon the vendor's price. This price does not include any incentive discounts specified on the PO Header.

Special note about Standard Parts pricing (Stock & Direct Purchase Material):

When requisition items identified as standard parts are assigned to a purchase order, the system, by default, applies the unit price as maintained on the Parts Catalog for these purchase order items. The user should always ensure that the purchase order unit price is correct and relevant for the purchase order on hand.

Special attention by the user is required when standard parts are ordered from a foreign vendor. The prices in the Part Catalog are always maintained in terms of domestic currency. The system will not automatically apply the currency exchange rate to the catalog price when first creating the purchase order items. The user must re-enter the prices using the foreign currency values.

PO item unit prices always flow back to the purchasing requisition items, and if a standard part, back to the Parts Catalog of purchase price statistics. This flow back to the requisition items and to the Parts Catalog is always done using domestic values.

The material rollup will summarize purchased costs to all defined levels of the project WBS. These costs are rolled up from the requisition items and are always summarized using domestic values.

Currency

The *Currency* automatically is set by the system to be the same as the currency specified on the PO Header.

Exchange Rate

The *Exchange Rate* automatically is set by the system to be what has been defined on the exchange rate table (*Library/Currency*).

The user may wish to manually edit and modify this *Exchange Rate* for the purchase order.

The PO item worksheet stores and displays the exchange rate for each PO item. The purchase order item exchange rate value will not change unless the user changes the currency designation or enters a manual change to the rate.

If the user changes the exchange rate on the currency database table after the purchase order items have been created and saved to the database, the system <u>will not automatically update</u> the PO items and revise their equivalent domestic values of prices.

Extended Cost

The *Extended Cost* is computed by the system as follows:

Extended Cost = *Qty Ordered* x *Unit Price*

The *Extended Cost* is in terms of the item's *Currency*.

Extended Domestic Cost

The *Extended Domestic Cost* is computed by the system as follows:

Extended Domestic Cost = *Extended Cost* x *Exchange Rate* + *the Sum of the taxes*

Date Required

The *Date Required* is the required delivery date (i.e., Required In-Yard Date) determined by the system as computed from the earliest *Need Date* for the PO item (the PO item may be linked to multiple requisition items) and the longest Stores Buffer time or the Pallet Buffer time defined on the requisition item(s).

PO Issue Date

The PO Issue Date is the date the purchase order or its amendment was issued.

Current ETA

The *Current ETA* is the most current estimated time of arrival for the PO item as provided by the vendor to the user. This is a manual entry.

Original ETA

The *Original ETA* is the original estimated time of arrival for the PO item as provided by the vendor to the user. The *Original ETA* is set by the system when the user first enters a Current ETA for the PO item. Once set, the user cannot modify this *Original ETA* date.

Amendment ID

The Amendment ID is a sequential number assigned by either the system or by the user. Different PO items can be assigned to different amendment ID's.

Amendment Date

The *Amendment Date* is automatically set by the system as the most recent date that the PO item was amended.

Tax Flag

The *Tax Flag* (Yes or No) allows the user to indicate a tax exemption status.

Taxes

The system automatically sets the sales tax percentages to be the same as defined in the company parameters (*Library/Company Parameters/Tax Rates*).

Import Duty

If the PO item requires an import duty to be paid, enter the percentage.

Packing Slip

The *Packing Slip* is set by material receiving transaction (*Environment/Stores Management/Receive Purchased Material*).

Qty Delivered

The *Qty Delivered* is set by material receiving transaction (*Environment/Stores Management/ Receive Purchased Material*).

Last Rec'd Date

The *Last Rec'd Date* is set by material receiving transaction (*Environment/Stores Management/ Receive Purchased Material*)

Item Storage Location

The material receiving transaction identifies the *Item Storage Location* (*Environment/Stores Management/Receive Purchased Material*).

QA Flag

The *QA Flag* reflects any QA flagging defined on the requisition item. When the purchased item is received and the system recognizes that a QA flag exists, it will notify the receiving clerk that a QA inspection is required.

QTY Pending QA

The *QTY Pending QA* is set by the system as soon as the receiving clerk enters the quantity delivered (*Environment/Stores Management/Receive Purchased Material*), provided that the requisition item has been specified with a *QA Flag*.

QTY Accepted QA

The *QTY Accepted QA* is set by material inspection transaction (*Environment/Stores Management/QA Material*).

Date Accepted

The *Date Accepted* is set by material inspection transaction (*Environment/Stores Management/QA Material*).

QTY Rejected QA

The *QTY Rejected QA* is set by material inspection transaction (*Environment/Stores Management/QA Material*).

Date Rejected

The *Date Rejected* is set by material inspection transaction (*Environment/Stores Management/QA Material*).

QTY Returned

The *QTY Returned* is set by material return transaction (*Environment/Stores Management/Return Material*).

Qty Invoiced

The *QTY Invoiced* is set by vendor invoice transaction (*Environment/Accounting/Vendor Invoices*).

Invoice Date

The *Invoice Date* is set by vendor invoice transaction (*Environment/Accounting/Vendor Invoices*).

Freight Cost

The *Freight Cost* is set by vendor invoice transaction (*Environment/Accounting/Vendor Invoices*)

Invoice Cost

The *Invoice Cost* is determined by the vendor invoice transaction (*Environment/Accounting/Vendor Invoices*).

Domestic Invoice Cost

The *Domestic Invoice Cost* is determined by the vendor invoice transaction (*Environment/Accounting/Vendor Invoices*).

Complete

The user may set the *Complete* flag (*Yes* or *No*) at any time. When set, the system will assume no further commitments are to be made to the vendor for any further deliveries of this item under this purchase order. The system will make appropriate adjustments to the committed costs to the levels of the WBS.

When all quantities ordered have been received and accepted, the system will automatically set the *Complete* flag to *Yes*.

Comments

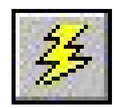
These comments are for user-information purposes only. They appear in no material control document.

All PO items must be provided with the purchased unit price and any applicable taxing designations.

Reviewing Purchase Order Links to Requisitions

Each PO item <u>must</u> be linked to one or more requisition items.

To view what requisition items are linked to a particular PO item, identify the PO item in the PO Item worksheet,

1. **Click on the *Drill Down* button  on the tool bar**
2. **Select *Attached Requisition Items* from the pop up.**

The Requisition Item worksheet will then be displayed listing all requisition items linked to that PO item.

Reviewing Requisition Links to Purchase Orders

Each requisition item <u>may</u> be linked to one or more PO items.

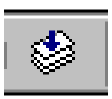
To view what PO items are linked to a particular requisition item, identify the requisition item in the Requisition Item worksheet,

1. **Click on the *Drill Down* button**  **on the tool bar**
2. **Select *Attached PO Items* from the pop up.**

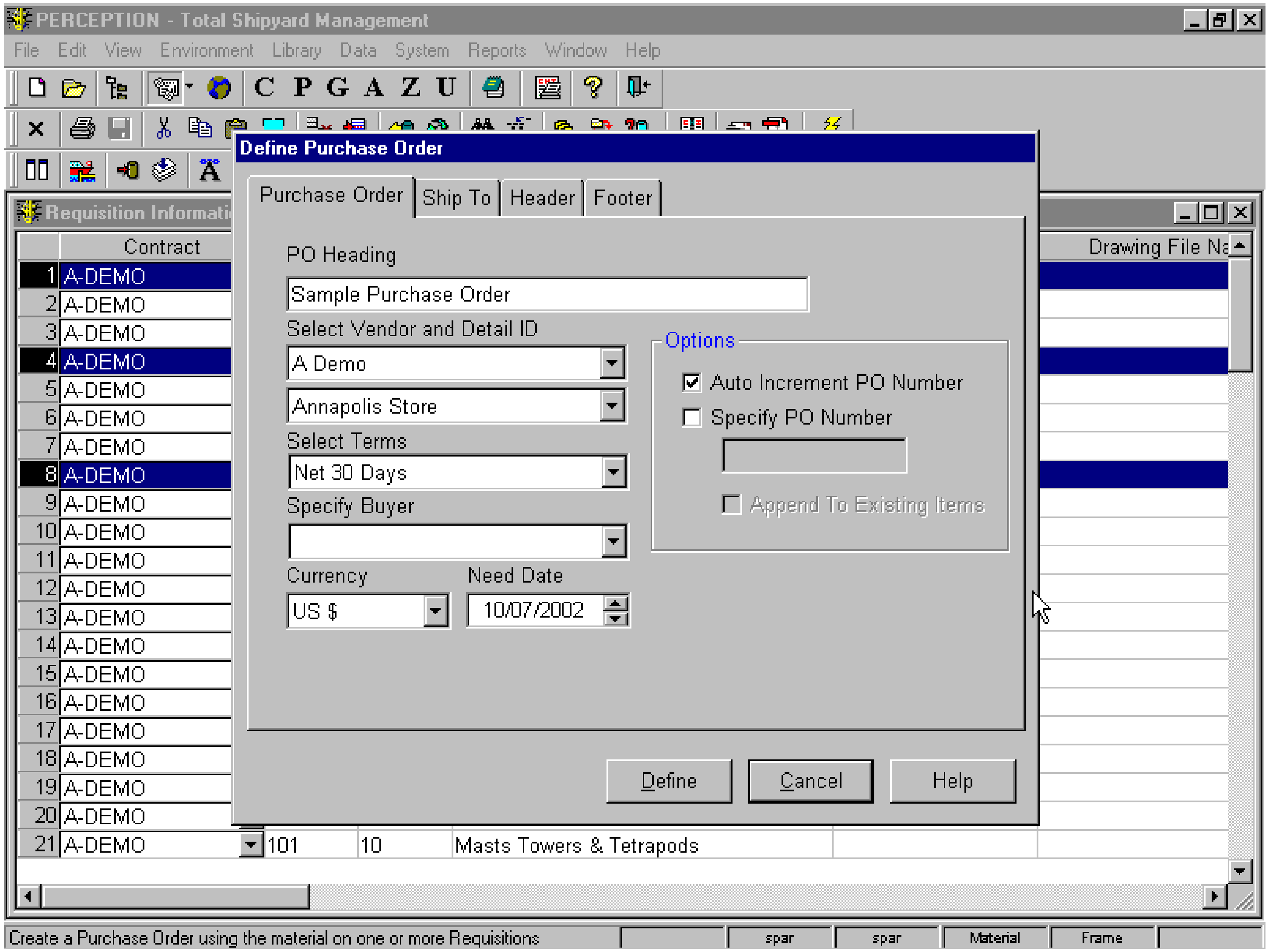
The PO Item worksheet will then be displayed listing all PO items attached to that requisition item.

