

IBM TRIRIGA
Version 10 Release 5

*Procurement Management
User Guide*



Note

Before using this information and the product it supports, read the information in “Notices” on page 29.

This edition applies to version 10, release 5, modification 0 of IBM TRIRIGA and to all subsequent releases and modifications until otherwise indicated in new editions.

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Chapter 1. Managing procurement

Buyers and vendors require an integrated, flexible procurement management solution to connect, manage content, and collaborate effectively. Managing the interactions with vendors means that you have greater control and visibility, improve product and service quality and delivery, and drive savings through more effective and streamlined processes.

Chapter 2. Procurement management process

Procurement management in IBM® TRIRIGA® provides a set of business objects that optimize the interaction with the vendor and the performance throughout the entire procurement lifecycle. It offers a centralized and complete electronic process for procurement that enables full participation with vendors.

You can use the procurement management function to create, log, and track contracts, purchase orders, and other commitments. You can log and track applications for payment, change orders, shipping notifications, invoices, and receipts against those commitments.

A typical procurement process in IBM TRIRIGA consists of the following stages:

1. A requirement is identified and a request is submitted to the purchasing department. The assigned purchasing officer or other authorized business representative selects the best procurement method.
2. The inventory manager organizes and categorizes the required products and services that the organization wants to procure.
3. If blanket purchase orders or service agreements exist with the vendor or service provider, and products or services were negotiated, then the purchasing agent can issue a purchase order against the existing contract. If no contracts exist for the requested material or service, then a request for quote is sent to the manufacturers or vendors. Otherwise, the purchasing department or the requester can initiate a bidding process.
4. The vendors or manufacturers respond to the bid or request for quote.
5. The purchasing officer analyzes the vendor response and awards the contract or purchase order. Contracts and purchase orders can be generated from the original bid, eliminating redundant data entry and ensuring accuracy.
6. The purchasing officer purchases the products or services. The purchase can be accomplished by associating the product records with a purchase order. Because the products and services might not be included in a standard contract, a purchase requisition might be required to gain approval to create the purchase order and obtain the materials.
7. The purchasing officer pays the vendor for the products or services by using invoices and payment releases.

Chapter 3. Initiating the purchasing process

To initiate the purchasing process, you send a bid, a request for proposal, or a request for quotation.

Bidding for a vendor

Bidding is a procurement method by which you can select the vendor for purchasing the required goods or for completing subcontracted work within the estimated budget and time.

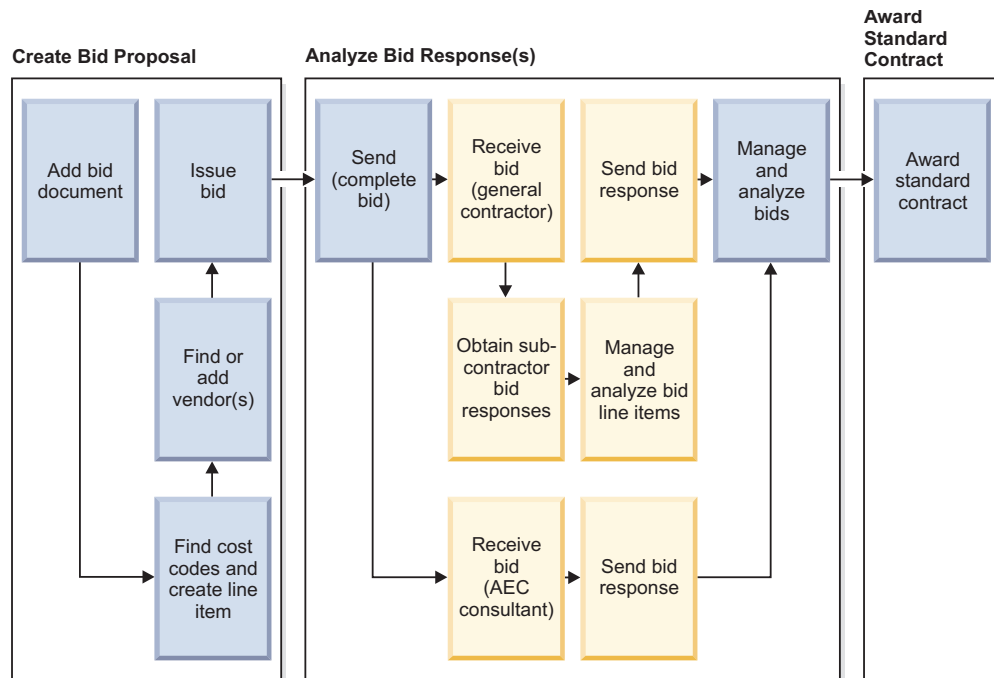
Bidding process

The bidding process is used to select a vendor for subcontracting a project, or for purchasing products and services that are required for a project. Bid records contain the specifications of the project or details of the products and services to be purchased.

