Oracle® Project Contracts

Implementation Guide,

Release 11*i*

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Oracle Project Contracts Implementation Guide, Release 11*i*

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Preface

This manual describes how to implement Oracle Project Contracts.

Intended Audience

This manual is intended for anyone who implements Oracle Project Contracts.

Structure

This implementation guide includes the following chapters and appendices:

Chapter 1	Overview: Provides an overview of Oracle Project Contracts
Chapter 2	Setting Up: Explains how to set up Oracle Project Contracts.
Chapter 3	Authoring: Explains how to implement Oracle Project Contracts Authoring features.
Chapter 4	Change Management: Includes Change Management implementation notes.
Chapter 5	Hold Management: Includes Hold Management implementation notes.

Chapter 6	Communications: Includes Communications implementation notes.
Chapter 7	Funding and Billing: Explains funding and billing implementation, including project hierarchies, funding, project agreements, and billing.
Chapter 8	ERP Integration: Explains how Oracle Project Contracts integrates with other components of Oracle's *e*Business Suite.
Chapter 9	Flowdown: Explains how Oracle Project Contracts enables users to flowdown contract attributes to other business areas.
Chapter 10	Security: Explains how to set up and implement Oracle Project Contracts security.
Chapter 11	Customizing Workflows: Explains how to customize default contract process workflows for Oracle Project Contracts.
Appendix A	Profile Options: Describes the profile options required for Oracle Project Contracts.
Appendix B	Descriptive Flexfields: Describes the descriptive flexfields associated with Oracle Project Contracts.
Appendix C	Attachments: Describes the use of attachments in Oracle Project Contracts.

1

Overview

Topics convered in this chapter include:

Overview of Oracle Project Contracts

Oracle® Project Contracts is designed to support complex contract management needs of project driven organizations, including commercial and government contractors, agencies, and subcontractors. Such organizations operate in a project centric environment characterized by:

- ever-changing contract specifications
- volatile demand and long lead-times
- high percentage of procure-to-contract components and services
- contractual requirements for billing
- complex and incremental funding in multiple currencies
- compliance of government regulations

Executive and operational management constantly face issues of budgetary constraints, contract margins, risk management, flowdown of contract information to subcontractors, and prioritization of contract deliverables. Oracle Project Contracts is designed to address these business issues by providing a comprehensive contract management solution with:

- robust authoring of all types of contract documents
- workflow-based contract administration, including status control, hold and change management
- comprehensive contract funding
- advanced deliverable tracking, integrated with ERP functions like planning, production, and procurement
- contract costing, billing, and revenue recognition
- comprehensive role-based access security
- contract flowdown

Oracle Project Contracts is also designed to support internet business practices. It provides key business benefits such as:

- any time, any where access to contract information, web browser based with comprehensive security
- architected on proven technology and open standards
- proactive instead of reactive management

- better audit trails for all contracts

Oracle Project Contracts is part of Oracle *e*-Business Suite, an integrated set of e-business solutions for the enterprise, which is designed to efficiently transform your business to an ***e*-business**.

Key Features

Contract Authoring

Contract Authoring provides support throughout the entire contracting lifecycle—from solicitations, bids and proposals in the acquisition phase to awarded contracts. You can define contract document types for different industries that use different terminology such as like Construction, Aerospace, Defense, Professional Services, Telecommunications, and Public Sector. You are able to manage contracts from both the perspective of a seller or a buyer.

Contract Administration

Oracle Project Contracts provides a variety of tools to enable contracting personnel to administer contracts during their lifecycle.

- Approval and Status Management

  Approval hierarchies and cycles for different document types can be defined. Appropriate escalation routines and notifications are created to alert administrators about deadlines for proposal submittals and solicitation response receipts.

- Changes and Versioning

  You can manage amendments and modifications to contract documents, an audit trail of contractual requirements is provided. Change management is workflow-based to implement approval and review of changes throughout the organization.

- Contract Holds

  Oracle Project Contracts enables you to define holds or stop work orders at different levels (header, line, or deliverable) with different hold reasons.

Contract Execution

The Deliverable Tracking System is used to track all contract activities such as planned receipts and shipments, mailing of an initial engineering drawing, or

progress report submissions. It is integrated with Oracle Projects, Advanced Planning and Scheduling, Oracle Internet Procurement, and Oracle Shipping Execution. Contract related information from the other products are also be viewed and tracked.

Contract Finance

Oracle Project Contracts provides a comprehensive model to define and keep track of contract funding and accounting.

- Funding

  You can use incremental funding, funding pools, multiple funding parties, hard and soft limits, and multiple currencies.

- Billing

  You can define different billing methods (such as firm fixed price, cost plus incentive, time, and materials) that can be used by the Projects Billing engine to drive the billing process. Oracle Project Billing, or any external billing system, is used to calculate periodic billings.

- Invoicing and Revenue

  Draft invoices can be generated and sent to Oracle Receivables, or your own receivables system, for final invoice processing and for collection of payments. Inquiries are used to compare contract revenue with contract funding.

Contract Flowdown

Oracle Project Contracts enables users to configure flowdown of attributes, articles, terms and conditions, standard notes, and attached documents to different business areas, such as Receiving, Shop Floor, and Billing.

Architected for e-Business

Oracle Project Contracts is architected from the ground up for e-business. Comprehensive use of workflows, flexible attributes, and API framework, and leveraging Oracle's internet development tools, provide companies and agencies with a state-of-the-art collaborative contracting solution.

2

Setting Up

This chapter discusses how to setup and implement Oracle Project Contracts. Topics include:

Before You Begin

As you plan your implementation of Oracle Project Contracts, we recommend that you consider the implementation issues discussed in this section. By carefully planning your implementation, you can save valuable time and prevent errors.

Overview of Setting Up

This section contains a checklist that includes each task you need to perform to complete the implementation of Oracle Project Contracts. It lists the steps required to implement Oracle Project Contracts along with advanced implementation topics for you to consider.

The setup checklist is broken down into several sub-sections.

When you install Oracle Project Contracts, the installation process automatically creates two responsibilities, Project Contracts Super User and Project Contracts User. The Project Contracts Super User responsibility includes the necessary functions to setup and implement Oracle Project Contracts.

Before you setup Oracle Project Contracts, you must setup the users and assign the appropriate responsibilities for the implementation.

See Also:

Oracle Applications System Administrator's Guide.

Oracle Applications Implementation Wizard

If you are implementing more than one Oracle Applications product, it is recommended that you use the Oracle Applications Implementation Wizard (AIW) to coordinate your setup activities. The Wizard guides you through the setup steps for the applications you have installed, suggesting a logical sequence that satisfies cross-product implementation dependencies and reduces redundant setup steps. You can use the Wizard to see a graphical overview of setup steps, read online help for a setup activity, and open the appropriate setup window. You can also document your implementation, for further reference and review, by using the Wizard to record comments for each step.

Note: Oracle Applications Implementation Wizard is not yet available for Oracle Project Contracts specific setup steps.

See Also:

Oracle Applications Implementation Wizard User's Guide

Related Product Setup Steps

Oracle Project Contracts setup includes various setup steps within Oracle Applications products. These steps are discussed in detail in the Overview of Setting Up sections of the respective Oracle product user's guides.

Setup Underlying Oracle Applications Technology

The Implementation Wizard guides you through the entire Oracle Applications setup, including system administration. However, if you do not use the Implementation Wizard, you need to complete several other setup steps, including:

- Performing system-wide setup tasks such as configuring concurrent managers and printers
- Managing data security, which includes setting up responsibilities to allow access to a specific set of business data and complete a specific set of transactions, and assigning individual users to one or more of these responsibilities
- Setting up Oracle Workflow

See Also:

Oracle Applications System Administrator's Guide.

Oracle Workflow User's Guide

Oracle Project Contracts Implementation Checklist

This checklist summarizes each of the steps you follow to implement Oracle Project Contracts. It includes setup steps for data that may be shared with other Oracle Applications, but is required by Oracle Project Contracts. If you have already defined this information when setting up other Oracle Applications, you can skip those steps.

Since some implementation steps build upon information you define in other implementation steps, you should perform the steps in the order listed.

Description	Required?
Common Applications Setup	

Description	Required?
Step 1 - Flexfields	Y
Step 2 - Profile Options	Y
Step 3 - Define Document Categories	Y
Human Resources	
Step 4 - Define Organizations	Y
Step 5 - Define Locations	Y
Step 6 - Define Employees	Y
Receivables	
Step 7 - Define Customers	Y
Step 8 - Define Receivables Payment Terms	N
Payables	
Step 9 - Define Suppliers	Y
Step 10 - Define Payables Payment Terms	N
Items	
Step 11 - Define Units of Measure	Y
Step 12 - Define Items	N
Project Contracts Core Setup	
Step 13 - Define Contract Document Types	Y
Step 14 - Define Billing Methods	Y
Step 15 - Define Contract Statuses	Y
Step 16 - Define Party Roles, Contacts, and Sources	Y
Step 17 - Define Attribute Groups	Y
Step 18 - Define Attribute Groupings	Y
Step 19 - Define Article Sets	Y
Step 20 - Define Article Subjects	Y
Step 21 - Define Standard Articles	Y
Step 22 - Define Line Styles	Y

Description	Required?
Step 23 - Define Print Form Types	Y
Step 24 - Define Print Forms	Y
Step 25 - Define User-definable Attributes	N
Step 26 - Setup Contract Categories	Y
Change Management	
Step 27 - Define Change Types	Y
Step 28 - Define Change Reasons	Y
Step 29 - Modify Change Status Process Workflows	N
Step 30 - Define Change Statuses	Y
Funding and Billing	
Step 31 - Define Funding Types	N
Step 32 - Define Funding Statutes	N
Step 33 - Define Billing Event Types	Y
Hold Management	
Step 34 - Define Hold Types	Y
Step 35 - Define Hold Reasons	Y
Step 36 - Modify Hold Status Process Workflows	N
Step 37 - Define Hold Statuses	Y
Contract Communications	
Step 38 - Define Communication Types	Y
Step 39 - Define Communication Reasons	Y
Step 40 - Define Communication Priorities	Y
Step 41 - Modify Communication Action Workflows	N
Step 42 - Define Communication Actions	Y
Flowdown	
Step 43 - Define Terms and Conditions Types	Y
Step 44 - Define Standard Notes Types	N

Setup Checklist for Oracle Project Contracts

Common Applications Setup

Step 1 – Flexfields

You need to design and define your flexfields, including key flexfields and descriptive flexfields. Specifically, you need to setup your System Items key flexfield before defining items.

You can defer setting up descriptive flexfields at a later stage.

See Also:

Planning and Defining Key Flexfields, *Oracle Applications Flexfield Guide*

Planning and Defining Descriptive Flexfields, *Oracle Applications Flexfield Guide*

Step 2 – Profile Options

You need to setup site, application, and responsibility level profile options for the applications you are implementing. You should refer to the specific applications' user guides and implementation manuals for the list of required and optional profile options. For profile options in Oracle Project Contracts, see Appendix A – Profile Options.

Step 3 – Define Document Categories

Document Categories are used to categorize and group attached documents.

Oracle Applications provides a default document category called "Miscellaneous". Oracle Project Contracts added a new document category "Contract Document" when the product is installed.