Alternate Method #1: Creating A PO Directly From Requisition Items

Another method for generating a purchase order is to <u>open the Requisition Item worksheet</u> and select (highlight) those items to be placed in the purchase order.

Then select *Edit/Define Purchase Order* from the main menu (or  on the toolbar).

The system will display the *Define Purchase Order* pop-up tab window



The user must identify the vendor, terms and currency requirements.

The purchase order number can be either manually defined or incremented automatically by the system to the next higher number on the database (check the appropriate box).

The other tabs identify the *Ship To* address and any necessary header and/or footer specifications.

When the specifications for the purchase order are complete, click on the *Define* button, and the system will generate the purchase order records.

To set the unit prices and other details of the purchase order, proceed to the Purchase Order Header worksheet by clicking on *Environment/Purchasing/Purchase Orders* from the main menu.

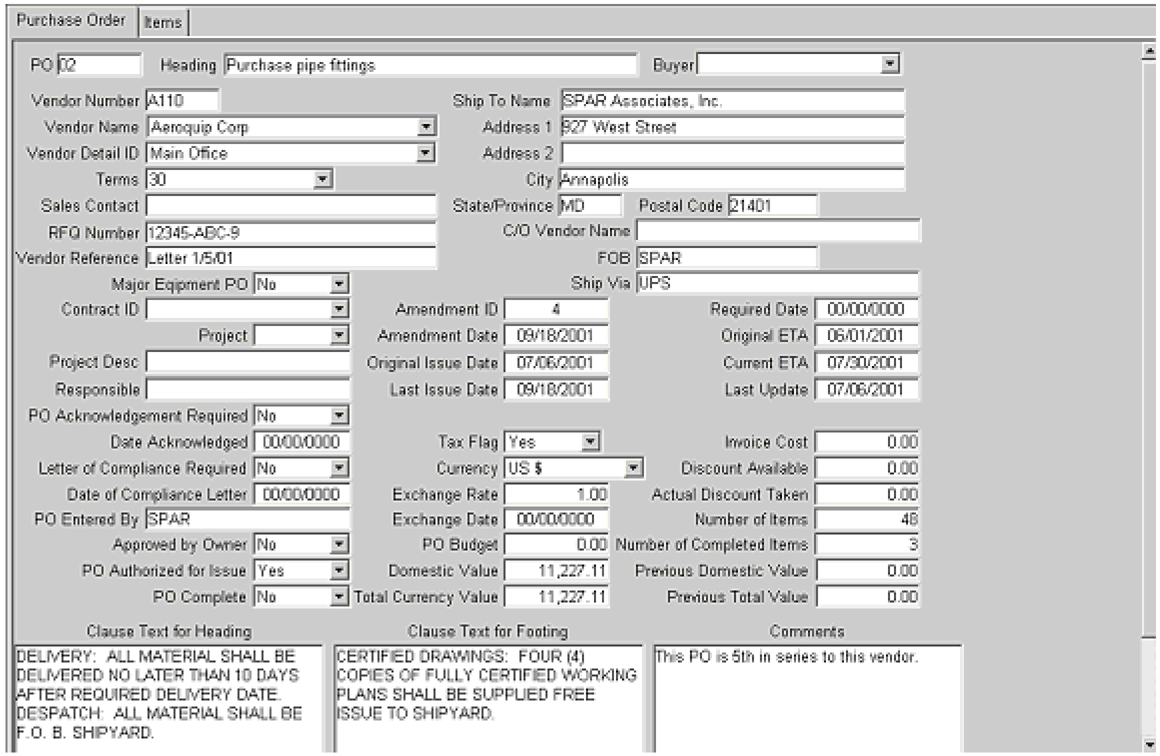
Retrieve the newly created PO.

Click on the purchase order in this worksheet and drill down to its details (either double-click on the PO record or click on the *Drill Down* button  on the tool bar and select *Details* from the pop up window).

The system will open the PO Detail tab window.

The <u>first tab</u> is the purchase order header information:

Fill in any missing information for the header as may be necessary.



Purchase Order | Items

PO: 02 | Heading: Purchase pipe fittings | Buyer:

Vendor Number: A110
Vendor Name: Aeroquip Corp
Vendor Detail ID: Main Office
Terms: 30
Sales Contact:
RFQ Number: 12345-ABC-9
Vendor Reference: Letter 1/5/01
Major Eqipment PO: No
Contract ID:
Project:
Project Desc:
Responsible:
PO Acknowledgement Required: No
Date Acknowledged: 00/00/0000
Letter of Compliance Required: No
Date of Compliance Letter: 00/00/0000
PO Entered By: SPAR
Approved by Owner: No
PO Authorized for Issue: Yes
PO Complete: No

Ship To Name: SPAR Associates, Inc.
Address 1: 927 West Street
Address 2:
City: Annapolis
State/Province: MD | Postal Code: 21401
C/O Vendor Name:
FOB: SPAR
Ship Via: UPS

Amendment ID: 4
Amendment Date: 09/18/2001
Original Issue Date: 07/06/2001
Last Issue Date: 09/18/2001
Tax Flag: Yes
Currency: US $
Exchange Rate: 1.00
Exchange Date: 00/00/0000
PO Budget: 0.00
Domestic Value: 11,227.11
Total Currency Value: 11,227.11

Required Date: 00/00/0000
Original ETA: 06/01/2001
Current ETA: 07/30/2001
Last Update: 07/06/2001
Invoice Cost: 0.00
Discount Available: 0.00
Actual Discount Taken: 0.00
Number of Items: 48
Number of Completed Items: 3
Previous Domestic Value: 0.00
Previous Total Value: 0.00

Clause Text for Heading:
DELIVERY: ALL MATERIAL SHALL BE DELIVERED NO LATER THAN 10 DAYS AFTER REQUIRED DELIVERY DATE. DESPATCH: ALL MATERIAL SHALL BE F.O. B. SHIPYARD.

Clause Text for Footing:
CERTIFIED DRAWINGS: FOUR (4) COPIES OF FULLY CERTIFIED WORKING PLANS SHALL BE SUPPLIED FREE ISSUE TO SHIPYARD.

Comments:
This PO is 5th in series to this vendor.

The <u>second tab</u> opens the Purchase Order Item worksheet. Enter item pricing information as needed.