A typical bidding process in IBM TRIRIGA consists of the following stages:

1. The project manager or contract/purchasing manager creates a bid that describes the specifications and estimated cost of the project.
2. The manager issues the bid.
3. (Optional) The reviewers approve the bid.
4. The manager sends the bid to a group of vendors for response.
5. The vendors analyze the bid and calculate the cost at which they can complete the project. Each vendor responds to the bid with details about the products and services that are needed and the overall cost.
6. The manager manages and analyzes the bid responses.
7. The manager awards the bid to the vendor that best meets the requirements of the project.
8. A standard contract is automatically created by using the bid details and response information.

During the process, the manager or vendor can request clarification about the bid.



Creating bids

The bid document describes the specifications and estimated costs of the project. The bid document also contains a list of potential vendors.

Before you begin

You must sign in as a Contract/Purchasing Manager or Project Manager.

Procedure

1. Select **Procurement > Proposals > Bids** and click the **Add** action.
2. On the **General** tab, enter the bid name and other details.
3. On the **Cost Form** tab, add the products or services for the project.
4. On the **Vendors** tab, add the vendor companies to participate in the bidding process.
5. Click **Create Draft** to save the data.
6. Click **Issue**.

Results

If the distribution list does not contain reviewers, the status of the bid is changed to Issued.

If the distribution list contains reviewers, the bid is sent to the reviewers and the status of the bid is changed to Review in Progress. When all reviewers approve the bid, the status of the bid is changed to Issued.

Clarifying bids

If you need clarification during the bidding process, you can create a bid clarification record and send it to the relevant vendor.

Before you begin

You must sign in as a Contract/Purchasing Manager or Project Manager.

Procedure

1. Select **Procurement > Proposals > Bid Clarifications** and click the **Add** action.
2. On the **General** tab, enter the name and other details.
3. In the To section, specify the person to whom you want to send the clarification.
4. In the Bid section, click **Find** and associate the bid for which you need clarification.
5. In the Question/Request section, enter the queries that you have about the bid.
6. Click **Create Draft**.
7. Click **Submit** to send the clarification.

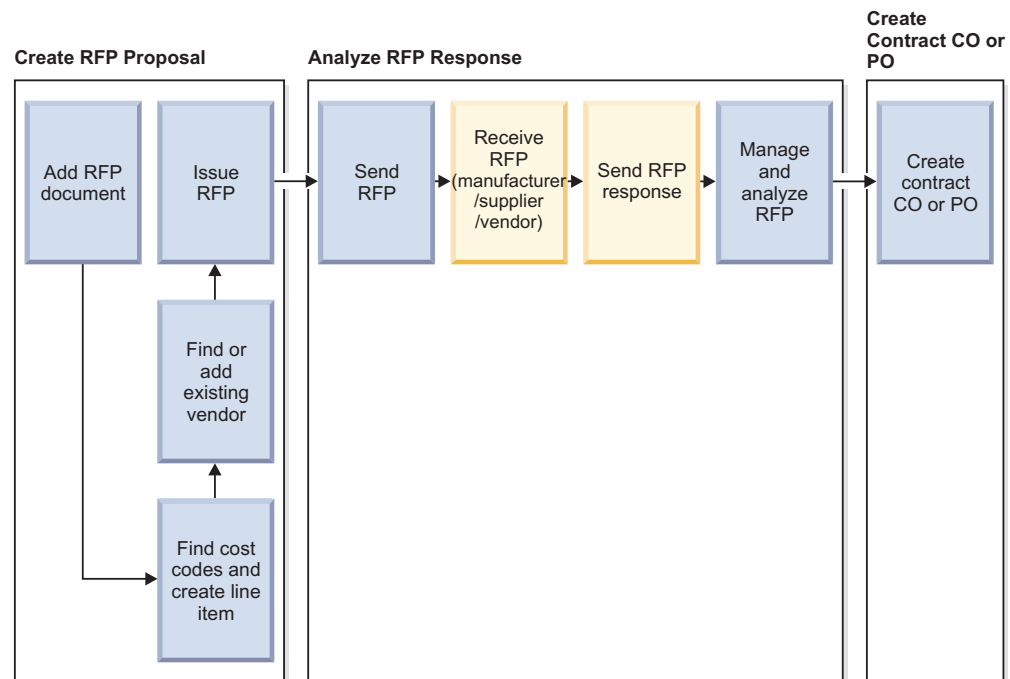
Requesting a proposal

If you have a standard contract with a vendor, you can request a proposal.

Request for proposal

The request for proposal (RFP) process is used to request pricing and delivery on products or materials from a vendor who was already awarded a standard contract for a project.