You can define additional document categories as required. In order to utilize the newly defined document categories, you must assign those document categories to one of the entities listed in Appendix C.

See Also:

About Attachments, *Oracle Applications User's Guide*

Human Resources

Oracle Project Contracts shares organization, location and employee information with Oracle Human Resources. If your business does not currently use Oracle

Human Resources, you define this data using the Oracle Human Resources windows provided with Oracle Project Contracts. If you install Oracle Human Resources, you must define this data using an Oracle Human Resources login responsibility; you cannot use the windows provided with Oracle Project Contracts.

Your implementation of Oracle Human Resources to work with Oracle Project Contracts involves the following areas:

- Defining organizations
- Defining locations
- Entering employee information

If you have already implemented Oracle Human Resources, you can skip many of the steps included in this section. Ensure that the jobs and organizations you defined in Oracle Human Resources correspond to the data you want to use with Oracle Project Contracts.

Step 4 – Define Organizations

Organizations are departments, divisions, subsidiaries, companies, or other organizational units in your business.

Oracle Project Contracts uses organizations with classifications of operating unit and inventory organizations for party role definitions. Setup of additional classifications and related information, including organization hierarchy information, maybe needed depending on the implementation requirements of other Oracle Applications products.

See Also:

Organizations in Oracle Projects, *Oracle Projects User's Guide*.

Organization Hierarchy in Oracle Projects, *Oracle Projects User's Guide*.

Organization Hierarchy in Oracle Human Resources, *Oracle Human Resources User's Guide*.

Step 5 – Define Locations

Use the Locations window to define ship–to, receiving, and other location information.

Oracle Project Contracts uses locations for party role definitions.

See Also:

Setting Up Locations, *Using Oracle HRMS – The Fundamentals*

Step 6 – Define Employees

Use the Enter Person window to enter employee information. Oracle Project Contracts uses employees for the security framework. Oracle Project Contracts requires the following information for employees:

- Last name
- First name
- Employee number
- Start date

Setup of additional information maybe needed depending on the implementation requirements of other Oracle Applications products.

Attention: If you have Oracle Human Resources installed, you cannot use Oracle Project Contracts to define employee information. Use an Oracle Human Resources responsibility to define employees.

Customers and Related Setups

Oracle Project Contracts shares several customer related setups with Oracle Receivables and Oracle Order Management. If you have already installed and setup either Oracle Receivables or Oracle Order Management, or have performed a common-applications setup, you may not need to perform these steps again.

Step 7 – Define Customers

You can define customers in either the Customers or Customer Summary window. Customers can be defined either in Oracle Receivables or in Oracle Project Contracts.

In Oracle Project Contracts, you use customers, customer addresses, and customer contacts to specify customer information for various contracts. Each customer must have at least one bill-to address and one ship-to address.

See Also:

Entering Customers, *Oracle Receivables User's Guide*

Step 8 – Define Receivables Payment Terms

You can define receivables payment terms using the Define Payment Terms window.

See Also:

Payment Terms, *Oracle Receivables User's Guide*

Attention: Oracle Applications distinguishes between payment terms defined in Oracle Receivables and payment terms defined in Oracle Payables. If you intend to use Oracle Project Contracts for both buy and sell contracting activities, you will need to define payment terms in both applications.

Suppliers and Related Setups

Oracle Project Contracts shares several supplier related setups with Oracle Payables and Oracle Purchasing. If you have already installed and setup either Oracle Payables or Oracle Purchasing, or have performed a common-applications setup, you may not need to perform these steps again.

Step 9 – Define Suppliers

You can define suppliers in the Suppliers window. Suppliers can be defined in Oracle Payables, Oracle Purchasing, or directly in Oracle Project Contracts.

In Oracle Project Contracts, you use suppliers, supplier sites, and supplier contacts to specify contractor information for various contracts.

See Also:

Entering Suppliers, *Oracle Payables User's Guide*

Step 10 – Define Payables Payment Terms

You can define payables payment terms using the Define Payment Terms window.

See Also:

Payment Terms, *Oracle Payables User's Guide*

Attention: Oracle Applications distinguishes between payment terms defined in Oracle Receivables and payment terms defined in Oracle Payables. If you intend to use Oracle Project Contracts for both buy and sell contracting activities, you will need to define payment terms in both applications.

Inventory and Related Setups

Step 11 – Define Units of Measure

This step involves the following tasks:

- Define units–of–measure classes.
- Define units of measure.
- Define units–of–measure conversions. You can define three different conversion types for your needs: Standard, Intra–class, or Inter–class.

You may not need to perform this step if you have already installed and set up Oracle Inventory or performed a common–applications setup.

See Also:

Units of Measure, *Oracle Inventory User's Guide*

Step 12 – Define Items

Although you can define items at any point from this step onward, it is recommended that you set up at least one item to ensure that your flexfields are working properly.

If you skip this step, when you create a contract document line, you will be able to enter only an item description, not an item number.

This step needs to be performed for each inventory organization.

This step involves the following tasks.

- Define items at the master level. Note that some Inventory fields in the Master Item window, such as the Serial number fields, are available only if Inventory is fully installed rather than shared.
- Assign items at the organization level.

- Define item cross references. This optional step enables you to define contract document lines using customer item numbers, such as National Stock Numbers, UPC, or any generic item number.

See Also:

Master Level vs. Organization Level, *Oracle Inventory User's Guide*

Defining Items, *Oracle Inventory User's Guide.*

Updating Organization Level Items, *Oracle Inventory User's Guide*

Defining Customer Item Cross References, *Oracle Inventory User's Guide*

Oracle Project Contracts Core Setups

Step 13 – Define Contract Document Types

Contract document types help you categorize and identify various contract documents. They can be used to define different contract terminology used by both commercial and government contractors. For example, a solicitation may be termed a request for proposal, or invitation to bid, a proposal may be termed a bid, proposal, quote, or offer, and a contract may be termed award, grant, contract, etc.

Each contract document type must be defined under one of the following five document type classes:

Solicitation: A solicitation is a type of contract document that a contract customer or owner sends to potential contractors describing the goods and services needed, and any clauses, terms and conditions that govern the delivery or performance of the goods and services.

Proposal: A proposal is a response from the contractor to a contract customer / owner regarding a solicitation, with detailed delivery and pricing information. A proposal does not include any legal obligation to actually deliver the goods and services.

Awarded Contract: An awarded contract is a legal-binding document describing the agreement between the contract customer / owner and the contractor, including details of the delivery and pricing information, and any clauses, terms and conditions that may affect the delivery or performance of the goods and services described in the contract.

Basic Order Agreement: A basic order agreement, or a master agreement, is a special type of awarded contract. While it also contains the agreement between the contract customer / owner and the contractor and the clauses, terms and

conditions, it normally does not include detailed delivery information. The delivery information is normally included in subsequent delivery orders or task orders against the basic order agreement.

Delivery Order: A delivery order, or task order, describes the delivery details for a particular basic order agreement.

You can define as many contract document types per type class as you need.

Step 14 – Define Billing Methods

Contract billing methods are also known as pricing agreements, price types, and contract types. They can be linked to either contract documents or contract document lines. Examples of commonly used billing methods include Firm Fixed Price, Time & Material, Cost Plus Award Fee, and so on.

Step 15 – Define Contract Statuses

The status of a contract is a label defining where the contract document (and contract document line) stands in its life cycle. Oracle Project Contracts recognizes the following status types as provided by Oracle Contracts Core:

Entered: Contract is currently being edited and it can be completed but not approved

Signed: Contract is approved, but not yet effective. This status is used, when the contract is not yet due, but should have the same protection from changes an approved contract has.

Active: Contract is approved, signed, and effective

Expired: Contract was active, but is not effective anymore

Terminated: Contract is no longer active, either by termination from either side or by completion of all contractual obligations as specified (closed).

Canceled: Contract never became active and is not planned to become active

You can define as many statuses per status type as you need.

For each status you define, you need to specify the list of operations this is allowed. The following operations are applicable to Oracle Project Contracts:

Update Online – this operation controls whether you can update the contract. This operation is controlled at the contract level.

Create Deliverable – this operation controls whether you can create new deliverables for the contract. This operation is controlled at the line level.

Update Deliverable – this operation controls whether you can update existing deliverables for the contract. This operation is controlled at the line level.

Delete Deliverable – this operation controls whether you can delete existing deliverables for the contract. This operation is controlled at the line level.

Initiate Deliverable Action – this operation controls whether you can initiate any deliverable actions for the contract. This operation is controlled at the line level.

Eligible for Invoicing – this operation controls whether you can initiate billing events for the contract. This operation is controlled at the line level.

See also:

Understanding Status and Operations, *Oracle Contracts Core Concepts and Procedures*.

Step 16 – Define Party Roles, Contacts and Sources

Party roles describe the various parties to a contract. Each party assume a role in the relation to the contract, such as contractor or customer / owner. The setup of roles is different between sell and buy contracts. For example, you are a contract customer / owner in a buy contract while you become a contractor in a sell contract.

Party roles are defined as lookup codes using the lookup type OKC_ROLE in Oracle Contracts Core. Contact roles are defined as lookup codes using the lookup type OKC_CONTACT_ROLE in Oracle Contracts Core. Oracle Project Contracts creates the following party roles and the corresponding role sources as part of the installation:

Role	Intent	Role Source
Contract Customer	Sell	Customer
	Buy	Operating Unit
Contractor	Sell	Operating Unit
	Buy	Supplier
Fund By	Sell	Party
	Buy	Operating Unit
Bill To	Sell	Customer Site
	Buy	Internal Location

Ship To	Sell	Customer Site
	Buy	Internal Location
Mark For	Sell	Customer Site
	Buy	Internal Location

Oracle Project Contracts includes special processing logic for the seeded roles. If you need different roles for your implementation, we recommend that we define new roles and set expiration dates for the existing roles. New roles you define should be enabled for the "Project Contract" category using the Define Categories window.

Oracle Project Contracts does not include any contact roles as part of the installation.

See Also:

Understanding Roles and Contact Sources, *Oracle Contracts Core Concepts and Procedures*

Defining a Category, *Oracle Contracts Core Concepts and Procedures*

Step 17 – Define Attribute Groups

Attribute groups are used to organize system seeded contract attributes. You can assign attribute groups to security access rules as well as the flowdown matrix.

Attribute groups are defined as lookup codes using the lookup type ATTRIBUTE_GROUP in Oracle Project Contracts.

See Also:

Security

Contract Flowdown

Step 18 – Define Attribute Groupings

Once you have defined the desired attribute groups, use the Attribute Groupings window to assign individual contract attributes to attribute groups.

Step 19 – Define Article Sets

Article Sets are used to organize standard articles for easy reference and inclusion in contracts. A standard article can be assigned to multiple article sets.

Article Sets are defined as lookup codes using the lookup type OKC_ARTICLE_SET in Oracle Contracts Core.

See Also:

Describing Contract Articles, *Oracle Contracts Core Concepts and Procedures*.

Step 20 – Define Article Subjects

Article Subjects provide a classification of contract articles. Article Subjects are used in setting up the Flowdown Matrix.

Article Subjects are defined as lookup codes using the lookup type OKC_SUBJECT in Oracle Contracts Core.

See Also:

Describing Contract Articles, *Oracle Contracts Core Concepts and Procedures*.