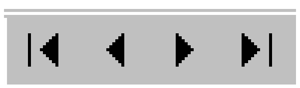
Purchase Order Details

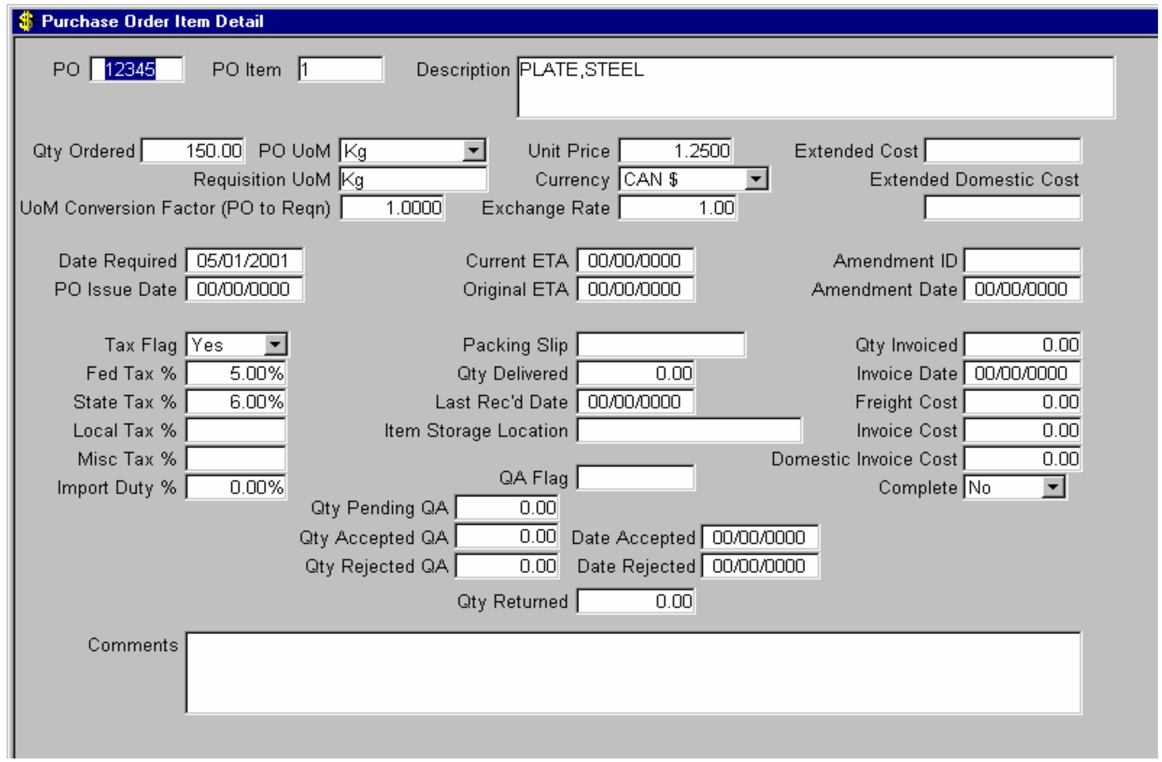
Purchase Order | Items

	PO	PO Item	Description	Qty Ordered	Reqn UoM	PO UoM	Part Type	Part ID	Unit Price
1	02	1	EX STG Butt Weld SMLS, CS, Concentric	2.00	EA	EA	Direct Purchase	PCRED/XS-24X20	275.000
2	02	2	EX STG Butt Weld SMLS, CS, 90-deg SR E	12.00	EA	EA	Direct Purchase	PE90SR/XS-24	255.000
3	02	3	EX STG ERW/SMLS, CS, Pipe	5.67	M	M	Direct Purchase	PI/XS-10	93.500
4	02	4	EX STG ERW/SMLS, CS, Pipe	1.00	M	M	Direct Purchase	PI/XS-14	154.200
5	02	5	EX STG ERW/SMLS, CS, Pipe	66.33	M	M	Direct Purchase	PI/XS-20	262.470
6	02	6	EX STG ERW/SMLS, CS, Pipe	23.00	M	M	Direct Purchase	PI/XS-24	344.490
7	02	7	EX STG ERW/SMLS, CS, Pipe	0.67	M	M	Direct Purchase	PI/XS-8	100.070
8	02	8	EX STG Butt Weld SMLS, CS, Tee	2.00	EA	EA	Direct Purchase	PTEE/XS-24	1,600.000
9	02	9	EX STG Butt Weld SMLS, CS, Reducing Te	2.00	EA	EA	Direct Purchase	PTRED/XS-24X20	1,150.000
10	02	10	150# RF Flg, CS, SS Trim Butterfly Val	9.00	EA	EA	Direct Purchase	PVBFLY/150-20	2,850.000
11	02	11	150# RF Flg, CS, SS Trim Butterfly Val	4.00	EA	EA	Direct Purchase	PVBFLY/150-24	3,000.000
12	02	12	150# RF Flg, CS, SS Trim Wafer Check V	3.00	EA	EA	Direct Purchase	PVCHK/150-20	4,500.000
13	02	13	150# RF Flg, CS, Gate Valve w/Actuator	3.00	EA	EA	Direct Purchase	PVGATA/150-20	10,000.000
14	02	14	150# RF Flg, CS, Gate Valve w/Actuator	3.00	EA	EA	Direct Purchase	PVGATA/150-24	10,000.000
15	02	15	Cargo Pump Relief Valve	2.00	EA	EA	Direct Purchase	PVRELF-8X10	5,000.000
16	02	16	misc parts	0.00	EA	EA			150.000

Double click on any PO item to display the item's *Detail* window and enter any missing information as necessary:

Other items can be viewed from this same window by cycling through them using the scrolling buttons on the tool bar.





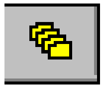
Purchase Order Item Detail Window

All PO items must be provided with the purchasing unit price and any applicable taxing designations.

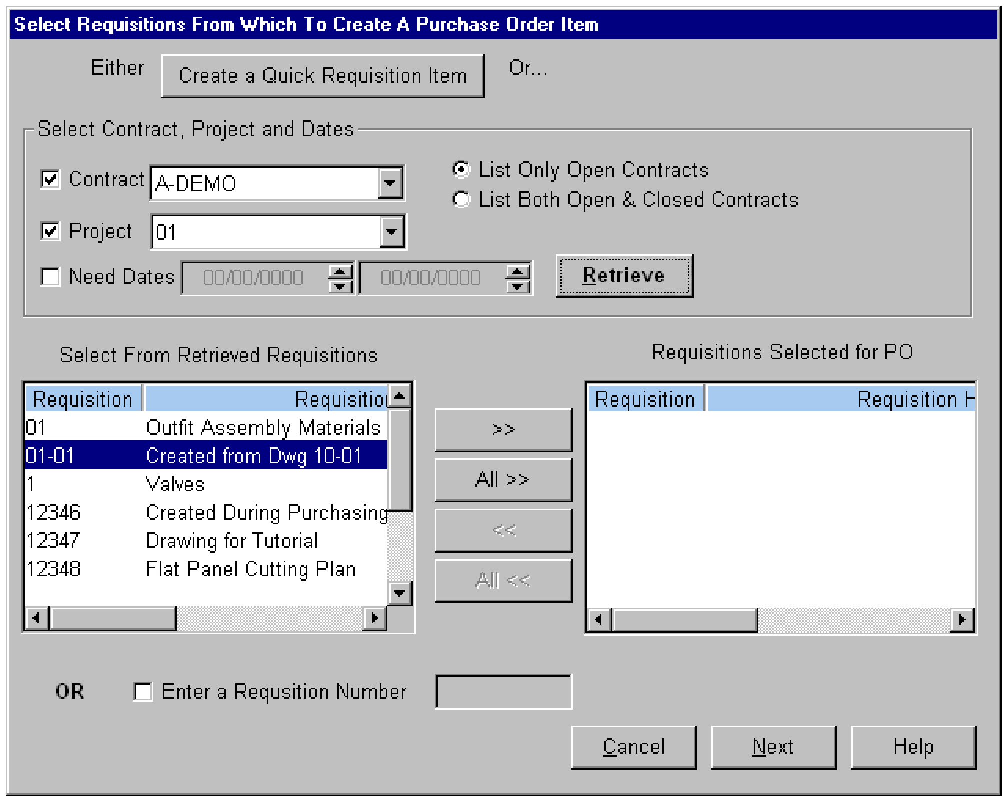
Alternate Method #2: Creating Purchase Order Using the Wizard

Another alternate method for creating a purchase order is using the purchase order wizard.

1. **First, add a new purchase order header record to the purchase order worksheet (*Environment/Purchasing/Purchase Orders*).**
2. **Then drill down to the purchase order detail tab window,**
3. **Click on the purchase order tab to open to Purchase Order Items worksheet**

To add a new item, select *Edit/Create PO Item* from the main menu (or  on the toolbar).

This will open the window for scanning requisitions and selecting the item(s) needed to link with the new PO item.



The user has <u>two</u> choices for defining PO items:

1. **The first choice is to reference requisitions that already identify material needs**
2. **The second choice is to click on the** Create a Quick Requisition Item **button. This allows the user to define a PO item without a pre-existing requisition (the system generates a requisition as the PO items are created)**

Adding PO Items That Reference Requisitions

The following procedure allows the user to define PO items that directly reference requisition items that have already been defined on the database and have been authorized for purchase.