After you associate the RFP with the standard contract, you can create a cost form or import the contract line items. The RFP is sent to the vendor who responds with the cost estimate. When an RFP is issued and the response is received from the vendor, you can analyze the response and create a purchase order or contract change order.



For example, you want to set up cubicles in a newly constructed office building. You send an RFP to the vendor to request the cost of the cubicles. The vendor

responds with the total cost involved, and you analyze the response. If you select this vendor, a purchase order is automatically created to obtain the products and services.

Creating requests for proposals

The request for proposal (RFP) is associated with a standard contract and inherits the details from the contract.

Before you begin

You must sign in as a Contract/Purchasing Manager or Project Manager.

Procedure

1. Select **Procurement > Proposals > Requests For Proposals** and click **Add**.
2. On the **General** tab, enter the name and other details.
3. In the Import Std Contract section, associate the standard contract with the RFP. Vendor company and cost form details are added to the RFP.
4. Optional: Edit the vendor company, bill to, and cost form details.
5. Click **Create Draft** to save the data.
6. Click **Issue** to route the record to the members in the distribution list for approval.

Results

If the distribution list does not contain reviewers, the status of the RFP is changed to Issued.

If the distribution list contains reviewers, the RFP is sent to the reviewers and the status of the RFP is changed to Review in Progress. When all reviewers approve the RFP, the status of the RFP is changed to Issued.

Requesting a quote

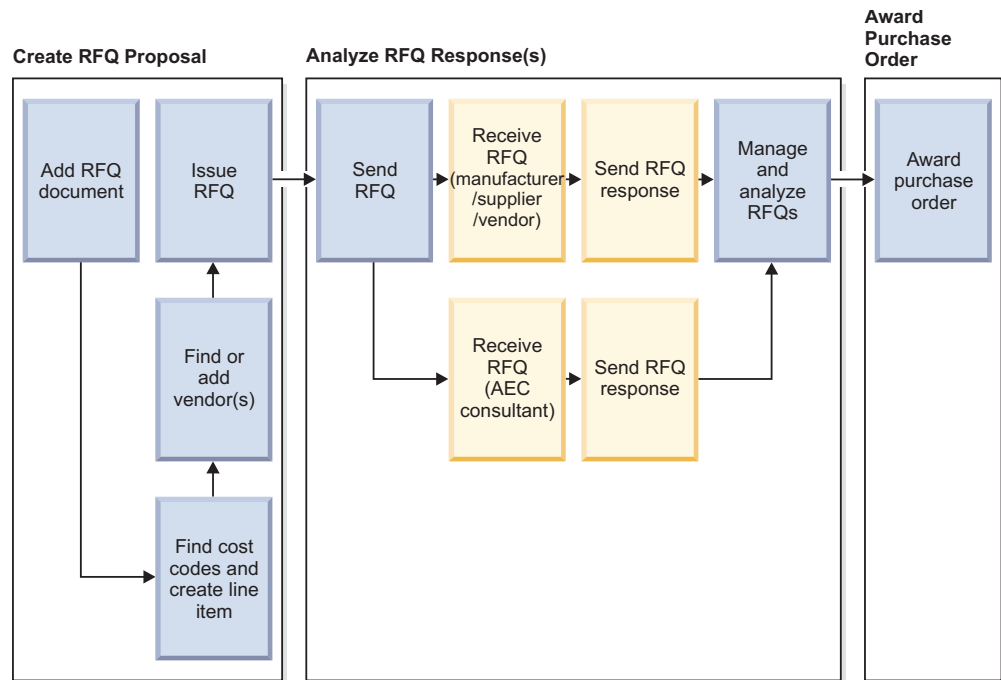
You can request a quote to purchase products or services from any external vendor.

Requests for quotes

The request for quote (RFQ) record is used to select a vendor for purchasing products or services for a project. When the RFQ is issued, vendor responses are logged in the RFQ record.

The RFQ is typically used for small or one-time requirements where a contract is not needed. When all responses are received and analyzed, the RFQ is awarded to the successful vendor and a purchase order is automatically created. This purchase activity is considered a one-time commitment for the project.

As the first step in the purchase cycle, the project manager creates an RFQ record. The RFQ record contains the data that the vendors require to decide a response, including the required materials and the estimated budget. When the RFQ is awarded to a vendor, a purchase order is created.



Creating requests for quotes

The request for quote (RFQ) record contains details about the products and services that you want to purchase, cost details, and vendor companies. The RFQ record also includes the vendor companies that are potential candidates for the project.

Before you begin

You must sign in as a Contract/Purchasing Manager or Project Manager.