Step 21 – Define Standard Articles

The Library of Standard Articles is a small database of previously written and established articles. These articles can be referenced and included in a contract.

You must have defined Article Sets and Article Subjects before defining Standard Articles.

See Also:

Defining the Library of Articles, *Oracle Contracts Core Concepts and Procedures.*

Step 22 – Define Line Styles

Line Style controls the type of information that can be entered on a particular line. The line style sets input requirements and sets up the lists of values to choose from in a contract line during contract authoring.

Oracle Project Contracts creates the following line style structures during installation of the product:

Line Style	Source	Recursive?
Item	System Item	Yes
-- Data Item	None	Yes
---- Delivery Schedule	None	
Free Format	None	Yes

-- Data Item	None	Yes
---- Delivery Schedule	None	
Data Item	None	Yes
---- Delivery Schedule	None	

See Also:

Understanding Line Styles, *Oracle Contracts Core Concepts and Procedures*.

Step 23 – Define Print Form Types

Print Form Types provide a classification of printed forms. Print Form Types are defined as lookup codes using the lookup type PRINT_FORM_TYPE in Oracle Project Contracts.

Step 24 – Define Print Forms

Print forms are printed forms that contractors need to submit to contract customer / owner over the lifecycle of a contracting process. Print form submission is very common in government contracts. You should define your print forms so you can designate a print form as mandatory or optional during contract authoring.

Step 25 – Define User-definable attributes

Oracle Project Contracts extends the concept of descriptive flexfields to allow multiple flexfield contexts and unlimited user-defined attributes per contract document or line.

Contract user-definable attributes are defined as a descriptive flexfield with the title “User-Defined Contract Attributes”. This descriptive flexfield is created when you install Oracle Project Contracts.

You can define as many flexfield contexts as needed. Each context can contain up to 30 attributes.

See Also:

Defining Descriptive Flexfields, *Oracle Applications Descriptive Flexfields Guide*

Step 26 – Setup Contract Categories

Contract category is a concept in Oracle Contracts Core used to classify or categorize contracts. Oracle Project Contracts provides a default category "Project Contract" as part of the installation, as well as the following related setup data:

- Party roles that can be included in a contract
- Top line styles that are applicable
- Party roles that are applicable for the top line style

Oracle Project Contracts uses the "Project Contract" category by default. You do not need to setup additional categories.

See Also:

Defining a Category, *Oracle Contracts Core Concepts and Procedures*.

Change Management

The following setups are needed if you wish to implement Change Management functionality in Oracle Project Contracts.

Step 27 – Define Change Types

You need to define Change Types, which can be used for reporting as well as tailoring the workflow processes. You must reference a change type for a change request.

Change types are defined as lookups using the lookup type CHANGE_TYPE in Oracle Project Contracts.

Step 28 – Define Change Reasons

You need to define Change Reasons, which can be used for reporting as well as tailoring the workflow processes. You must reference a change reason for a change request.

Change reasons are defined as lookups using the lookup type CHANGE_REASON in Oracle Project Contracts.

Step 29 – Modify Change Status Process Workflows

You should examine the default workflow processes for Change Management as provided by Oracle Project Contracts and make necessary additions, changes and modifications to suit your business practices.

See Also:

Using Workflows in Oracle Project Contracts

Step 30 – Define Change Statuses

The status of a contract change request is a label defining where the change request stands in its life cycle. Each change status must be categorized under one of the following change status types:

Entered: Change request is currently being edited

Submitted: Change request has been submitted for approval.

Approved: Change request has been approved and can be implemented

Rejected: Change request has been rejected

In Progress: Modification to the contract as specified by the change request is in progress.

Completed: Change request has been completed. This status type marks the normal completion of a change request.

Canceled: Change request has been canceled and cannot be reactivated, approved, or implemented.

You can define as many statuses per status type as you need. However, you need to setup at least one change status each for the status types Entered, Submitted, Approved, In Progress and Completed and designate those statuses as default statuses for the status type.

If you allow users to reject a change request during the approval process, you must also define a default status of type Rejected.

You can associate a workflow process to each change status to automatic the processing of the change request.

Funding and Billing

The following setups are needed if you wish to implement Funding and Billing functionality in Oracle Project Contracts.

Step 31 – Define Funding Types

You need to define Funding Types, which can be used for reporting. You can reference a funding type on a funding allocation. This reference is optional.

Fund types are defined as lookups using the lookup type FUND_TYPE in Oracle Project Contracts.

Step 32 – Define Funding Statuses

You need to define Funding Statuses, which can be used for reporting as well as tailoring the workflow processes. You can reference a funding status on a funding allocation. This reference is optional.

Funding statuses are defined as lookups using the lookup type FUND_STATUS in Oracle Project Contracts.

Step 33 – Define Billing Event Types

If you wish to use Oracle Projects for deliverable-based billing, you need to define event types in Oracle Projects using the Event Types window. Oracle Project Contracts uses event types with a type class of Manual for deliverable-based billing.

See Also:

Event Types, *Oracle Projects User's Guide*

Hold Management

The following setups are needed if you wish to implement Hold Management functionality in Oracle Project Contracts.

Step 34 – Define Hold Types

You need to define Hold Types, which can be used for analysis as well as tailoring the workflow processes. You must reference a hold type for a contract hold.

Hold types are defined as lookups using the lookup type HOLD_TYPE in Oracle Project Contracts.

Step 35 – Define Hold Reasons

You need to define Hold Reasons, which can be used for analysis as well as tailoring the workflow processes.

There are two types of hold reasons: Apply Hold Reasons and Remove Hold Reasons. You must reference an apply hold reason when you put a contract, contract line, or deliverable on hold, and you must reference an remove hold reason when you remove an existing hold.

Apply and remove hold reasons are defined as lookups using the lookup type APPLY_HOLD_REASON and REMOVE_HOLD_REASON respectively in Oracle Project Contracts.

Step 36 – Modify Hold Status Process Workflows

You should examine the default workflow processes for Hold Management as provided by Oracle Project Contracts and make necessary additions, changes and modifications to suit your business practices.

See Also:

Customizing Workflows

Step 37 – Define Hold Statuses

Hold status is a label defining where the contract hold stands in its life cycle. It can also be used to define hold escalations.

You can associate a workflow process to each hold status to automatic the processing of the change request.

Contract Communications

The following setups are needed if you wish to implement Contract Communications functionality in Oracle Project Contracts.

Step 38 – Define Communication Types

You need to define Communication Types, which can be used for analysis as well as tailoring the workflow processes. You must reference a communication type for a contract communication.

Communication types are defined as lookups using the lookup type COMMUNICATION_TYPE in Oracle Project Contracts.

Step 39 – Define Communication Reasons

You need to define Communication Reasons, which can be used for analysis as well as tailoring the workflow processes. You must reference a communication reason for a contract communication.

Communication reasons are defined as lookups using the lookup type COMMUNICATION_REASON_CODE in Oracle Project Contracts.

Step 40 – Define Communication Priorities

You need to define Communication Priorities, which can be used for analysis as well as tailoring the workflow processes. You must reference a communication priority for a contract communication.

Communication priorities are defined as lookups using the lookup type COMMUNICATION_PRIORITY in Oracle Project Contracts.

Step 41 – Modify Communication Action Workflows

You should examine the default workflow processes for Contract Communication Actions as provided by Oracle Project Contracts and make necessary additions, changes and modifications to suit your business practices.

See Also:

Customizing Workflows

Step 42 – Define Communication Actions

Communication Actions define the followup action items, if necessary, for a contract communication.

You can associate a workflow process to each communication action to automatic the processing of the communication.

Flowdown

The following setups are needed if you wish to enable Contract Flowdown capability in Oracle Project Contracts

Step 43 – Define Terms & Conditions Types

Terms & Conditions Types are used to group terms and conditions for flowdowns.

Terms & condition types are defined as lookups using the lookup type TERM_TYPE in Oracle Project Contracts.

Step 44 – Define Standard Notes Types

Standard Notes Types are used to group standard notes for flowdowns.

Standard notes types are defined as lookups using the lookup type STD_NOTE_ TYPE in Oracle Project Contracts

3

Authoring

Topics convered in this chapter include:

Authoring Overview

Oracle Project Contracts provides support for many types of contract documents, including solicitations, bids, proposals, awarded contracts, procurement contracts, subcontracts, and facilitates document management. Management of these various document types may be from both the perspective of a contract issuer (outbound procurement contracts, with intent to buy) and the perspective of a contract recipient (inbound sales contracts, with intent to sell).

Oracle Project Contracts allows you to setup repositories of standard articles (standard contract clauses or regulations such as FAR and DFARs) and terms and conditions (such as shipping method, payment terms, freight terms, and so on) that can be assigned to any contract document, including templates. You can assign articles to billing methods to allow enforcement of clauses. You can also enter statement of work (scope of work) and as well as standard notes for any contract documents, or for a particular contract line.

You can define contract work breakdown structures using contract lines (CLINs, ELINs), and sublines (SLINs) in unlimited hierarchies. Articles, terms and conditions, standard notes, and parties can be assigned at each level.

Many parties in different contract business roles may be assigned to a contract document. Business roles represent different services like billing, payment centers, work performed at, ship-to, mark for, ship-from, and so on. Parties can be external trading partners or internal organizations. You can also enter the contacts with whom they interact.

Realizing that different industries and different legacy systems track different contract attributes, Oracle Project Contracts has the capability to define and also flowdown user-definable attributes. You can add as many user-definable attributes as needed by their business requirements.

Authoring Wizard

Oracle Project Contracts includes an Authoring Wizard that guides you through the process of creating a new contract document. A new contract document can be created from another contract document of any types (for example, creating a proposal from an existing proposal, a solicitation, or an existing awarded contract), or from pre-defined templates. You can select a subset of contract information that needs to be copied to the new contract document.

Process Steps

The Authoring Wizard supports creation of a new document by any of three methods: creating a new blank document, creating from an existing document, or creating from a template.

Creating a new blank document:

Contract data is manually entered by the user.

Creating from an existing document:

The source document is identified by type (award, solicitation, proposal, subcontract, delivery order, master agreement, etc) and specific number. Next, the user selects the type of new document to be created from the source document, and the Wizard guides the user through a series of steps to create the new document.

Creating from a template:

The template is identified by type (award template, solicitation template, proposal template, etc.) and specific template number. The Wizard will then guide the user through a series of steps to create a new document from the pre-existing template. Examples could include storing a template for each billing method type (contract type), along with the required Articles and Ts and Cs for that type, storing templates of standard subcontracts, storing solicitation and proposal templates for those procurements which are repeated over time. In addition, storing contract templates from various customers would also be beneficial.

Note: The Contract Authoring Wizard is a function that can be secured using responsibility level function security. Only authorized users can create new contract documents. Please refer to the Security chapter for more details.

Authoring Workbench

Oracle Project Contracts allows contracting professionals to author contract documents throughout the entire contracting lifecycle -- from solicitations, bids and proposals in the acquisition phase to awarded contracts, basic ordering agreements and delivery orders in the award and execution phase.

Different industries like Engineering and Construction, Aerospace and Defense, Professional Services, Telecommunications, and Public Sector use different terminology for different contract documents. For example, the acquisition process

can refer to a 'solicitation' document as Request For Information (RFI), Request For Proposal (RFP), Invitation For Bid (IFB), or simply Solicitation. Oracle Project Contracts allows flexible definition of contract document types.