1. **Select the contract and project number.**
2. **If the PO is to be limited to purchasing only items within a particular timeframe, select the desired "Need Date" window.**
3. **Then click on the *Retrieve* button.**
4. **The list of retrieved requisitions will be listed in the left-hand data box.**

5. **Highlight each requisition required for assigning to this purchase order.**

6. **Then click on the** >> **button so that they are transferred to the right-hand data box.**

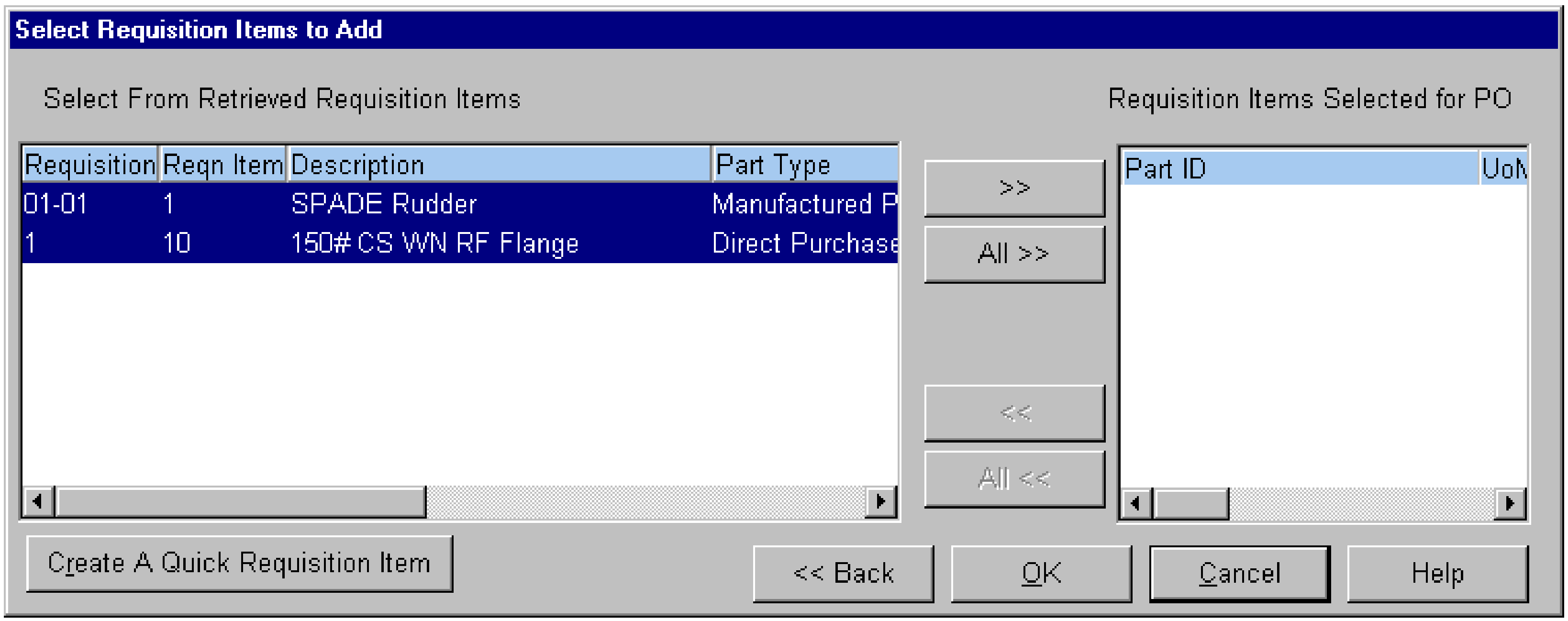
7. **If all of these requisitions are to be considered for the purchase order, the requisitions do not need to be highlighted. Instead, click on the** All >> **button and all will be transferred to the right-hand data box.**

8. **Any requisitions selected for the purchase order can be dropped out of the right-hand data box by clicking on the back-out buttons.**

9. **An alternative to retrieving and selecting requisitions is to click on the *Enter a Requisition Number* check box and type in the requisition number.**

10. To proceed, click on the Next button.

The system will display all of the requisition items that qualify for purchase on the selected requisitions:



***Note*: If the system does not display items on the selected requisitions that are available for purchase, the system will display an error message saying that "No Items To Order Were Found on Selected Requisitions."**

The causes may be as follows:

1. **No requisition items were found that have been authorized for purchase, or**
2. **None of the items have quantities or remaining quantities available for purchase, or**
3. **If a stock replenishment "project," no stock items have been identified for purchase**

Now, select the items desired from the left-hand box and again use the buttons to transfer them to the right-hand box.

Clicking on the << Back **button will cause the user to have to start all over with retrieving requisitions. Any items that have been selected on this window will disappear if they have not already been added to the PO items.**

Adding Quick PO Items

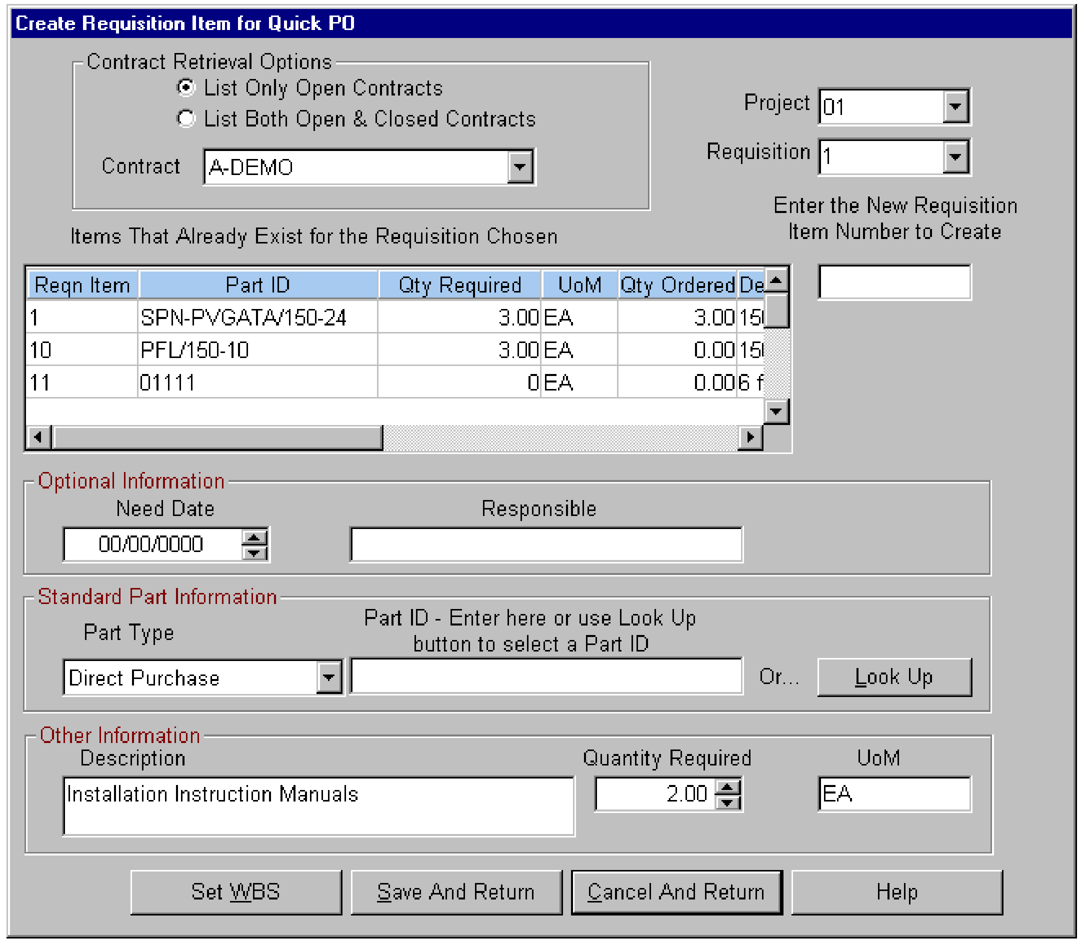
The following procedure allows the user to define PO items that do not directly reference any existing requisition items. Such PO items are called "Quick PO items."

The system automatically generates requisition items as the PO items are created.

Quick PO items can be combined on the same purchase order as PO items that reference requisition items.

Click on the

button and the system will display the data entry window for creating a Quick PO item.



To fill out this data entry window, the following describes its basic layout and operation.

While Quick PO items, by definition, do not reference existing requisition items, the Quick PO items must identify

a) **a contract;**

b) **a project; and**

c) **a requisition number (see top of the data window).**

The user also must identify for the Quick PO item a requisition item number. This allows the system to use consistent handling of all PO items throughout the system.

If an existing requisition is being used, the user can use the list of existing requisitions from the drop-down box titled "Requisition."

The system then will display all existing items already defined for that requisition in the list box labeled "Items That Already Exist for the Requisition Chosen."