Procedure

1. Select **Procurement > Proposals > Requests For Quotes** and click the **Add** action.
2. On the **General** tab, enter the name and specify the contact person.
3. On the **Cost Form** tab, add the products or services for the project.
4. On the **Vendors** tab, add the vendor companies to which you want to send the RFQ.
5. Click **Create Draft** to save the data.
6. Click **Issue** to route the record to the members in the distribution list for approval.

Results

If the distribution list does not contain reviewers, the status of the RFQ is changed to Issued.

If the distribution list contains reviewers, the RFQ is sent to the reviewers and the status of the RFQ is changed to Review in Progress. When all reviewers approve the RFQ, the status of the RFQ is changed to Issued.

Sending bids and requests to vendors

When the bid, request for proposal (RFP), or request for quote (RFQ) is approved and issued, you send this record to the vendors. The vendors can then respond to the bid or request and you can access their responses.

Before you begin

You must sign in as a Contract/Purchasing Manager or Project Manager. The record must have a status of Issued.

Procedure

1. Select **Procurement > Proposals**.
2. Select **Bids, Requests for Proposals** or **Requests for Quotes** and open the record that you want to send to the vendor.
3. Ensure that all details are correct.
4. Click **Complete**.

Results

The status of the record is changed to Routing in Process, and the bid or request is sent to the vendors. The vendors can now access the record and enter their cost estimates. When the vendors respond, the status of the record is changed to Completed.

Awarding contracts from bids

When the vendors respond to your bid, you can analyze their responses and decide who to award the contract to.

Before you begin

You must sign in as a Contract/Purchasing Manager or Project Manager. The bid must have a status of Completed, and the bid responses must have a status of Issued.

Procedure

1. Select **Procurement > Proposals > Bids** and open the bid.
2. On the **Analysis** tab, in the Bid Responses section, select the response that you want to award the bid to.
3. Click **Award**.

Awarding purchase orders from requests

When the vendors respond to your request for proposal (RFP) or request for quote (RFQ), you can analyze their responses and award a purchase order.

Before you begin

You must sign in as a Contract/Purchasing Manager or Project Manager. The request must have a status of Completed, and the request response must have a status of Issued.

Procedure

1. Select **Procurement > Proposals**.
2. Select **Requests for Proposals** or **Requests for Quotes** and open the request.
3. On the **Analysis** tab, in the RFP Responses or RFQ Responses section, open the response that you want to award the purchase order to.
4. Ensure that the details in the response are acceptable.
5. Click **Award**.

Chapter 4. Managing contracts with vendors

When an agreement is reached between your organization and the vendor, you must record the agreement in a contract. A contract can be awarded as a result of the bidding process or can be created separately.

Contracts

A contract creates a legal obligation between your organization and the vendor. A contract specifies details of the agreement, such as the scope of the project and the cost of materials. Contracts include standard contracts, prime contracts, blanket purchase orders, and service level agreements.

Contracts are associated with invoices as part of the payment process.

Standard contracts

When the bidding process is completed and the bid is awarded to a vendor, a standard contract is created. The standard contract creates an initial agreement between the vendor and organization.

The standard contract record is a binding agreement, and therefore changes cannot be made directly to the standard contract record. To change the standard contract, you must use a standard contract change order.

Prime contracts

A prime contract is similar in function to a standard contract. A prime contract is held either by the owner of a project or by a main or primary contractor who has full responsibility for the job. The prime contract record is a binding agreement, and changes must be recorded in a prime contract change order.

Blanket purchase orders

Blanket purchase orders are used when an agreement is reached between an organization and a vendor for a product to be purchased at a set price. Because the units are purchased over a specified amount of time, the cost comes from a budget that is associated with the blanket purchase order.

The blanket purchase order can be used to manage periodic purchases from a vendor where the purchased items vary from purchase to purchase. The blanket purchase order streamlines the procurement process while accounting for the materials acquired and the tasks for which they are used.

For example, you create a blanket purchase order with a local supplier of electric equipment. The duration is one year and the budget is \$25,000. When the maintenance staff needs to replenish electrical items, they pick the required items from the vendor, referencing the blanket purchase order and the associated task ID.

Blanket purchase orders are identical in function to service agreements but different in usage. Typically, blanket purchase orders are used to track external vendors and specify an approved amount for budgeting.

Service agreements

A service agreement is created when a contract exists between a vendor and an organization for the supply of materials or services at a specified price within a specified time period. The service agreement provides details about pricing, lead-time for products, hourly rates for services, and products and services included in the contract.

Service agreements are identical in function to blanket purchase orders but different in usage. Typically, service agreements are used to track internal service providers, such as workshops. Service agreements do not typically specify an approved amount because internal services are not treated as incremental maintenance costs.