The Authoring Workbench allows you to enter contract and related information. Each tab corresponds to a subset of the information.

For details on how to use the Authoring Workbench, please refer to *Oracle Project Contracts User's Guide*.

Implementation Notes

Attribute Security

Attribute security is available for contract header and line attributes. If you want to enable attribute security, please refer to the security chapter in this manual.

Parties and Contacts

You need to setup party roles, contact roles and associated role sources before entering parties and contacts information for your contract. Oracle Project Contracts provides you with commonly used roles during the installation of the product.

Please refer to the Setup chapter for more information on how to setup roles and role sources and the list of seeded roles.

Standard Articles vs. One-Time Articles

You can enter both standard articles and one-time articles against a contract. Standard articles are pre-defined contract clauses that can be referenced in a contract.

If your contracts typically reference many standardized contract clauses, such as FAR, DFARs or UCC codes, we recommend that you setup those clauses as standard articles.

Please refer to the Setup chapter for more information on how to setup standard articles.

User-Defined Attributes

Oracle Project Contracts allows you to define additional contract attributes to fit your contract repository requirements. Attribute security is also available for user-defined attributes.

Please refer to the Setup chapter for more information on how to setup user-defined attributes.

Please refer to the Security chapter for more information on how to enable attribute security for user-defined attributes.

Flowdown Considerations

Contract flowdown is available for contract header and line attributes, articles, terms and conditions, as well as standard notes.

The Flowdown Matrix determines the subset of contract information that should be flown down to a particular business area. The Flowdown Matrix is specified using attribute groups, article subjects, terms and conditions types, and standard notes types.

Please refer to the Flowdown chapter for more information on this feature and its ramifications on implementing Contract Authoring.

4

Change Management

Topics convered in this chapter include:

Change Management Overview

Managing contract changes is one of the most important yet time-consuming aspects of contract management. Oracle Project Contracts includes a robust change management and versioning mechanism to enable contracting professionals to manage amendments and modifications to contract documents, and provides a clear audit trail of contractual requirements over time. Change management is workflow-based to implement approval and review routings of contract changes through your organization. Change management also includes an undo functionality to handle the receipt of out-of-sequence change requests to improve auditability.

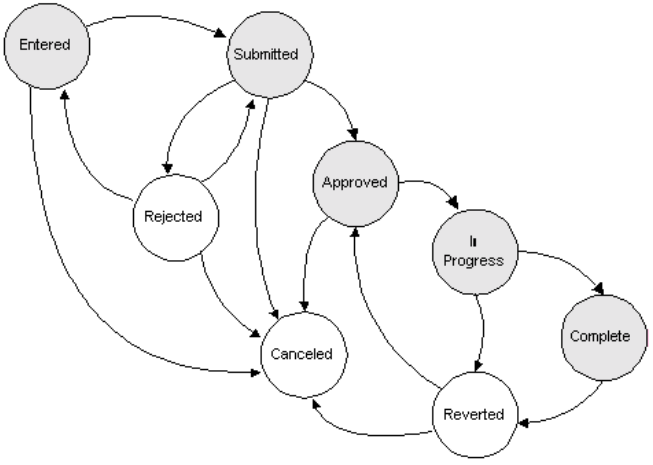
Setting Up

For details on how to setup Change Management in Oracle Project Contracts, please refer to the setup chapter in this manual.

Implementation Notes

Change Statuses

Change statuses define the lifecycle of a change request. Each change status belongs to a seeded change status type. The transition between change statuses is controlled by the status types as illustrated in the diagram below:



The shaded circles depict the default, standard lifecycle of a change request. You should setup at least one status for each status type in the standard lifecycle.

You can associate a workflow process to each change status. This workflow process will be initiated when a change request is set to the corresponding status. Default workflow processes are provided when the product is installed. You can tailor the default workflow processes to fit your business needs. We recommend that you use the default workflow processes as a basis for copying into new workflow processes instead of modifying the default workflow processes directly.

You can use workflow processes and change statuses to automate the processing of change requests as much as possible. For example, you can tailor the workflow processes to skip the approval step altogether if your organization does not require approval for change requests. However, you can only implement one change request per contract document at any given time (a change request is considered being implemented when the change status is of type “In Progress”). We recommend that you do not eliminate the “In Progress” step when you streamline your change management processing.

See Also:

Setting Up

Customizing Workflows

Change Types and Change Reasons

Change types and change reasons can be used to route different processing logic when customizing the workflow processes. For example, a customer initiated change request may subject to a more thorough approval process then a internal initiated change request. You can use a different change type to denote the source of the change request.

If you wish to use change types and change reasons to fine tune your workflow processes, we recommend that you define custom workflow lookup types to mirror the change type and change reason lookup values.

Versioning

A new contract version is automatically created when a change request is changed from a status of type “Approved” to a status of type “In Progress”, and from a status from type “In Progress” to a status of type “Completed”.

You do not need to implement change management just to maintain version history of contract documents. You can version a contract directly from the Contract

Organizer if you are granted a role with the function “Create New Version” to the particular contract document.

5

Hold Management

Topics convered in this chapter include:

Hold Management Overview

Oracle Project Contracts allows you to define holds at different levels (header, line, deliverable) with different hold reasons, to analyze holds and the promptness of their resolution, and to track release due dates and reasons. Hold management is workflow-based to allow modeling of business processes for different hold reasons.

Setting Up

For details on how to setup Hold Management in Oracle Project Contracts, please refer to the Setting Up chapter in this manual.

Implementation Notes

Hold Statuses

Hold statuses can be used to describe a contract hold during its lifecycle, and can also be used to handle hold escalations.

You can associate a workflow process to each hold status. This workflow process will be initiated when a contract hold is set to the corresponding status. You can use the workflow processes to generate notifications to inform the appropriate parties regarding the extents and the contexts of the contract hold.

Default workflow processes are provided when the product is installed. You can tailor the default workflow processes to fit your business needs. We recommend that you use the default workflow processes as a basis for copying into new workflow processes instead of modifying the default workflow processes directly.

See Also:

Setting Up

Customizing Workflows

Hold Types and Hold Reasons

Hold types and apply / remove hold reasons can be used to route different processing logic when customizing the workflow processes. For example, a customer initiated hold request may subject to a more thorough approval process then a internal initiated hold request. You can use a different hold type to denote the source of the hold request.

If you wish to use hold types and hold reasons to fine tune your workflow processes, we recommend that you define custom workflow lookup types to mirror the hold type and hold reason lookup values.

6

Communications

Topics convered in this chapter include:

Communications Overview

You can enter, analyze, and track communications between contracting parties. Communications can be categorized, prioritized, and analyzed to allow rapid responses to the communications.

Implementation Notes

Communication Actions

Communication actions can be used to categorize a contract communications and to determine the appropriate actions that need to be performed.

You can associate a workflow process to each communication action. This workflow process will be initiated when a communication with the corresponding action is logged. You can use the workflow processes to generate notifications to inform the appropriate parties regarding the contract communications and the required actions.

Default workflow processes are provided when the product is installed. You can tailor the default workflow processes to fit your business needs. We recommend that you use the default workflow processes as a basis for copying into new workflow processes instead of modifying the default workflow processes directly.

See Also:

Setting Up

Customizing Workflows

7

Funding and Billing

Topics convered in this chapter include:

Overview of Funding and Billing

One of the primary capabilities of Oracle Project Contracts is the ability to track funding at any level of the contract. A contract can be funded from multiple parties in multiple currencies. This chapter describes funding and billing considerations in project hierarchy setup, creation and update of PA Agreement from Project Contracts Funding Workbench, and creation and update of PA Billing Event from Project Contracts Deliverable-Based Billing Event form.

This chapter is based on the integration of Project Contracts and Oracle Projects. However, you do not need to implement Oracle Projects in order to use the funding capabilities in Oracle Project Contracts.

See Oracle Projects User's Guide for additional information.

Project Hierarchy

You can assign a "master' project at the contract header level and subprojects or master project top tasks at the contract line or subline level. You can assign one or more projects as subprojects at any level of the master project Work Breakdown Structure (WBS) - at the top, middle, or lowest level tasks. You can assign a project of any type class (contract, indirect, or capital) to the hierarchy, but you must assign a project of contract type class at the level for which you want to do funding and billing.

If the project intent is "Sell", you should consider the billing structure of the contract when setting up the WBS and project hierarchy and assigning projects to the contract. A contract may have:

- a single billing method for the entire contract - you can assign one project for the entire contract, depending on the complexity of cost collection desired
- multiple contract lines with different billing methods assigned at the contract line level - you can assign a separate billable project to each line with its own billing method
- fixed price billing method with progress payments - you can collect progress payment cost and perform progress billing at the master project level while billing delivery-based events on separate subprojects

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Note: Currently, Oracle Projects does not rollup subproject cost at the master project level.

Funding

If you want to create a Funding Source for your contract, you must assign a Fund By party on the Parties and Contacts tab in the Authoring Workbench. The Fund By party must be one of the customers assigned to the projects in the hierarchy. You can see which customers have been assigned to the project in the list of values on the header and lines project field.

You can fund an indirect project for a Buy contract, such as a subcontract.

You can assign multiple Fund By parties if more than one customer provides funding for the contract. You must setup a separate Funding Source entry for each funding customer who provides funding.

Each funding source is in a specific currency, which can be different from the contract currency. However, if a Fund By party is providing funding in multiple currencies, you must create a different funding source with the same funding party for each currency.

You can setup a Funding Pool with one or more parties as the funding source. The Funding Pool can fund one or more contracts in a currency that is different from the contract currencies. However, the funding pool currency must match the funding source currency of those contracts.

Project Agreements

Creating new Project Agreements

You can create a new project agreement from the Funding Workbench. In order to create a project agreement, the following information is required:

- **Receivables Payment Terms**

  You must setup Receivables Payment Terms on the Terms and Conditions tab of the Authoring Workbench.

- **Agreement Number**

  You must enter the desired agreement number that will be used to create the project agreement.

Oracle Project Contracts by default creates one agreement for each funding source. If you have implemented the Multi-Organization feature and the desired funding source has been allocated to projects in multiple operating units, Oracle Project

Contracts creates one agreement in each operating unit funding has been allocated in.

Note: Once you have created project agreements for a funding source, you are not allowed to change the project and task information on its allocations. However, you can still modify the allocated amounts, effective periods, and other reference information, including descriptive flexfield information.

Converting Existing Project Agreements

If you are already using Oracle Projects prior to implementing Oracle Project Contracts, you may already have defined project agreements for your existing contracts. Oracle Project Contracts provides a simple-to-use Funding Wizard to help you convert these pre-existing agreements into contract funding sources.

The Funding Wizard is invoked automatically when you wish to create a new funding source. If you do not have existing project agreements to convert, you can disable the Funding Wizard by clearing the "Show Contract Funding Wizard" check box in the Funding Wizard or setting the profile option "OKE: Show Contract Funding Wizard" to "No".

You have the option to convert a project agreement into a different funding source currency. You will need to provide the necessary currency conversion information between the functional currency and the funding source currency.

Maintaining Project Agreements

Oracle Projects does not allow maintenance of agreements that are created from the Funding Workbench or have been converted to contract funding sources.