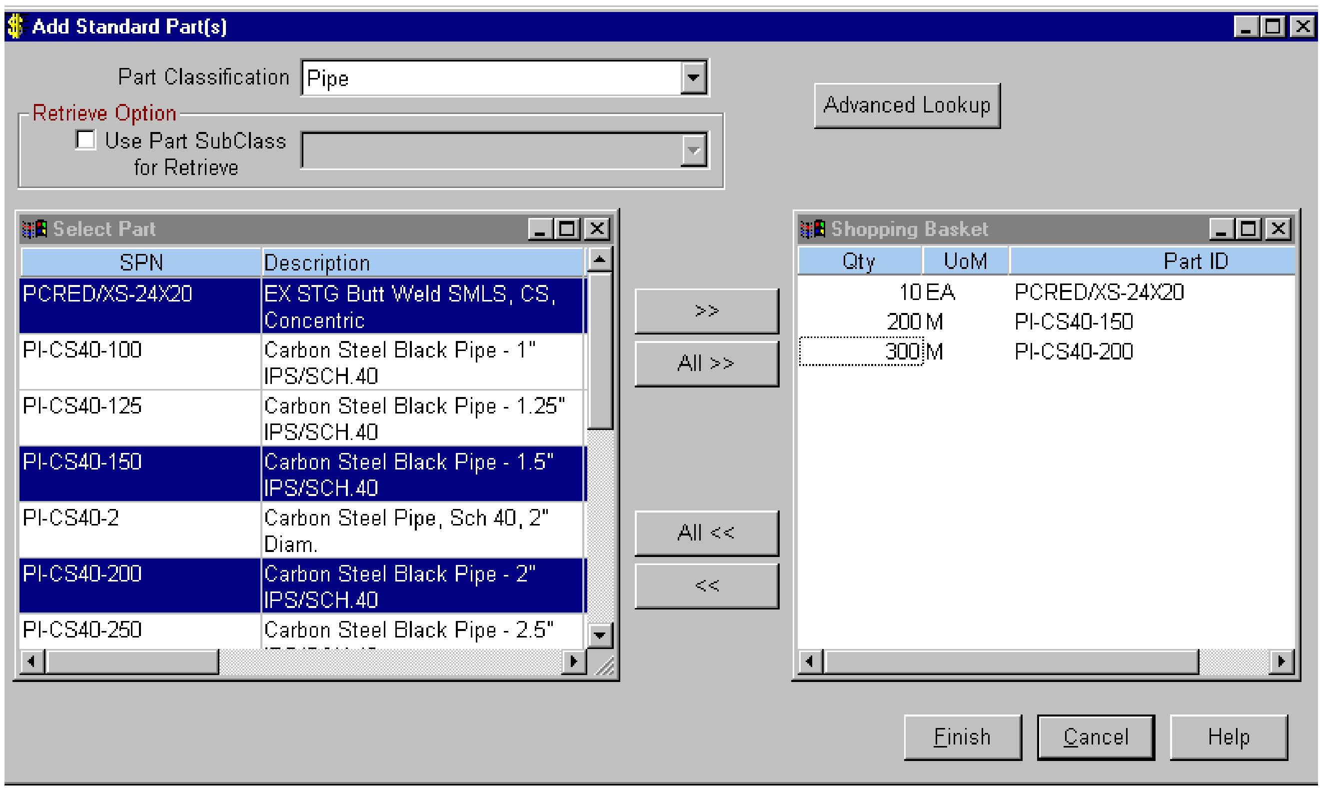
The user should "Enter the New Requisition Item Number to Create," usually the next requisition item number in sequence for that requisition.

However, the user may create a new requisition by typing the new requisition number into the drop-down list box. Then, enter the requisition item number, usually starting with "1."

A Quick PO item may identify a part on the Parts Catalog, or one that is not on the Parts Catalog.

<u>A Quick PO Item Not on the Parts Catalog</u>: If the Quick PO item is not being used to purchase a part in the Parts Catalog, merely enter a "Description" for the item, the "Quantity Required" and unit of measure ("UoM").

<u>A Quick PO Item From the Parts Catalog</u>: Quick PO items can be used to purchase parts from the Parts Catalog. Enter the *Part ID* or click on the Look Up button. The latter will cause the system to open the Add Standard Parts window.



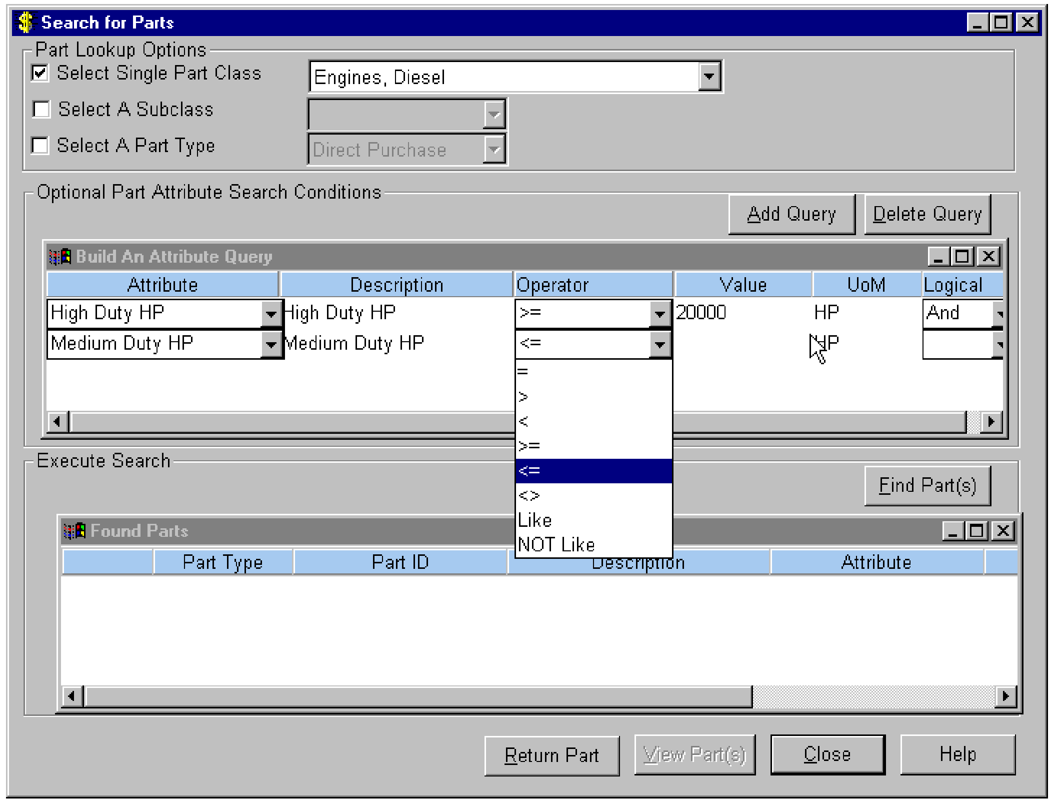
Parts can be selected first by specifying the part classification and, if desired the sub classification, then by clicking on whatever selection of parts are needed from the displayed list.

By clicking the transfer button >> , the system copies these selected parts to the *shopping basket* at the right of the window. The user then fills in the quantities required. Parts not wanted from the shopping basket can be removed by clicking on the de-transfer button << . Additional parts can follow in the same manner. Once all parts desired have been selected, click on the *Finish* button at the bottom, and the system will copy these items to the requisition

<u>Optional Part Attribute Query:</u> **The *Advanced Lookup* button** Advanced Lookup **provides a means of searching the Parts Catalog with more advanced, user-defined criteria of part attributes.**

To add a criterion, click on the Add Query **button.**

Then, select an attribute from the list of attributes displayed for the Part Classification.



Then select the *Operator* from the drop-down list of available choices:

"=" Means search for parts that have an attribute equal to that selected

">"Means search for parts that have an attribute with a value greater than that selected

"<"Means search for parts that have an attribute with a value less than that selected

">="Means search for parts that have an attribute with a value greater or equal to that selected

"<="Means search for parts that have an attribute with a value less than or equal to that selected

"<>"Means search for parts that have an attribute with a value that is not equal to that selected

"Like" Means search for parts that contain the string entered somewhere in their value

"Not Like" Means search for parts that <u>do not</u> contain the string entered anywhere in their value.

