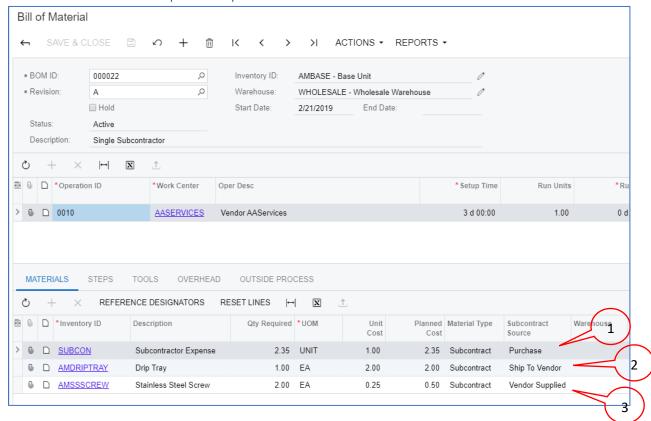


#### Bill of Material

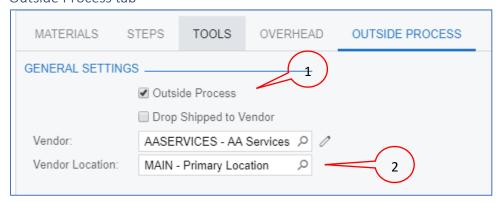
## Materials for the outside process operation



The Material Type of Subcontract is specified and the Subcontract Source determines the behavior.

- 1. Inventory Item 1 is a non-stock item that represents the cost of the service and will be **purchased** from the vendor. You can use a stock item also.
- 2. Inventory Item 2 is a stock item that will be **shipped** to the vendor from your inventory.
- 3. Inventory Item 3 is **vendor supplied**. The cost is not included in the rolled up cost and no transactions are generated,

#### Outside Process tab

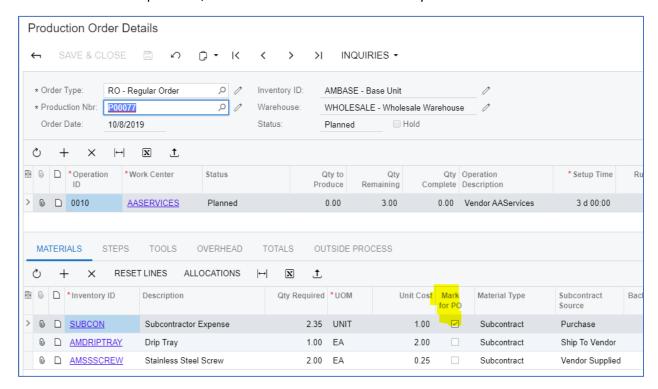


1. The Outside Process flag is inherited from the work center

2. You define the vendor and vendor location for this operation.

## Creating the Production Order and Purchase Order

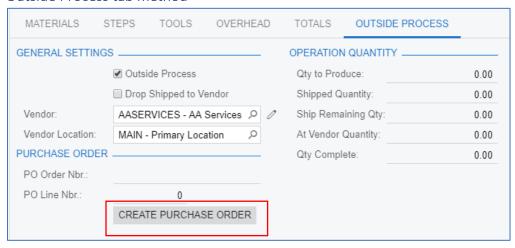
When the production order is created for an inventory item with a material type of subcontract and the subcontract source is purchase, the Mark for PO box is automatically checked for the material line.



You can create the purchase order for all items with a subcontract source of Purchase multiple ways:

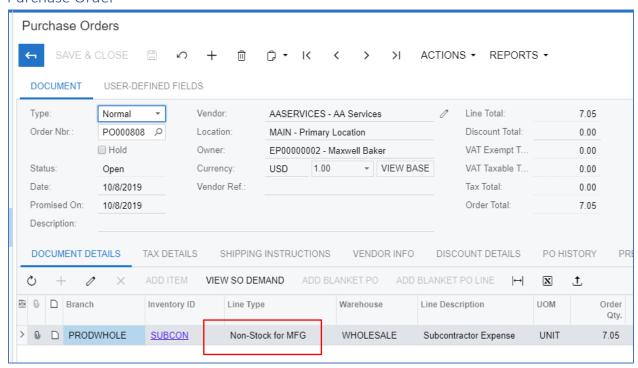
- Directly from the Outside Process tab
- Using Critical Materials
- Using Create Purchase Orders in the Purchasing module. This method allows you to create single PO for multiple production orders for the same vendor.

#### Outside Process tab method



Click the Create Purchase Order button to create a single PO.

#### Purchase Order



- The Line Type is Non-Stock for MFG. For a stock item, it would be Goods for MFG.
- Only the materials with a **Subcontract Source** of **Purchase** are added to the PO.