Creating standard or prime contracts

Standard contracts are normally created as part of the bidding process. However, you can create a standard contract manually.

Before you begin

You must sign in as a Contract/Purchasing Manager or Project Manager.

Procedure

1. Select **Contracts > Contracts**.
2. Select **Standard Contracts** or **Prime Contracts**.
3. Click the **Add** action.
4. On the **General** tab, specify the name and other details.
5. On the **Scope** tab, define the scope and specifications of the project.
6. On the **Cost** tab, specify the costs that are associated with the products and services.
7. On the **Schedule** tab, specify the milestones for the project.
8. On the **Notification** tab, specify the approval and distribution details.
9. Click **Create Draft**.

Recording changes in contracts

A standard contract or prime contract is a binding agreement, and therefore changes cannot be made directly on the contract. You can use a contract change order to record all changes that are made during the execution of the contract. For example, the terms and conditions might change.

Before you begin

You must sign in as a Contract/Purchasing Manager or Project Manager.

Procedure

1. Select **Contracts > Contracts**.
2. Select **Standard Contract Change Orders** or **Prime Contract Change Orders**.
3. Click the **Add** action.
4. Specify the details about the contract changes.
5. Click **Create Draft** to save the data.

6. Click **Issue**.

Creating blanket purchase orders

Blanket purchase orders are used when an agreement is reached between an organization and an external vendor for a definite quantity of a product to be purchased at a set price.

Before you begin

You must sign in as a Contract/Purchasing Manager, Project Manager, or other administrative role.

Procedure

1. Select **Contracts > Contracts > Blanket Purchase Orders** and click the **Add** action.
2. On the **General** tab, enter the name and other details.
3. In the Service Provider section, specify the organization that does the work.
4. In the Details and Dates sections, define the business rules and the critical dates.
5. In the Cost Summary section, enter the current approved amount, or select **Do Not Specify Approved Amount**.
6. On the **Products and Services** tab, add details about the products and services that are included in the agreement.
7. Click **Create Draft**.
8. Click **Issue**.

Creating purchase orders from blanket purchase orders

From the blanket purchase order, you can create the purchase order that is used to procure the products and services.

Before you begin

You must sign in as a Contract/Purchasing Manager, Project Manager, or other administrative role.

Procedure

1. Select **Contracts > Contracts > Blanket Purchase Orders** and open the blanket purchase order.
2. On the Products and Services tab, click **PO**. The details from the blanket service order are copied to the purchase order.
3. Update the details on the purchase order.
4. Click **Save** and **Issue**.

Creating service agreements

The service agreement record is created when a contract exists between a vendor and an organization for the supply of materials or services at a specified price within a specified time period. Typically, service agreements are used to track internal service providers, such as workshops.

Before you begin

You must sign in as a Contract/Purchasing Manager, Project Manager, or other administrative role.

Procedure

1. Select **Contracts > Agreements**.
2. In the Related Links - Contract Agreements section, select **Service Agreement**.
3. Click the **Add** action.
4. On the **General** tab, enter the name and other details.
5. In the Service Provider section, specify the organization that does the work.
6. In the Details section, define the business rules and the types of items that are provided by the terms of the service agreement.
7. In the Dates section, specify the critical dates for the contract.
8. In the Cost Summary section, enter the current approved amount, or select **Do Not Specify Approved Amount**.
9. Click **Create Draft**.
10. Click **Issue**.

Chapter 5. Organizing products and services

You can identify and track the products and services that your organization procures to support its projects, maintenance, and other day-to-day activities. You can organize these products and records into catalogs.

Products, services, and catalogs

Products and services records contain details about specifications, vendor or service provider, cost, and lead time. Products and services can be associated with catalogs. Catalogs can in turn be linked with purchase requisitions, therefore controlling what can be requested.

Products are items that are produced by a manufacturer and sold by either the manufacturer or a reseller. Services are labor-related activities that produce a certain result, for example, cleaning an office.

With a catalog record, you can organize a list of all products or services that are provided by a single vendor or multiple vendors. Similar product records or specification records can be grouped in a catalog record and can be associated with multiple catalogs. Two types of catalogs exist: product catalogs and request catalogs.

The catalog manager is hierarchical. Catalog is the topmost level in the hierarchy. Under the root level hierarchy, you can create records for product catalogs and request catalogs. Under any existing product catalog or request catalog, you can create child records.

Setting up product and service records

A product record contains the specifications for the product, details about the vendor, and information about costs and lead-time. A services record contains details about the service that is offered, the service provider, labor, and costs. Typically, a product or service record is created from a blanket purchase order.

Before you begin

You must sign in as a Contract/Purchasing Manager, Project Manager, or other administrative role.