If required for the search, select the *Logical* operator:

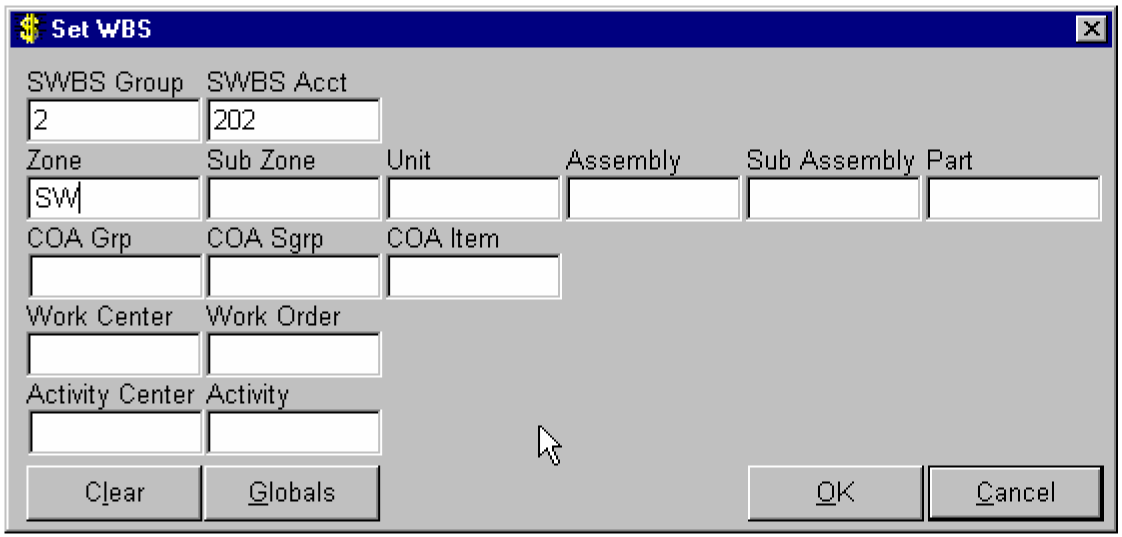
> **"And" enables another attribute value to be specified**
>
> **"Or" enables an alternate attribute to be specified.**

Once all attributes have been identified for the search, click on the [Find Part(s)] button.

The system will retrieve the selected parts from the catalog and display them in the "Found Parts" data window.

1. **Highlight the part(s) to be purchased.**
2. **Click on the [Return Part(s)] button.**

<u>Quick PO Item Must Be Assigned To Project WBS</u>: Since material costs normally require identifying the WBS, click on the Set WBS button, and the system will display the window for this WBS identification:



To set the WBS assignments to the Global WBS assignments that have been defined (on the toolbar), click on the *Globals* button Globals . The user can change these assignments as required.

Finally, the Quick PO item can be registered on the purchase order by clicking on the Save And Return button.

Additional Quick PO items can be added to the purchase order by cycling through the same steps outlined above.

Finishing The Purchase Order

When all of the requisition items required for the purchase order have been selected, click on the *OK* button.

PO items will be created for selected items according to the following rules:

Previously purchased items:

- **If the requisition item required quantity has been partially purchased, on this or any other purchase order, that item will be added to this purchase order, but with an ordered quantity equal to only the balance of quantity un-purchased.**

- **The user can always over-ride the PO item quantity.**

Requisition items having the same part number from the Parts Catalog:

- **Like requisition items are automatically collected by the system for a single bulk purchase PO item. The associated requisition items can be viewed by right-click and selecting *Drill Down* from the pop-up menu.**

Quick PO Items:

- **Quick PO items do not require a pre-existing requisition. The Quick PO item automatically generates a requisition item when the PO item is created.**

The resulting PO items will be displayed in the PO item worksheet

All PO items must be provided with the purchased unit price and any applicable taxing designations.

Blanket & Open Credit Purchase Order

A blanket purchase order is used to purchase goods and services on an incremental basis. For example, electric bills, fuel oil, welding gases, or maybe even The Home Depot where there may be a line of credit for orders placed by phone.

A purchase order must be created for each vendor where these recurring orders will take place.

The PO must have at least one line item created if there is a need to formally issue a purchase order. This line item can be created without a unit price, or it can spell out a credit limit such as 1 Lot @ $6500.00.

Blanket PO Method #1

As the shipyard purchases goods and services charged to these POs, invoices from the vendors will be received.

These invoices are entered in the normal manner with one exception: if the invoice item is entered without specifying the PO Item Number. This invoiced item must include the invoiced quantity, its unit price, then the shipyard charge contract and project (usually Overhead or Stock) leaving the PO Item Number blank.

The software will add this item to the blanket PO automatically, create an associated requisition and requisition item, and automatically receive it as well.

The following details the steps for creating a blanket purchase order under this Method #1 and for processing the vendor invoice:

First, create the purchase order,

- **Select *Environment/Purchasing/Purchase Orders* from the main menu**
- **Fill in all relevant purchase order information: vendor, terms, etc. on the purchase order header.**

Second, create a dummy PO item,

- **Double click on the record (or use the *Drill Down* button  on the tool bar) to open the purchase order *Detail* tab window.**
- **Click on the purchase order items tab.**
- **Add a dummy purchase order item for a quantity of "1" <u>but no unit price</u>. The dummy item should describe this purchase order as being blanket and perhaps state a ceiling price in the description and duration for which it will apply.**

Save the data to the database.

When a vendor invoice arrives,

- Select *Environment/Accounting/Vendor Invoices* from the main menu
- On the vendor invoice worksheet, enter the relevant invoice information.
- Double click on the record (or use the *Drill Down* button on the tool bar) to open the invoice *Detail* tab window.
- Add the invoiced items as required and enter the blanket purchase order number on each item. <u>Do not enter a purchase order item number.</u>

When the invoice items are saved to the database, the system will append to the existing blanket purchase order the items of the invoice.

Refer to the chapter "Vendor Invoice Management" in the *PERCEPTION* manual "Accounting Functions And Interface" for details in describing the automated generation of purchase order items.

Blanket PO Method #2

Sometimes blanket POs have a ceiling amount or the shipyard may want them limited to a certain number of dollars, say $6500. With this method the committed cost of the PO Item ($6500) rolls up to the project and shows itself on the Cash Flow reports (C10, C11, C12, and PO2).

Under this circumstance, when the PO is first created, it is created with <u>one</u> PO Item (called the "credit limit item") with a quantity and unit price that defines the maximum value allowed: for example, 1 Lot @ $6500.00.

As the vendor invoices arrive, they are entered into the system in the normal manner:

The invoiced cost is entered against the PO credit limit item.

The difference here is that the invoiced cost is entered into the unit price column, but the <u>invoiced quantity must be left zero</u> (0).

The software will recognize this and charge the cost to the PO Item and not increment the quantity invoiced for the PO Item.

The system will roll up the invoiced cost to the project and include it on the various summary reports.

The one drawback with this method is that the system does not automatically calculate and record a "Cost Received."

Therefore, the user must receive incremental quantities of the original PO Item, or wait until the PO is complete and receive the whole PO Item.

This method also is the preferred method for invoicing Milestone payments.

***Warning*: If using a credit limit PO item, and the user fails to enter the invoiced cost directly against the credit limit PO item (i.e., leaves the PO Item Number blank), the system will automatically add the invoiced cost as a new PO item as it would under Method 1 above.**

However, this will increase the committed cost to the project by the amount of costs included in these items added by the system.

The following details the steps for creating a blanket purchase order under this Method #2 and for processing the vendor invoice.

First, create the purchase order,

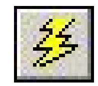
- **Select *Environment/Purchasing/Purchase Orders* from the main menu**
- **Fill in all relevant purchase order information: vendor, terms, etc. on the purchase order header.**

Second, create a credit limit PO item,

- **Double click on the record (or use the *Drill Down* button on the tool bar) to open the purchase order *Detail* tab window.**
- **Click on the purchase order items tab.**
- **Add a purchase order item for a quantity of "1" <u>and a unit price equal to the credit limit</u>. The item should describe this purchase order as being blanket and duration for which it will apply.**

Save the data to the database.

When a vendor invoice arrives,

- **Select *Environment/Accounting/Vendor Invoices* from the main menu**
- **On the vendor invoice worksheet, enter the relevant invoice information.**
- **Double click on the record (or use the *Drill Down* button  on the tool bar) to open the invoice *Detail* tab window.**
- **Click on the invoice items tab.**
- **Add the invoiced item as required including the blanket purchase order number. Enter the purchase order item number the same as the credit limit PO Item Number.**

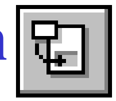
Save the data to the database.

Issuing Purchase Orders to Vendors

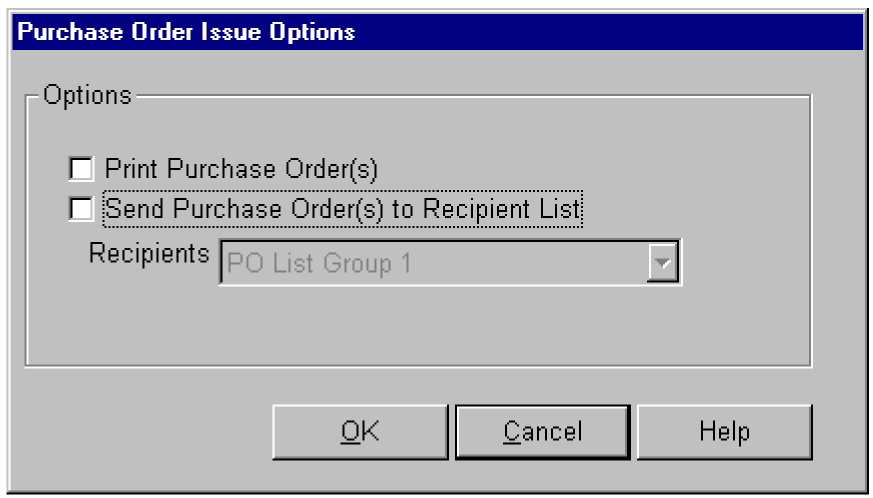
Once a purchase order has been created, it will need to be issued to the appropriate vendor.