You can update the project agreement from the Funding Workbench before or after it has been baselined. If you make changes before baselining the revenue budget, the original project allocation line will be updated. If you make changes after baselining, a new project allocation line will be created on the project agreement for the difference between the baselined amount and the new funding allocation amount.

Budget/Fund/Bill at Project or Top Task Level

You can create a revenue budget, funding source allocation and project agreement, and perform billing at either the project OR the top task level. After you have created an allocation line at either level, you cannot change to another level. For

example, if you have created a funding allocation for a top task, you cannot create another funding allocation for the same project without entering a top task.

Funding History

Oracle Project Contracts maintains incremental funding history every time you version a contract. You can create a new version through Change Management Workflow-driven status changes or by selecting Create New Version on the Action button from the Contract Organizer.

Note: You are not allowed to change contract, contract line, project and task information on a funding allocation once a new contract version has been created since the creation of the funding allocation. This is to ensure the integrity of the funding history. However, you can still modify the allocated amounts, effective periods, and other reference information, including descriptive flexfield information.

Billing

Deliverable-Based Billing

You can create a deliverable-based billing event from the Project Contracts Deliverable-Based Billing form. In order to create a billing event, the following conditions must be met:

- Contract line has a status that is eligible for Invoicing (See Contract Statuses in the Setup chapter)
- Contract line is billable
- Contract line has been definitized OR billing is allowed without definitization
- Deliverable is ready to be billed

Using the Deliverable-Based Billing form, you can select any deliverables from a contract that meet the above criteria. After you have provided the desired information, you can click the “Initiate Billing” button to invoke the Deliverable-Based Billing workflow process.

By default, Oracle Project Contracts tries to create a manual project billing / revenue event. If you are using the default process, you need to provide the following information before initiating the billing process:

- A billing project with a type class of Contract and has baselined funding (baselined approved revenue budget for projector project task matches the amount of funding allocation on the project agreement)
- A billable task if task level funding / billing is required based on the project type class
- A event type with “Manual” event type class
- Event date
- Billing organization
- Billing amount

If you are replacing the default process to integrate with another billing system, you may need to provide different information in order to properly initiate the process.

You can re-initiate the billing process and update the billing event in Oracle Projects as long as the event has not been processed (invoiced or revenue distributed). If a billing event has been created for a deliverable, the event number will be displayed when you select the deliverable again from the Deliverable-Based Billing form. Once the billing event has been processed, you can no longer update it.

See Also:

Customizing Workflows

8

ERP Integration

Topics convered in this chapter include:

Overview of ERP Integration

Contract execution is arguably, the most crucial phase during the contracting life cycle. Oracle Project Contracts provides several mechanisms to ensure timely delivery and receipt of products, services, and other contractual obligations.

The Deliverable Tracking System (DTS) is the center of Contract Execution and is used to track all activities related to a contract. Deliverables can be inbound and outbound oriented, and can be internal or external. Examples of deliverables that can be tracked include planned receipt and shipment of items, mailing of an initial engineering drawing, or monthly submission of progress reports.

The following diagram illustrates the integration of Project Contracts with other key components of the *e*-Business suite:

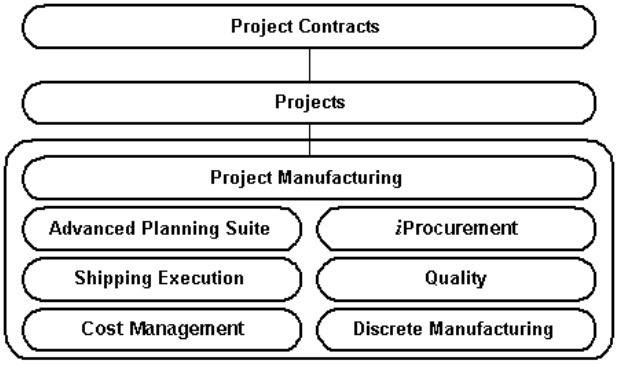


***Figure 8–1 Figure 1**: e-Business Suite Integration*

The Deliverable Tracking System is integrated with other major components of Oracle *e*-Business Suite, including Oracle Projects, Oracle Project Manufacturing, Advanced Planning and Scheduling, Oracle Internet Procurement, and Oracle Shipping Execution. This integration allows you to collect cost against a contract through projects and tasks; feed contractual demand into the planning system, create procurement documents such as purchase requisitions and purchase orders for direct-procured contract material and other items that are not sourced through planning; create shipment requests for shippable deliverables and track shipping and delivery statuses, generate billing events and recognize revenue. All the manufacturing transactions take place at the project or project-task level depending on how the organization parameters are set. Contract related information from the other products can also be viewed and tracked within the DTS with additional drill

down capability. This chapter addresses the integration between Oracle Project Contract's DTS and Oracle Manufacturing, Fulfillment products.

All of the integration points are built on top of the workflow framework and can be adapted, if necessary, to integrate with non-Oracle systems.

Integration with Planning

Oracle Project Contracts is integrated with Oracle APS to allow you to feed the contract demand into planning. You will use the features of Project MRP to plan your contract deliverables.

Process Steps

- **Initiate planning for contract deliverables**

  When the contract deliverable is ready to be planned, you initiate the planning activity in the DTS. The planning data including is passed into Oracle Planning as manual Master Demand Schedule (MDS) entry through a Project Contracts workflow. Project, task, unit number references from the contract deliverable are passed to the MDS entry. The project listed on the deliverable is validated against the Project Parameters for the organization when you initiate planning in the DTS.

- **Query the planning entry**

  Query using the Plan Name (listed on the contract deliverable) to review the deliverable details passed to Planning. Contract number and deliverable number are not viewable as source references in Planning.

  Note: Updates to the project, task or unit number are not validated against the contract deliverable.

- **Plan the manufacturing contract deliverables**

  Run the MRP plan using the MDS as input. All the manufacturing planning takes place at the project or project-task level depending on how the planning options are set.

  The planned orders generated by MRP do not carry contract references as the execution system is at the project, project-task level.

- **MDS Relief**

Run the concurrent request Deliverable Demand Relief to relieve MDS schedule quantities upon shipment against a contract deliverable. Shipment (MDS) relief prevents the duplication of demand that could result if you load contract deliverables into the master demand schedule, but do not relieve the master demand schedule upon shipment.

You set shipment relief when you define the master schedule name- before you load or define a schedule for that name.

Planning Group

If contract level netting is to be done, all the master and child projects (in the project hierarchy) should be in the same planning group. Define a planning group and link the master and child projects to the planning group in Project Parameters in Oracle Project Manufacturing. See *Oracle Project Manufacturing User's Guide* for details on setting up a project in Project Manufacturing.

This step is not required if you do not have a project hierarchy or if you do not wish to plan material across a contract.

Other Implementation Notes

Pegging to contract demand is not supported as Project Contracts is not defined as a source type in Oracle Planning.

Forecast by contract, and hence, forecast consumption by contract is not supported in Oracle Planning.

See Also

Oracle Project Manufacturing Implementation Manual for Project MRP

Oracle Project Contracts User's Guide for DTS for initiating the planning process

Oracle Project Manufacturing User's Guide for Enabling Project Parameters

Oracle Project Contracts User's Guide for Customizing the Planning Workflow

Oracle Procurement

The integration between Oracle Project Contracts and the Procurement products can be characterized into three categories:

Procurement contracts

Procurement contracts (contract to buy) are contracts between your organization and your suppliers. A procurement contract is commonly used by buyers and procurement personnel as an umbrella agreement for one or more purchase orders and contains header, lines, and sublines as well as terms and conditions, standard notes, and articles. Typical examples of items covered on this kind of procurement contracts include, but are not limited to, catalog items and recurring testing services. A procurement contract can also be used for acquisitions of complex products, services, and systems.

Subcontract

Subcontracts are also contracts between your organization and your suppliers. Subcontracts are similar to Procurement contracts but include a reference to a customer contract (contract to sell). A subcontract typically has a contract structure with header, lines, and sublines, as well as applicable terms and conditions, standard notes, articles, and statement of work that flow down from the customer contract to the subcontract. Typical examples of subcontracted items are custom designed components, one-time design services, and so on, where the specifications are tied to the requirements of the customer contract.

Direct-Purchase Customer Contract Deliverables

Procurement documents (like purchase orders or blanket releases) are used to fulfill deliverable items of type 'buy' that are not planned by the Planning System and do not require the advanced features of procurement contracts or subcontracts. You initiate Direct-Purchase customer contract deliverables from the Deliverable Tracking System.

The table below shows the different types of contractual agreements and their target users:

Document	Description	Used by…	Prerequisite
Customer contract	Contractual agreement between company and customer; includes contract WBS, terms and conditions, and articles	Contract Administrator	None

Document	Description	Used by…	Prerequisite
Subcontract	Contractual agreement between company and supplier; includes subcontract WBS, terms and conditions, and articles	Contract Administrator & Buyer	Contract
Procurement contract	Contractual agreement between company and supplier; includes articles, terms and conditions, and optionally a WBS	Buyer / Contracting Officer	None
Purchase Requisition	Request for procurement	Buyer	None. Can be generated from DTS for 'buy' items and subcontracts.
Purchase Order	Procurement order	Buyer	Purchase Requisition, Optional
Blanket Agreement	Procurement agreement	Buyer	None.
Blanket Release	Procurement order against a blanket agreement	Buyer	Blanket Agreement, Requisition optional

Setup

Contract Types

You need to setup the appropriate contract types for procurement contracts. It is not necessary to distinguish between subcontracts and procurement contracts.

When setting up a contract type, you need to associate it with one of the five system contract types - solicitation, proposal, awarded contract, basic ordering agreement, or delivery order. You also need to specify the intent of this contract type is "to buy" as procurement contracts are contracts to buy.

The following table depicts a sample list of contract types:

Type	Type Class	Intent	Used For…

Type	Type Class	Intent	Used For…
Customer Solicitation	Solicitation	Sell	Sales Contracts
Customer Proposal	Proposal	Sell	Sales Contracts
Awarded Contract	Awarded Contract	Sell	Sales Contracts
Basic Ordering Agreement	BOA	Sell	Sales Contracts
Delivery Order	Delivery Order	Sell	Sales Contracts
Supplier Bid	Proposal	Buy	Procurement Contracts & Subcontracts
Procurement Contract	Awarded Contract	Buy	Procurement Contracts
Subcontract	Awarded Contract	Buy	Subcontract
Purchase Agreement	BOA	Buy	Procurement Contracts
Supplier Solicitation	Solicitation	Buy	Procurement Contracts & Subcontracts

Process Steps

Procurement Contracts

- **Define Procurement Contract**

  Define a contract of the desired contract type. Enter CLINs and SLINs as necessary. Enter deliverables in the Deliverable Tracking System for the contract if desired

- **Initiate procurement document for contract deliverables**

  Generate requisition(s) from the Deliverable Tracking System for the inbound deliverables. Procurement documents generated directly from the Deliverable Tracking System are automatically linked to the contract. Contract number, contract line number, deliverable number, project, task, unit number references from the contract deliverable are passed to the Purchase Requisition. The project listed on the deliverable is validated against the Project Parameters for the organization.

- **Import Requisitions**

Import the requisitions into Oracle Purchasing using the Requisition Import Process.

- **Create RFQ**

  If using RFQs as part of the procurement process, create RFQs from requisitions. Update the deliverables if applicable.