About this task

The following steps describe the creation of a product or service record from a blanket purchase order. Alternatively, you can create a product or service record outside a blanket purchase order by selecting **Inventory > Set Up > Contracts**.

Procedure

1. Select **Contracts > Contracts > Blanket Purchase Orders** and open the blanket purchase order.
2. On the Products and Services tab, click **Quick Add**.
3. Select the specification for the product or service and click **Add**. The product or service record is added to the line items.

4. Open the line item, add the details about the product or service, and click **Activate**.

Setting up product catalogs

A product catalog organizes the products or services into categories.

Procedure

1. Select **Inventory > Set Up > Contracts > Catalog Manager**.
2. In the Hierarchy pane, select the **Catalog** node and click **New > Product Catalog**.
3. On the **General** tab, enter the name and the vendor information.
4. On the **Products** tab, specify the products that are listed in the catalog.
5. On the **Customers** tab, specify the customers for whom the product catalog is created.
6. Click **Create Draft**.

Setting up request catalogs

A request catalog organizes specifications into categories.

Procedure

1. Select **Inventory > Set Up > Contracts > Catalog Manager**.
2. In the Hierarchy pane, select the **Catalog** node and click **New > Request Catalog**.
3. On the **General** tab, enter the name and the vendor information.
4. On the **Specifications** tab, associate a specification with the catalog.
5. On the **Customers** tab, specify the customers for whom the request catalog is created.
6. Click **Create Draft**.

Chapter 6. Purchasing products

As part of the procurement process, you need to manage purchase requisitions, purchase orders, receipts, and returns.

Purchasing products with procurement cards

You might be issued with a procurement card to buy products and services for your organization.

Procurement cards

A procurement card is a type of credit card that you use to procure goods for the organization. When you make a purchase by procurement card, you do not need to complete and forward a purchase request to purchasing services.

Each procurement card is assigned a default account number for general funds and an object code in the accounting system.

Payments for all transactions that are made with procurement cards are made directly to the suppliers by the bank that issued the cards for the organization. The organization then makes a single monthly payment to the bank. The procurement card provides authorized employees with a cost-effective and convenient method of procuring and paying for purchases that cost relatively little and are regularly used.

A purchase limit is set on every card that is issued, based on anticipated expenditures and employee designation. As purchases are made, cardholders maintain a log of all transactions.

Creating procurement card records

You create procurement card records to record and manage the purchases that are made with the procurement card.

Before you begin

You must sign in as a Contract/Purchasing Manager, Project Manager, Inventory Manager, Facility Manager, or Operations Manager.

Procedure

1. Select **Procurement** > **Credit cards** and click **Add**.
2. On the **General** tab, specify the name, card details, and budget.
3. Specify other details about the procurement card as appropriate.
4. Click **Issue**.
5. Click **Create Draft**.

Requisitioning purchases

If you want to purchase products or services that are not included in a standard contract, you might need to gain approval before you can create the purchase order. You create a purchase requisition to gain this approval and to request the items from the vendor.

Purchase requisitions

You create a purchase requisition to gain approval to obtain the materials from the vendor. You can also use a purchase requisition record when you do not have sufficient privileges to create a purchase order directly.

In the purchase requisition, you create a line item for each item to be purchased. You send the purchase requisition through the distribution group to get feedback or authorization. For example, the distribution group might include the purchasing or finance departments. If the distribution group approves the record, the line items in the purchase requisition record can be associated with the purchase order record.

Creating purchase requisitions

You create the purchase requisition to gain approval for purchasing products or services.

Before you begin

You must sign in as a Contract/Purchasing Manager, Project Manager, Inventory Manager, Facility Manager, or Operations Manager.

Procedure

1. Select **Procurement > Requisitions & Purchase Orders > Purchase Requisitions** and click **Add**.
2. On the **General** tab, specify the name, requisition details, and vendor.
3. On the **Shipping** tab, add the details that are necessary for shipping the products.
4. On the **Line Items** tab, add products to the purchase requisition.
5. Optional: On the **Notifications** tab, add reviewers who must approve the record before it is issued.
6. Click **Create Draft**.
7. Click **Issue**.

What to do next

If the distribution list does not contain reviewers, the purchase requisition is immediately issued. If the distribution list contains reviewers, the purchase requisition is issued when all reviewers give approval. When the purchase requisition is issued, you can complete the purchase requisition.

Adding products to purchase requisitions

A purchase requisition typically includes the list of products to be purchased from the vendor. When you add the products to the purchase requisition, a material order task is generated. The generated task is assigned to the inventory manager who issues the product.

Before you begin

You must sign in as a Contract/Purchasing Manager, Project Manager, Inventory Manager, Facility Manager, or Operations Manager.