A purchase order that does not have an assigned vendor <u>cannot be issued</u>.

To issue one or more purchase orders,

1. **Select the purchase order(s) on the Purchase Orders worksheet window (*Environment/Purchasing/Purchase Orders*).**
2. **Click on the *Issue PO(s)* button  on the tool bar.**

The system will pop-up several options:



Print Purchase Orders(s)

This prints the PO(s)

Send Purchase Order(s) to Recipient List

This allows the PO(s) to be sent to a report distribution list.

See below, "Recipient Distribution List," for details.

Purchase Order Format

The system provides a standard purchase order format:

- **The sample displays PO clauses used as a header, and footer.**
- **The comment section also contains comments.**
- **If foreign funds are used, pricing is displayed in these funds with a total both in foreign and equivalent domestic funds.**
- **If no sales taxes are defined for the purchase order, these areas also are left blank on the PO form.**

The PO form may display the user's company logo (a "gif" file) that can be set up according to instructions provided in the "Systems Administration" manual.

Sample Purchase Order Document Using Domestic Funds

Chesapeake Marine Industries

Page 1 of 1
Purchase Order 12345
Terms 30
Tax ID 02569864

A108
A-J Marine, Inc. Main Company Address
Distribution Center
123 South Park View Avenue
Toronto, ONT
L2R 7C1, Canada

Chesapeake Marine Industries, Inc.

Ship To
Trenergy
927 West Street
Annapolis, MD 21401

Care of Vendor

Date Of Order	Required In Yard	Promised ETA	F.O.B.	Phone	Amendment ID
09/04/2001	05/01/2001		Plant	410-263-8593	4
Sales Contact	**Seller's Reference**	**Purchaser**	**Ship Via**	**Fax**	**Amendment Date**
Joe Smith	Letter 6/1/2001		Long Haul Trucking C	410-267-0903	09/04/2001

PO Heading Steel for drawing

Item	Qty	UoM	Description	Unit Price	Ext Cost
			THIS PO IS CONFIRMATION OF VERBAL ORDER GIVEN TO Purchasing Manager-		
1	150.00	Kg	PLATE,STEEL DELIVERY: ALL MATERIAL SHALL BE DELIVERED IN PLANT NO LATER THAN 17 June 2001.	1.2500	187.50

Total Taxes:				
	Fed	9.38		
	MD	11.25	Subtotal	187.50
	City	0.00	Total Shipping	0.00
	Misc	0.00	Total Taxes	20.63
	Duty	0.00	Total P.O. Cost	208.13

Authorized Signature ____________________

Sample Purchase Order Document Using Foreign Funds

Chesapeake Marine Industries

Purchase Order 12346

Page 1 of 1

Terms 2%10/30

A101 Sales Office SPAR Associates, Inc 927 West Street Annapolis, MD 21401, USA	Chesapeake Marine Industries, Inc.	**Ship To** Chesapeake Marine Industries 927 West Street Annapolis, MD 21401 **Care of Vendor**

Date Of Order	Required In Yard	Promised ETA	F.O.B.	Phone	Amendment ID
09/19/2001			Annapolis	410-263-8593	
Sales Contact	**Seller's Reference**	**Purchaser**	**Ship Via**	**Fax**	**Amendment Date**
L. Deschamps	Letter 9/1/01		UPS	410-267-0503	

PO Heading Misc. sailboat fittings

Item	Qty	UoM	Description	Unit Price	Ext Cost
			DELIVERY: ALL MATERIAL SHALL BE DELIVERED IN SHIPYARD NO LA-TER THAN SEPTEMBER 15th		
1	1.00	EA	Harken Roller Furling set Cat No. 1234-4321	0.0000	0.00
2	1.00	SET	Furling lines & blocks	0.0000	0.00
			CERTIFICATES SHALL BE SUPPLIED IN QUADRUPLICATE FREE ISSUE T-O SHIPYARD Discounts to aply per April agreement		

Currency	Canadian
Subtotal	0.00
Total Shipping	0.00
Total P.O. Cost	0.00
Domestic Cost	0.00

Exchange Rate	Exchange Date
0.65	12/16/1998

Authorized Signature ______________________

Customized formats can be ordered with the system.

When a purchase order is issued, the system performs the following updates:

1. The PO issue date is updated with the current date
2. The total purchased dollars are increased at the project WBS levels
3. The Parts Catalog quantity on order is increased

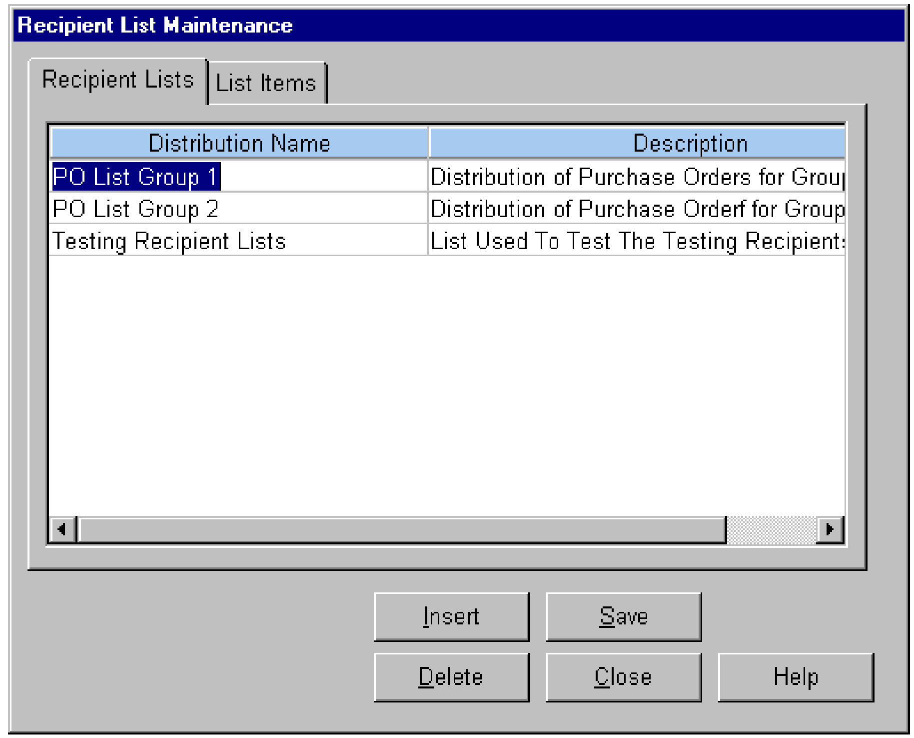
Recipient Distribution List

One of the options for issuing the PO is to broadcast it to a distribution list, which identifies one or more separate parties who are designated to receive the PO.

The user can set up recipient distribution lists by clicking on *Reports/Maintain Recipient Lists* from the main menu.

The system will display a tab window that defines names and other options for any number of recipient distribution lists.

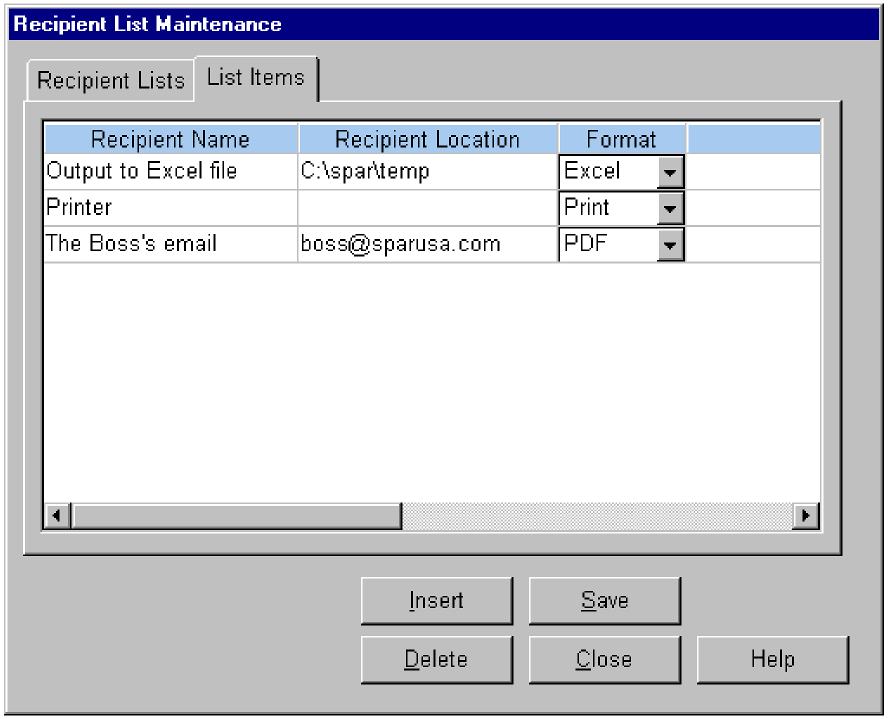
1. **Additional lists can be added by clicking on the *Insert* button.**
2. **Highlighting them and clicking on the *Delete* button can delete lists.**
3. **Adds, changes and deletes all can be saved on the database by clicking on the *Save* button.**
4. **The *Retrieve* button may be used in case one was to delete or add and then change their mind.**



5. **If the *Save* button has not been clicked, the rows will re-retrieve as they were.**

For any of the defined distribution list names, a list of individual recipients can be defined by clicking on the *List Items* tab:

1. **Individual recipients can be added by clicking on the *Insert* button.**
2. **Highlighting them and clicking on the *Delete* button can delete recipients.**
3. **Adds, changes and deletes all can be saved on the database by clicking on the *Save* button.**
4. **The *Retrieve* button may be used in case one was to delete or add and then change their mind.**



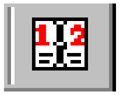
5. **If the *Save* button has not been clicked, the rows will re-retrieve as they were.**

For detailed instructions on using the recipient lists, refer to the user manual "Getting Started with *PERCEPTION*," chapters "Distribution Lists For Reports" and "Using Email With *PERCEPTION*."