# Allocations on Production Order Details

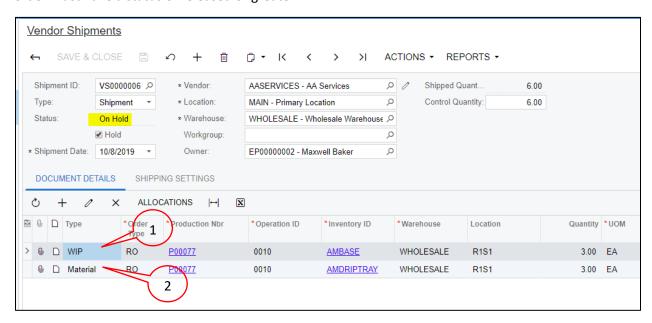


# Unresolved Issues as of 10/8/2019"

- The Outside Process tab does not show the PO number and will be resolved in a future release.
- The receipt of the PO is not updating the Actual Subcontract cost

## Creating the Vendor Shipment

The vendor shipment transaction is used to issue the materials to the production order. The production order must have a status of released or greater.



The Vendor Shipment must be released from hold to confirm the shipment. The line types are:

- 1. **WIP** this is the stock inventory item being built on the production order. This does not result in a transaction or accounting entry. It is meant to provide documentation.
- 2. **Material** this is the inventory item being shipped to vendor. The **Confirm Shipment** process will issue the material to the production order.

**Note**: You must use the Import Automation Definition on Production Preferences to populate the form tool bar for the Actions and Reports.



The reports below are provided. There is an option for the Vendor Shipment Picking List to print bar codes.

# Reports

# Vendor Shipment Pick List

Comp User:	a	tevision Two Products dmin admin ent Pick List							Page:	0/8/2019 10:46 AM 1 of 1
Shipment Number VS0000006		Shipment Date 10/8/2019	Vendor ID AASERVICES	Vendor Name AA Services	Warehouse WHOLESAL	<b>.</b>	Contact MAXWELL BA		Ship Via	
No.	Туре	Location	Item		Unit Weigh	t Unit Volum	e UOM	Qty.		Qty. Picked
2	WIP	R1S1	AMBASE Base Unit		0.00	0.0	0 EA	3.00		
3	Material	R1S1	AMDRIPTRAY Drip	Tray	0.5	2.0	0 EA	3.00		
					Total Weight	1.63	Pulled			
Scan	to Confirm P	icked Items			Total Volume	6.00	Inspected Packed			

# Vendor Shipment Packing List



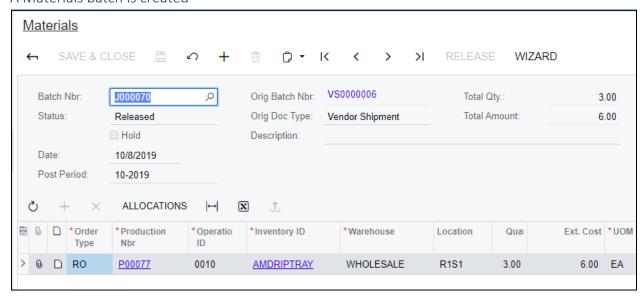
# Confirming the Vendor Shipment

Uncheck the **Hold** box and select **Actions > Confirm Shipment**.

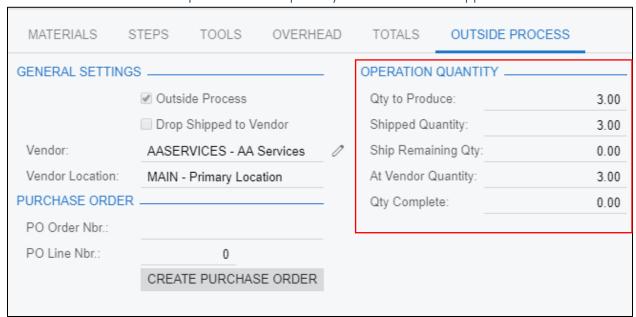
This will result in the following:

The Vendor Shipment **Status** is updated to **Completed**.

#### A Materials batch is created



## The Production Details are updated for the quantity of the WIP item shipped



## Receiving the Purchase Order for Services

When the Production Order was created the Subcontract Planned Cost were calculated for all items that have a subcontract source of **Purchase** or **Ship to Vendor.** 



The total cost for an operation that is subcontracted is the sum of 7.05 + 6.00. The 1.50 cost for **Vendor Supplied** is excluded.



The Confirm Shipment will update subcontract cost for Materials. The receipt of the purchase order will update the subcontract cost.