Procedure

1. Select **Procurement > Requisitions & Purchase Orders > Purchase Requisitions** and open the purchase requisition.
2. On the **Line Items** tab, go to the Pending Order Items section.

Option	Description
To select items from inventory	<ol style="list-style-type: none">1. Click Inventory Items.2. Select the inventory item and click OK.
To select items from a catalog	<ol style="list-style-type: none">1. Click Catalog Search.2. In the Catalog section, select the catalog.3. In the Product Catalog Items or Request Catalog Items section, select the items that you want to purchase.4. In the Selected Item section, specify the quantity and the units of measure.5. Click Add Item.

3. Save the purchase requisition.

Ordering purchases

As part of the procurement process, you need to order the products and services from the vendor.

Purchase orders

A purchase order is used to purchase products from the selected vendor. It provides details about the products and services, the vendor from whom the purchase is made, and the terms and conditions of the purchase.

Each item to be purchased is referred to as a line item. Multiple line items can be associated with a purchase order record.

Purchase orders can be created in the following ways:

- Automatically, when a request for quote (RFQ) or a request for proposal (RFP) is awarded. The purchase order record has the same name as the respective RFQ or RFP record.
- Automatically, when an inventory item is reordered.
- From the blanket purchase order, on the **Products and Services** tab.
- From the **Procurement > Requisitions & Purchase Orders** menu.

Creating purchase orders

Purchase orders are typically created automatically from requests for quotes or requests for proposals. Alternatively, you can manually create a purchase order record so that you can order directly from the selected vendor.

Before you begin

You must sign in as a Contract/Purchasing Manager, Project Manager, Inventory Manager, Facility Manager, or Operations Manager.

Procedure

1. Select **Procurement > Requisitions & Purchase Orders > Purchase Orders**.
2. Click **Add**.
3. On the **General** tab, enter the name and vendor.
4. On the **Shipping** tab, add the details for shipping the products.
5. On the **Line Items** tab, in the PO Line Items section, add products to the purchase order. You can select from inventory items, from existing products and services, or from the purchase requisition.
6. Optional: On the **Notifications** tab, add reviewers who must approve the record before it is issued.
7. Click **Create Draft**.
8. Click **Issue**.

What to do next

When purchase order is issued, you can complete, revise, or retire the purchase order.

Receiving products

You create receipts to track the materials that were received by the organization and associate the purchase order with the vendor. The details from the associated purchase order are included in the receipt.

Before you begin

You must sign in as a Contract/Purchasing Manager, Project Manager, Inventory Manager, Facility Manager, or Operations Manager.

Procedure

1. Select **Procurement > Requisitions & Purchase Orders > Receipts** and click **Add**.
2. On the **General** tab, specify the name, received by date, and received on date.
3. In the Purchase Order section, associate a purchase order with the receipt. The details from the purchase order are added to the receipt, including details from other receipts that are associated with the purchase order.
4. Optional: On the **Line Items** tab, add inventory items to the receipt.
5. Optional: On the **Notifications** tab, add reviewers who must approve the record before it is issued.
6. Click **Create Draft**.
7. Click **Issue**.

What to do next

When receipt is issued, you can complete, revise, or retire the receipt.

Returning products

If the shipment is unsatisfactory, you can return the product to the vendor. For example, a product might be returned if it is damaged or if duplicate shipments are made. The details from the associated purchase order are included in the return record.

Before you begin

You must sign in as a Contract/Purchasing Manager, Project Manager, Inventory Manager, Facility Manager, or Operations Manager.

Procedure

1. Select **Procurement > Requisitions & Purchase Orders > Returns** and click **Add**.
2. On the **General** tab, specify the name, returned by date, and returned on date.
3. In the Purchase Order section, associate a purchase order with the return.
4. Optional: On the **Line Items** tab, add inventory items to the return record.
5. Optional: On the **Notifications** tab, add reviewers who must approve the record before it is issued.
6. Click **Create Draft**.
7. Click **Issue**.

What to do next

When return is issued, you can complete, revise, or retire the return.

Chapter 7. Paying for products and services

With the Procurement Management application, you can manage and control purchase orders, receipts, and invoices for both manufacturing and logistics operations. A vendor database assists you with buying, quality control, and purchasing. You can exchange orders and invoices with vendors who use multiple currencies.

Invoicing vendors

When the services are completed or the product is shipped, an invoice is created. An invoice is typically associated with a contract or purchase order.

Invoices

An invoice asks that payment is made for services that are rendered or for products that are shipped. IBM TRIRIGA can manage contract invoices, task invoices, utility invoices, and purchase order invoices.

Contract invoices

A contract invoice records the details that are received from the vendor. You associate the contract invoice with a contract. You also associate the contract invoice with a budget, so that when a payment is made, the amount is committed against the budget.