Purchase Order Amendments

Once a purchase order has been issued, it must be amended to make any changes.

From either the Purchase Order or the PO Items worksheet,

1. **Highlight any or all records that require amending.**
2. **Click on *Edit/Amend Selected PO,* or**
3. **Click on the *Amend PO* button  on the tool bar.**

The system will display the next sequential amendment number for that purchase order, but the user can modify this number if necessary.

New items can be added to the purchase order under this same amendment number.

When amending an existing PO item's quantity, if the PO item links to more than one (1) requisition item, the user must drill down to these attached requisition items and change the quantity ordered on the appropriate items. The PO item quantity ordered will be updated with the sum of the attached requisition item quantity ordered.

If the PO item links to only one requisition item, the quantity ordered may be changed on the PO item. This will then update the single requisition item attached to this PO item. .

An amended purchase order must be re-authorized and re-issued.

When printing a Draft PO or issuing a purchase order that has been amended, only those items whose amendment ID matches the amendment ID on the header will be included. To obtain a printed copy of all items on a purchase order, regardless of amendment ID, run the PO1 report.

Closing A Purchase Order

When all material activity (ordering, receiving) on a purchase order is complete, the purchase order should be closed.

Closing a purchase order is especially important if the <u>quantity received is</u> <u>less than the quantity ordered</u>, because the issuing of the purchase order updates the quantity ordered in the Parts Catalog and the cost of material purchased at the project WBS levels.

Purchase orders can be closed either on the Purchase Order worksheet with the drop-down column, or on the detail tab.

The user can close the purchase order by indicating that it is “Complete.” When you do this, the system will close all outstanding purchase order items.

Purchase order items also can be closed individually. When all items are set to complete, the system will automatically set the header to complete.

When a purchase order is flagged complete, the system resets the quantity ordered to be equal to the quantity received:

<u>If the quantity received is less</u> than the quantity ordered, the Parts Catalog is updated to back out the difference.

The project WBS also is adjusted for committed cost accordingly.

Changing the *Complete* status on the purchase order header record to *Un-Complete* will not cause the items to be changed accordingly.

The items must be changed individually.

Setting a complete item to *Un-Complete* when the header is already set to *Complete* will, however, reset the header record to *Un-Complete*.

Deleting Purchase Orders

Purchase orders or purchase order items can be deleted only if they are not issued and if no material has been received against them.

Purchase Order Worksheet Color Codes

The purchase order worksheet provides a color-coding of the rows of purchase orders on display:

Green	**= PO has been issued**
Red	**= PO has been amended, but not yet re-issued**
Light Blue	**= PO is complete**

In addition, the PO item worksheet also provides the following color codes. PO items are flagged red under the following conditions:

PO item has been received, but for a quantity greater than ordered

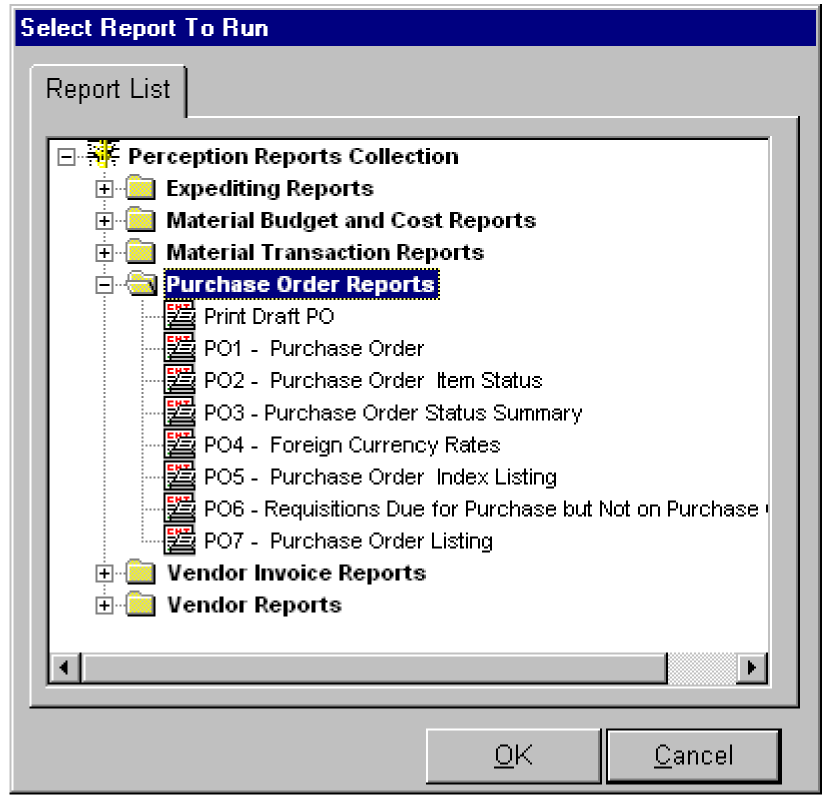
PO item has been invoiced for a quantity greater than what was ordered

Current ETA is later than the need date

Purchase Order Reports

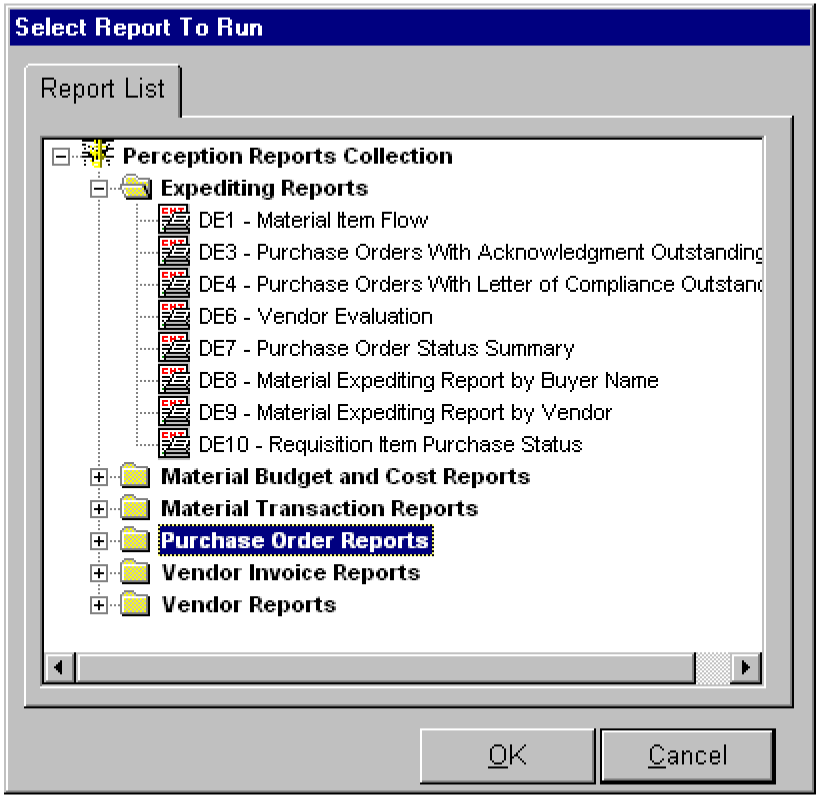
Purchase order reports are available from the *Environment/Purchasing/Reports* menu.

Queries on existing purchase orders can be done either via the drill-down features or directly by selecting the POs (*Environment/Purchasing/Purchase Orders*).



Expediting Reports

The system also offers a variety of purchase order expediting reports available from the *Environment/Purchasing/ Reports* menu



Rolling Up Purchasing Commitments Into Project WBS

The system will rollup the purchase order costs up through the project WBS by clicking on *Environment/Material Control/Rollup/Production Material Rollup*.