- **Create Quotation**

  Create Quotations from the RFQs based on information received from suppliers.

- **Create Purchase Order**

  Reference Quotation information on the requisition and auto-create purchase orders from the requisition. Update the deliverables based on the purchase order created, if applicable.

- **Receiving**

  Perform the receiving activity if using a standard purchase order or release.

- **View purchasing activity in DTS**

  View updates from the Procurement System in the DTS about the requisition, purchase order and received quantities for the deliverables where applicable.

Subcontracts

- **Define sales contract**

  Define customer contract of the desired contract type with CLINs and SLINs. Define project, master project with corresponding WBS. Assign project, tasks to appropriate CLINs and SLINs. Enter deliverables in the DTS for the customer contract

- **Define subcontract**

  Create the subcontract. The subcontract may either be generated from the deliverable or manually created by the buyer.

- **Link subcontract with Contract**

  Link the subcontract deliverable to the corresponding customer contract deliverable.

- **Initiate planning**

If the subcontracted item is planned, generate planning entries into the Planning System from the subcontract deliverables. Planning will determine the most optimal sourcing information and create corresponding planned orders.

- **Initiate procurement for contract deliverables**

  If the subcontracted item is not planned, generate purchase requisitions from the subcontract deliverables directly. Procurement documents generated directly from the Deliverable Tracking System are automatically linked to the contract. Contract, contract line number, contract deliverable number, project, task, unit number references from the contract deliverable are passed to the Purchase Requisition. The project listed on the deliverable is validated against the Project Parameters for the organization.

- **Import Requisitions**

  Import the requisitions into Oracle Purchasing using the Requisition Import Process.

- **Create RFQ**

  If using RFQs as part of the procurement process, create RFQs from requisitions. Update the deliverables if applicable.

- **Create Quotation**

  Create Quotations from the RFQs based on information received from suppliers.

- **Create Purchase Order**

  Reference Quotation information on the requisition and auto-create purchase orders from the requisition. Update the deliverables based on the purchase order created, if applicable.

- **Receiving**

  Perform the receiving activity if using a standard purchase order or release.

- **View purchasing activity in DTS**

  View updates from the Procurement System in the DTS about the requisition, purchase order and received quantities for the deliverables where applicable.

Direct Purchased Deliverables

- **Define contract**

  Define contract of the desired contract type with CLINs and SLINs. Define project, master project with corresponding WBS. Assign project, tasks to appropriate CLINs and SLINs. Enter deliverables in the DTS for the contract.

- **Initiate procurement for contract deliverables**

  Generate requisition(s) from the Deliverable Tracking System for the inbound deliverables. Procurement documents generated directly from the Deliverable Tracking System are automatically linked to the contract. Contract, contract line number, contract deliverable number, project, task, unit number references from the contract deliverable are passed to the Purchase Requisition. The project listed on the deliverable is validated against the Project Parameters for the organization.

- **Import Requisitions**

  Import the requisitions into Oracle Purchasing using the Requisition Import Process.

- **Create RFQ**

  If using RFQs as part of the procurement process, create RFQs from requisitions. Update the deliverables if applicable.

- **Create Quotation**

  Create Quotations from the RFQs based on information received from suppliers.

- **Create Purchase Order**

  Reference Quotation information on the requisition and auto-create purchase orders from the requisition. Update the deliverables based on the purchase order created, if applicable.

- **Receiving**

  Perform the receiving activity if using a standard purchase order or release.

- **View purchasing activity in DTS**

  View updates from the Procurement System in the DTS about the requisition, purchase order and received quantities for the deliverables where applicable.

Contract Flowdown

Users in the Procurement System can access various contract attributes, articles, terms and conditions, documents, and standard notes of a procurement contract from any procurement documents that is linked to it.

The Contract flowdown viewer is a self-service inquiry page and is accessible either as a URL attachment to the procurement documents or a URL directly accessible from the Purchasing Summary or Requisition Summary forms using the tools menu. The flowdown viewer uses the contract on the Purchase Order line to determine the display information. If contract number is not available at the PO line level, the flowdown viewer will use the project on the PO distribution to determine the contract to be displayed.

Priority code is one example of a contract attribute that you may want to include as a flowdown attribute. You may choose to have this information displayed on the flowdown viewer to your buyer or supplier or modify the printed purchase order form to include this information.

See also the Flowdown Chapter for additional details.

Changes in DTS

Modifications and amendments to the contract may need to be communicated to the procurement system and personnel. You can modify or extend the workflow definitions of the Contract Change Management system to perform various activities such as obtaining the appropriate approvals, or notifying affected parties such as the Buyer.

See the Customizing Workflows section for more details.

Holds in DTS

Sometimes you may place a subcontract or a portion of it on hold, and need to also place a hold of the corresponding procurement documents. You can modify or extend the Contract Hold Management workflow process that generates notifications to the affected parties, such as respective buyers, procurement personnel, and supplier contacts to meet your business requirements.

See the Customizing Workflows section for more details.

Implementation Notes

Planned orders generated through MRP do not carry contract references, only project and task references from the contract deliverable are listed on the planned procurement documents.

If the procurement document is created manually, you can manually link the purchase order line(s) to the appropriate procurement contract(s) and the purchase order distribution(s) to the appropriate procurement contract line(s) or deliverable(s).

Drop shipment is not currently supported in Project Contracts.

Quality Integration

Oracle Quality is an enterprise wide repository for gathering and storing quality information. It helps enforce quality control and maximizes your quality tracking efficiency by integrating directly with Oracle Applications data and transactions.

As part of the Oracle Project Contracts and Oracle Project Manufacturing integration, Oracle Quality has predefined collection elements for contract number, contract line number, deliverable number, project number, and task number. In Oracle Quality, collection elements represent the basic data that must be collected and analyzed.

You can monitor project or contract related assemblies, subassemblies and components by creating and using collection plans to:

- record quality characteristics about items received from suppliers
- track project/contract items during and after production

Collection elements are used in collection plans to determine what data to collect, where to collect it, when to collect it, and what action to take based on this data. Collection plans are similar to test or inspection plans.

You use project and task as collection triggers to invoke quality collection during various manufacturing transactions in Project Manufacturing. In Oracle Quality, collection triggers are the events or conditions that a transaction must satisfy before quality data collection is automatically invoked. Collection elements in a project contract-project manufacturing related collection plan must include the contract number, contract line number, deliverable number, project number, and task number in addition to other manufacturing related data. This allows you to perform inquiries based on a project or contract.

Oracle Quality provides you with powerful inquiries that enable you to quickly find quality results. Using the Contract Quality Inquiry, you view quality results for specific contracts and contract items by collection plan. You also view detailed information about the target value and specification limits, if any that are associated with a quality result value. You can optionally export results after viewing them.

Integration with Shipping Execution

Overview

Oracle Shipping Execution is integrated with Oracle Project Contracts for fulfillment of contract deliverables. The functionality can be used for shipping item and non-item based delivery details or non-stocked items like engineering drawings and documents to fulfill a contract deliverable. Multiple deliverables can be shipped together into a single shipment.

Process Steps

- **Create shippable contract deliverables**

  When the contract deliverable is ready to be shipped, you initiate the shipping activity in the DTS. This information is passed into Oracle Shipping as delivery details entry through a Project Contracts workflow. Contract number, deliverable number, project, task, unit number references from the contract deliverable will be passed to the Shipping Execution system. The project listed on the deliverable is validated against the Project Parameters for the organization when you initiate planning in the DTS.
  See *Oracle Project Contracts User's Guide* for initiating shipping in the DTS.

- **Query and update the shipping transaction**

  In the Query manager in Oracle Shipping Execution, find your contract shipment by using the following search criteria:
  Order Source = Project Contracts
  Order Number = your contract number
  Select your Delivery line from all of the listed contract shipments and update the Shipped Quantity, Subinventory and Locator information.

  Oracle Shipping Execution supports partial shipments against a contract deliverable. Upon completion of a partial shipment, you need to create a new deliverable to ship the remaining quantity.

Project task references from the contract deliverable will be defaulted into the shipping locator. Updates to the project and task will be validated and no changes are allowed.

If you define Item Transaction Defaults for shipping locators for specific items in the Inventory setup (assuming these are physical locators), the system concatenates default shipping locator with the project task references from Project Contracts at the time of shipping.

- **Auto-create Delivery**

  Use the Auto-create Deliveries functionality in Shipping Execution to create deliveries for delivery lines that are not assigned to a delivery

  See *Oracle Shipping Execution User's Guide* for additional details

- **Ship Confirm**

  Use the Ship Confirm function in Shipping Execution to confirm that the delivery lines associated with the delivery has been shipped.

  See *Oracle Shipping Execution User's Guide* for additional details

- **View the shipping updates in DTS**

  View or monitor the status of shipments in the DTS.

Note: Oracle Project Contracts is used with Oracle Shipping Execution without picking support.

Cost of Sales Accounts

The Cost of Sales account used in the contract issue transaction is derived based on the item and organization. However, many companies have business requirements that are unique to a business or country. To address these unique requirements, Oracle Project Contracts provides an extensible PL/SQL package, OKE_SHIPPING_EXT that enables you to derive the Cost of Sales account, based on company specific business rules.

Inspection Requirements

A deliverable in Oracle Project Contracts can be marked as Inspection Required if

- Inspection is required prior to shipping as specified on the contract terms and conditions.
- Documents or similar shipping inspection documents are required.

The U.S. Department of Defense Material Inspection and Receiving Report (DD-250) is commonly used for Department of Defense contracts for:

- Acceptance of equipment / data by the government (for example if title is transferred to the government)
- Contractor's invoice for payment
- Packing list for shipping and receiving
- Evidence of government quality inspection.

The DD250 report applies to shippable items that require acceptance such as CLINs, ELINs, and data items (CRDL).

Note: Other industries or countries may have the equivalent of the DD250 form.

If Inspection Required flag has been checked in the Deliverable Tracking System in Project Contracts, then Shipping status will be set to Inspection Required. You cannot complete the shipping activity until shipping status is manually set to Inspected.

If the generation of a US Department of Defense Material Inspection and Receiving Report (DD-250) or other shipping inspection document is required, you submit a document set containing the DD-250.

Note: A third party application is required to generate the printed output or electronic submission of the DD250 form:

Integration with Inventory

Oracle Project Contracts is integrated with Oracle Inventory. Material issued from inventory at contract shipment is recognized by a new transaction type called Project Contract Issue. The contract number is identified as the source in the transaction. Standard Inventory Interface functionality is used to perform the material issue for contract shipment.

9

Flowdown

Topics convered in this chapter include:

Overview of Flowdown

Oracle Project Contracts enables users to configure flowdown of attributes, articles, terms and conditions, standard notes, and attached documents to different business areas, such as Purchasing, Shop Floor, and Billing, on a need-to-know basis. The flowdown mechanism can also be used to provide subcontractors with the relevant (prime) contract information.

Setup

Define Attribute Groups

Contract attributes can be grouped for the purposes of flowdown. For example, you could create an attribute group called 'Administrative' to group contract administration related attributes.

Attribute groupings is used to assign the attributes to the attribute groups which have been defined by the user. An attribute can only be assigned to any one attribute group at a time. You can define Flowdown by attribute or attribute groups. In the earlier example, contract administration related attributes such as date received, date approved, award cancel date could be assigned to the attribute group called 'Administrative'.