Task invoices

Task invoices that are submitted for task-related work must contain the task ID in the invoice line item. The task must be associated with a service agreement or a blanket purchase order. The service provider is named either in this service agreement or in the blanket purchase order.

If an internal organization has primary responsibility for the task and an external service provider performs the work on behalf of the organization, the internal organization is listed as the responsible organization on the task. The external service provider is listed as an organization resource.

If an external service provider has primary responsibility for the task, the external service provider is listed as the responsible organization on the task. If the external service provider subcontracts the work to another external service provider, the subcontractor is listed as an organization resource.

Utility invoices

The utility invoice supports invoice functions that are related to energy, water, and waste usage. The utility invoice includes cost data that is gathered from meter readings or a utility service provider.

Buildings can be master metered, which means a single meter can service multiple buildings. When utility bills are processed and the corresponding log records are created at the building level, you need to know the buildings that a meter services. You also need to know the proportionate allocation for each building in the bill

line item for the overall utility. A single meter can service multiple buildings, and the utility usage and costs need to be proportioned appropriately. Meters are defined as building equipment assets.

When the utility invoice is approved, the energy, water, and waste log records are filled for the corresponding buildings.

Purchase order invoices

When no contract exists between the vendor and organization, a purchase order (PO) invoice captures details about the products or services that are provided. An invoice is generated to charge for the products or services. The PO invoice is associated with the corresponding purchase order.

The PO invoice is associated with a budget. When a payment is made, the amount that is specified in either the PO or the PO invoice is committed against the budget.

Creating contract invoices

A contract invoice must contain the details from the associated contract and can be updated as required.

Before you begin

You must sign in as a Contract/Purchasing Manager, Project Manager, Inventory Manager, Facility Manager, or Operations Manager.

Procedure

1. Select **Contracts > Payables > Invoices > Standard Contracts** and click **Add**.
2. On the **General** tab, specify the name of the invoice and click **Create Draft**.
3. In the Contract section, associate the invoice with a contract.
4. Verify the details that are imported from the contract.
5. Save and issue the invoice.

Creating task invoices

You use a task invoice to submit payment for task-related work. You associate the task invoice with a standard contract, and you can add multiple tasks to line items on the invoice.

Before you begin

You must sign in as a Contract/Purchasing Manager, Project Manager, Inventory Manager, Facility Manager, or Operations Manager.

The tasks must be associated with a service agreement or a blanket purchase order. The service provider must be named in the service agreement or in the blanket purchase order.

Procedure

1. Select **Contracts > Payables > Invoices > Tasks** and click **Add**.
2. On the **General** tab, specify the name of the invoice.
3. In the Contract section, associate the invoice with a contract.
4. Verify the details that are imported from the contract.

5. On the **Line Items** tab, click **Find Task**, select one or more tasks, and click **OK**.
6. Click **Create Draft**.
7. Save and issue the invoice.

Creating utility invoices

You use the utility invoice to support payment that is related to energy, water, and waste usage. You add the utilities to the line items on the invoice.

Before you begin

You must sign in as a Contract/Purchasing Manager, Project Manager, Inventory Manager, Facility Manager, Operations Manager, or Environmental Manager.

Procedure

1. Select **Contracts > Payables > Invoices > Utilities** and click **Add**.
2. On the **General** tab, enter the name of the invoice.
3. In the Contract section, associate the invoice with a contract.
4. On the **Line Items** tab, click **Add**, enter the details of the utility, and create the line item.
5. Click **Create Draft**.
6. Save and issue the invoice.

Creating purchase order invoices

You associate the purchase order (PO) invoice with the corresponding purchase order, and issue the PO invoice to charge for the products or services.

Before you begin

You must sign in as a Contract/Purchasing Manager, Project Manager, Inventory Manager, Facility Manager, or Operations Manager.

Procedure

1. Select **Contracts > Payables > Invoices > PO Invoices** and click **Add**.
2. On the **General** tab, enter the name of the invoice and click **Create Draft**.
3. In the Purchase Order section, associate the invoice with a purchase order.
4. Verify the details that are imported from the purchase order.
5. Save and issue the invoice.

Releasing payments

When the payment is released for a contract or a purchase order, a payment release record is created. Payment can be made either for the completion of the entire contract or for providing the required products and services. Payment is made from a predetermined budget that is allotted for the purchase of materials or services.

Before you begin

You must sign in as a Contract/Purchasing Manager, Project Manager, Inventory Manager, Facility Manager, or Operations Manager.

Procedure

1. Select **Contracts > Payables > Payments > Releases** and click **Add**.
2. On the **General** tab, enter the name and other details.
3. On the **Invoices** tab, associate the invoices for which payments are released.
4. Click **Create Draft**.
5. Save and issue the payment release.

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