Define Article Subjects

Article subjects are used to categorize contract articles. Article flowdown is done through article subjects. Article subjects are defined as lookup codes in Oracle Contracts Core.

Define Terms and Conditions Types

You use Terms and Conditions Types to group terms and conditions for flowdown. Terms and conditions types are defined as lookups in Oracle Project Contracts.

Business Area

You can define various business areas for purposes of flowdown of contractual information. Some examples are Purchasing, Work In Process, and Quality.

Contract Flowdown Matrix

You need to use Contract Flowdown Matrix to assign attribute groups, terms & conditions types, article subjects, and standard note types to various business areas. This matrix determines the flowdown data that is available to each business area.

Flowdown

You view contract flowdown attributes using the Flowdown Viewer in the appropriate business area. The Contract flowdown viewer is a self-service inquiry page and uses the contract / project reference in the business area to determine the flowdown information. Security setups are taken into consideration as part of the flowdown viewer process.

In *i*Procurement, the flowdown viewer is available in Purchasing Summary or Requisition Summary forms using the tools menu. The flowdown viewer uses the contract on the Purchase Order line to determine the flowdown information. If contract number is not available at the PO line level, the flowdown viewer will use the project on the PO distribution to determine the contract to be displayed. For example, you may choose to flowdown the contract attribute priority code. You may choose to have this information displayed on the flowdown viewer to your buyer or supplier or modify the printed purchase order form to include this information.

In Oracle Work in Process, you view contract Flowdown information in Discrete Workstation. The flowdown viewer uses the project on the WIP job to determine the appropriate flowdown information. If a project is linked to multiple contracts in Oracle Project Contracts, the list of contracts will be displayed for further selection by the user.

The flowdown viewer displays the following contract header information – the contract number, type, status, project number and description. For a selected contract, the flowdown details could include system attributes, terms and conditions types, article subjects, and standard note types. In the flowdown viewer, you can drill to the line level for a selected contract and also view the system attributes, terms and conditions types, article subjects, and standard note types.

Implementation Notes

User attributes and document attachments in Project Contracts are not supported for flowdown purposes due to security issues.

10

Security

This chapter discusses the security model available in Oracle Project Contracts and how you can implement it. Topics include:

Overview of Security

Oracle Project Contracts provides a robust security model that includes the following three ingredients:

- **Contract Access Security** – determines whether a user can view and/or update a certain contract document
- **Contract Function Security** – determines the list of functions a user can perform on a certain contract document
- **Contract Attribute Security** – determines the amount of information a user can retrieve from a certain contract document

Contract Access Security

Contract role is the centerpiece of the Oracle Project Contracts security model. Each employee who is working on a contract document in Oracle Project Contracts must be assigned a role. Access security is determined by the role assignment. An employee must be assigned a role to a contract document in order to gain access. In addition, the same employee cannot be assigned to two different roles at the same time. A role also describes the list of functions and contract attributes a grantee can perform or access.

Contract access assignment can be explicitly to a contract document, implicitly through a program, or at the site level. Contract level assignment overrides any program level assignment for the same employee, which in turns overrides any site level assignment.

Site level assignments are handy for employees with similar access to all contract documents within an organization. Rather than setting up access to individual contract documents, site level assignments ensure access to all contract documents while reducing the amount of maintenance overhead. Program level assignments provide similar benefits for organizations that group contract documents into programs and have specific resources assigned to monitor / oversee all contract documents within one or more programs.

You can use effective dates to manage temporary assignments and termination of assignments.

Contract Function Security

The following list of functions can be secured based on the contract role:

- Authoring

- Deliverable Tracking
- Deliverable Tracking – Initiate Planning
- Deliverable Tracking – Initiate Procurement
- Deliverable Tracking – Initiate Shipping
- Funding
- Deliverable-based Billing
- Change Management
- Change Management – Update Status
- Change Management – Update / Override Workflow Process
- Apply Holds
- Remove Holds
- Holds Check
- Create New Version

Contract Function Security is controlled using the Action button in the Contract Organizer. Certain subfunction, such as Deliverable Tracking – Initiate Planning, are controlled within the relevant windows and workbenches.

Contract Attribute Security

Contract Attribute Security allows you to tailor the amount of information a user can retrieve / update for a specific contract document. You can specify the access level (edit, view, or none) for each attribute, a group of attributes, and a group of user-defined attributes. You can also specify the access level of all contract header / line related entities, such as articles, terms and conditions, party and contact roles, and so on.

Currently, attribute security is available for contract headers and lines. Attribute security for deliverables will not available in a subsequent release.

Setup Steps

Prerequisites

In order to optimize the benefits of the security model, you should perform the following analysis before implementing the security model

1. Identify different contract roles applicable to your implementation
2. For each role, identify access levels for all contract attributes
3. For each role, identify lists of allowable contract level functions

Defining list of allowable functions

The list of allowable functions is captured as a single-level menu. Oracle Project Contracts creates two (2) menus, Contract Administrator privileges and Program Manager privileges, as part of the installation. The menu Contract Administrator privileges include all eligible functions that can be assigned or protected via the security model. It can be used as a reference.

While you can modify the two menus to include or exclude some of the functions, we recommend that you define new menus to meet your specific business requirements.

See Also:

Define Menus, *Oracle Applications System Administrator's Guide*

Defining Roles

You need to define the necessary roles using the Define Roles screen. Oracle Project Contracts creates two (2) roles, Contract Administrator and Program Manager, as part of the installation.

Oracle Project Contracts only recognizes roles with role control "Allow as Contract Member" enabled. In addition, you must enable role-based security and specify the appropriate menu that captures the list of allowable functions.

Attention: If you have Oracle Projects installed and implemented, you should make sure that the roles "Contract Administrator" and "Program Manager" have not been defined.

Defining Attribute Security

If you wish to implement attribute level security, you should define the appropriate attribute access rules using the Rules tab in the Define Roles window. Attribute access rules can be defined for a single object (Headers, Lines), a group of attributes using attribute groups, or individual attributes. You can enable attribute security for both system as well as user-defined attributes. However, you can only define access rules user-defined attributes at the attribute group (context) level; you cannot define access rules for individual user-defined attributes.

You also need to specify the default access level for the role. The default access level serves two purposes:

- It is used as the default setting for attribute access rules
- It is used to determine view / update privilege for all header and line related entities, such as articles, terms and conditions, standard notes, and so on.

> **Note: If you wish to allow updates to some of the header or line attributes for a particular role, you should set the default access level to Edit. Otherwise, the header and line block will be set as View Only.**

Compiling Attribute Security Rules

After you have defined the appropriate access rules for a contract role, you should freeze and compile the access rules. Compiling access rules will enable faster access for the attribute security settings.

Access rules can also be compiled using the concurrent program Compile Access Rules from Oracle Project Contracts.

Generating Secured Views

Secured versions of the contract data views are generated dynamically based on the access rules definition. These secured views are used throughout Oracle Project Contracts to lookup contract data.

To generate the secured views, you need to use the concurrent program Generate Secured Views from Oracle Project Contracts.

Ongoing Maintenance

Adding new roles

You can follow the above instructions if you need to create new roles.

Adding new user-defined attributes

If you've added a new user-defined attribute group (context), you should make sure that the access rules are properly defined, or that the default access level for each roles properly handles the access security of the new user-defined attribute group.

You should then recompile your access rules. Failure to do so may result in the user-defined attributes disappearing from the screen after you've saved the data because of access rules violation, since the new attribute group is not accessible through any contract roles.

Implementation Steps

Once you've completed the setup steps, you're ready to implement contract security!

Creating Site and Program Level Assignments

You can create and maintain site and program level assignments using the Contract Assignments window.

The Contract Assignments window can be secured using function security.

Creating Contract Level Assignments

You can create and maintain contract level assignments using the Contract Assignments window or via the Contract Authoring Workbench directly.

The Contract Assignments window can be secured using function security.

You need to have Edit privilege on the contract document, as specified by the default access level of contract role you're assigned to, in order to create and maintain assignments via the Contract Authoring Workbench.

Implementation Notes

Diagnostics Feature

Since attribute security can only be processed at runtime after the signon user and the contract document has been determined, the Contract Authoring Workbench dynamically hides attributes that are secured, i.e., having a access level of None, during its initialization routine. As such, the secured information is still available internally.

If you utilize attribute security in your implementation, you should disable the Diagnostics feature from the Help Menu for general users. The Diagnostic feature can be used to examine internal application information such as values in a hidden field, which in turn can expose secured information to non-privileged users.

To disable the Diagnostics features, set the profile option **Hide Diagnostics Menu Entry** to Yes at the proper level.

See Also:

Appendix A - User Profiles, *Oracle Applications System Administrator's Guide*

Oracle Applications Menus, *Oracle Applications User's Guide*

Function Security

Oracle Applications Object Library provides standard function security through responsibility assignment. Contract Function Security provides a more granular level of assignment. As a result, a user can access different contract documents with different function access assignments without switching responsibilities.

Oracle Applications Object Library continues to enforce responsibility based function security when you access the Oracle Project Contracts application. In order to ensure that all contract functions can be executed using the same responsibility, a special, hidden submenu called "OKE-Organizer Actions" has been added to the Project Contract Super User and Project Contract User top menu. You should include this submenu in any custom top menus you define for accessing Project Contracts.

See Also:

Overview of Function Security, *Oracle Applications System Administrator's Guide*

Privilege to Create New Contract Document

You can only create a new contract document online through the Contract Authoring Wizard. The authoring wizard is a separate function that can be secured using standard Function Security. You can restrict privilege to create new contract documents by removing the function from the desired responsibility.

11

Customizing Workflows

Oracle Project Contracts uses the powerful abilities of Oracle Workflow to automate contract processes. Oracle Project Contracts provides default workflows for various contract processes. You can modify these workflows and create additional processes to accommodate the needs of your business.

This chapter covers the following topics:

Default Workflow Processes

Oracle Project Contracts provides default workflow processes for contract approval, change request approval, status change and implementation, contract hold processing, planning, shipping, billing and procurement integration, and contract communication processing. You may customize the processes or create new processes, using the Oracle Workflow Builder. If you want to create a new process to meet your company's needs, use the Oracle Workflow Builder to create a new process, or copy the existing default process and change its name before making changes to it.

Guidelines for Customizing Workflow Processes

You should use the following guidelines when you wish to customize a default workflow process:

Process Diagram

Use the diagram of the default workflow process as a reference to guide you in developing the workflow process for your implementation. A diagram for each of the default workflow process will be provided in this implementation manual for your reference. You can also use the Oracle Workflow Builder to open to default workflow process.

Using the Default Process

While the default processes can be modified or replaced, customization is not required for the default process to function without errors. Some setup maybe required for the default process to be functional. These setup steps will be discussed in more details in the following sections.

Customizing the Default Process

You can customize the default process, or create a new one, using the Oracle Workflow Builder.

We recommend copying the default process into a new process before customizing. Doing so will prevent future upgrades from overwriting the customized process.

Customizing Process Activities

You can alter, delete, or move any of the activities in the default process as necessary to meet your business and implementation requirements.

Customizing Workflow Messages

Instead of modifying a workflow notification, you should create a new message. The reasons are explained below:

When you create a process definition, Oracle Workflow Builder assigns a new version number to an activity if you make changes to it. It saves the new version of the activity to the database without overwriting older versions of the activity. In Oracle Workflow, activities also have dates of effectivity so that at any time, only one version of the activity is ”in effect”.

If a process is running, Oracle Workflow uses the version of the activity that was in effect when the process was initiated. It does not switch versions of the activity midway through the process. Since a process itself is an activity, a process definition always remains constant until the process instance completes.

Oracle Workflow Builder does not maintain version information for objects such as item types, item type attributes, messages, and lookup types. For these objects, their latest definition always applies, so you must consider whether a change to any of these objects is backwards compatible. If the modification affects existing processes, you should create a new object rather than edit the existing object.

Contract Approval Workflow

The contract approval process can be dynamic and complex. Different types of contract documents often require different levels of approvals. A typical approval cycle may involve various departments, such as program office, engineering, finance, and legal. Oracle Project Contracts allows you to route contract document to one or more destinations for approval.

The approval process and mechanism is provided by Oracle Contracts Core. You need to use Oracle Workflow Builder to define a new contract approval process. After you have defined the approval process, you need to register the approval process in Oracle Contracts Core.

Once you have registered your new approval process, you can submit your approval process in the Administration tab of the Contract Authoring Workbench.

See Also:

Setting up the Approval Process, *Oracle Contracts Core Concepts and Procedures*

Change Management Workflow

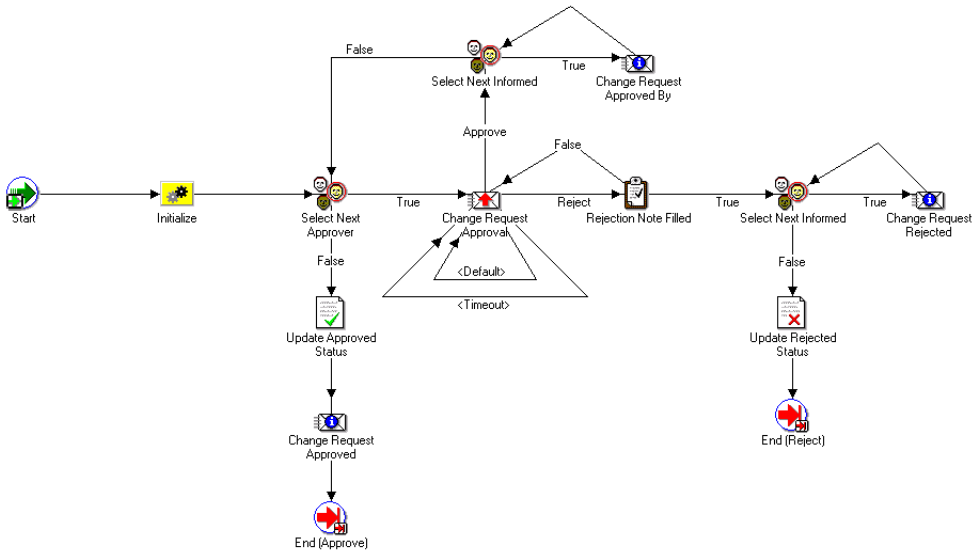
Oracle Project Contracts allows you to specify a workflow process for each change status. The appropriate workflow process, if specified, will be initiated if a change request has been set to the corresponding status.

Oracle Project Contracts provides a default workflow item type called "OKE Change Request Processes" with three processes: Approval, Implementation and Status Change. The three default processes will be discussed in this section.

Additional activities and branches can be added to each process based on change types and reasons to fit your business requirements.

Default Approval Process

The diagram shown below illustrates the Approval process as provided by Oracle Project Contracts:



The default change request approval process consists of 14 nodes. The following is a description of each of the nodes. All PL/SQL functions mentioned below reside in the package OKE_CHG_REQUESTS_WF.

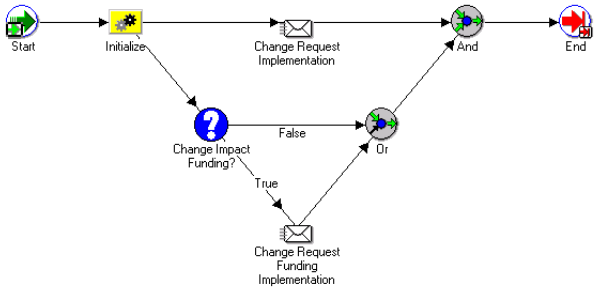
Activity	Description
Start	This is a standard activity that marks the start of the process.
Initialize	When the workflow process is initiated, some of the item attributes are loaded into the Workflow engine. In this activity, the remaining item attributes are loaded. Such attributes include the display names for many internal codes that can be used in notifications. This activity invokes the PL/SQL function INITIALIZE.
Select Next Approver	This activity selects the next approver using the PL/SQL function SELECT_NEXT_APPROVER. If the next approver is found, the PL/SQL function populates the attribute "Next Approver" and returns TRUE. Otherwise, it returns FALSE. By default, the PL/SQL function looks up the first Contract Administrator as specified. Contract level administrators will be searched first, followed up program level and lastly site level. You can customize this activity by using a custom function that returns the appropriate approver based on a hierarchy suitable for your implementation.
Change Request Approval	This activity kicks off a notification to the Next Approver requesting approval of the change request. By default there are three options: Approve – approve the change request. This option will direct to look for additional approver using the "Select Next Approver" activity. Reject – reject the change request. A rejection note must be provided. Reassign – reassign the approval to another person.

Activity	Description
Select Next Informed	This activity selects the next informee using the PL/SQL function SELECT_NEXT_INFORMED. If the next informee is found, the PL/SQL function populates the attribute "Next Informed" and returns TRUE. Otherwise, it returns FALSE. This activity is used in both approval and rejection notification. The underlying PL/SQL function is also used in the Status Change process. By default, the approval or rejection notification will be sent to the original requestor. You can customize this activity by using a custom function that returns the appropriate list of informee suitable for your implementation.
Change Request Approved By	This activity kicks off a notification to the Next Informed regarding the last change request approval. This notification is for information only and does not require a response.
Update Approved Status	This activity invokes the PL/SQL function SET_APPROVED_STATUS updates the change request to the default Approved status.
Change Request Approved	This activity kicks off a notification to the original requestor regarding the final approval of the change request. At this point, the change request status has already been updated to one of Approved type. This notification is for information only and does not require a response.
End (Approve)	This is a standard activity that marks the end of the process. It returns a result of APPROVE for the workflow process.
Rejection Note Filled	This activity checks for the rejection note by calling the PL/SQL function REJ_NOTE_FILLED. Rejection note is required if the approver rejects the change request. This activity returns TRUE is rejection note is filled, FALSE otherwise.
Change Request Rejected	This activity kicks off a notification to the Next Informed regarding the change request rejection. This notification is for information only and does not require a response.

Activity	Description
Update Rejected Status	This activity invokes the PL/SQL function SET_REJECTED_STATUS updates the change request to the default Approved status.
End (Reject)	This is a standard activity that marks the end of the process. It returns a result of REJECT for the workflow process.

Default Implementation Process

The diagram shown below illustrates the Implementation process as provided by Oracle Project Contracts:



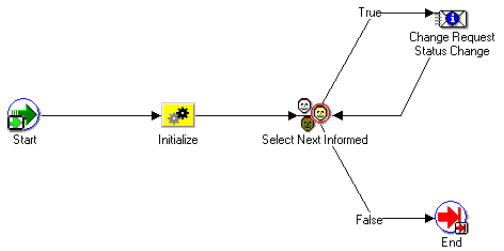
The default change request implementation process consists of 8 nodes. The following is a description of each of the nodes. All PL/SQL functions mentioned below reside in the package OKE_CHG_REQUESTS_WF.

Activity	Description
Start	This is a standard activity that marks the start of the process.
Initialize	When the workflow process is initiated, some of the item attributes are loaded into the Workflow engine. In this activity, the remaining item attributes are loaded. Such attributes include the display names for many internal codes that can be used in notifications. This activity invokes the PL/SQL function INITIALIZE.

Activity	Description
Change Impact Funding?	This activity checks whether this change request impacts funding using the PL/SQL function IMPACT_FUNDING. This activity is useful in routing the workflow to different organizations when a change request impacts funding.
Change Request Implementation	This activity notifies the original requestor that the change request is ready for implementation. This notification can be routed to the appropriate department that is responsible for implementing contract changes. This notification is for information only and does not require a response.
Change Request Funding Implementation	This activity notifies the original requestor that the change request is ready for implementation. This implementation can be routed to a different department that is responsible for implementing funding changes to a contract. This notification is for information only and does not require a response.
And / Or	This is a standard activity to merge the results from the two different branches in the workflow process.
End	This is a standard activity that marks the end of the process.

Default Status Change Process

The diagram shown below illustrates the Status Change process as provided by Oracle Project Contracts:



The default change request status change process consists of 6 nodes. The following is a description of each of the nodes. All PL/SQL functions mentioned below reside in the package OKE_CHG_REQUESTS_WF.

Activity	Description
Start	This is a standard activity that marks the start of the process.
Initialize	When the workflow process is initiated, some of the item attributes are loaded into the Workflow engine. In this activity, the remaining item attributes are loaded. Such attributes include the display names for many internal codes that can be used in notifications. This activity invokes the PL/SQL function INITIALIZE.
Select Next Informed	This activity selects the next informee using the PL/SQL function SELECT_NEXT_INFORMED. If the next informee is found, the PL/SQL function populates the attribute "Next Informed" and returns TRUE. Otherwise, it returns FALSE. The underlying PL/SQL function is also used in the Approval process. By default, the status change notification will be sent to the original requestor. You can customize this activity by using a custom function that returns the appropriate list of informee suitable for your implementation.
Change Request Status Change	This activity kicks off a notification to the Next Informed regarding the last status change. This notification is for information only and does not require a response.
End	This is a standard activity that marks the end of the process.

Deliverable Workflows

Workflow processes are used throughout the Deliverable Tracking System to route specific actions that have been initiated and to perform the relevant tasks.

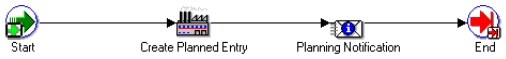
Oracle Project Contracts provides a default workflow item type called "OKE Deliverable Processes" with three processes: Planning Process, Requisition Process and Planning Process. In addition, Oracle Project Contracts also provides another default workflow item type called "OKE Deliverable-Based Billing" to handle billing activities.

Each default process integrates with the respective Oracle applications to process the activity. The processes can be tailored to integrate with 3rd party systems.

The default processes will be discussed in this section.

Default Planning Process

The diagram shown below illustrates the Planning process as provided by Oracle Project Contracts:

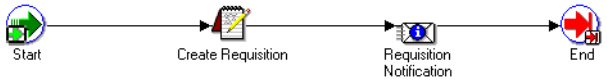


The default planning process consists of 4 nodes. The following is a description of each of the nodes.

Activity	Description
Start	This is a standard activity that marks the start of the process.
Create Planned Entry	This activity creates the corresponding MDS entry in Oracle Advanced Planning and Scheduling using the PL/SQL function OKE_DTS_INTEGRATION_PKG.CREATE_EVENT. You can replace this activity with the appropriate action if you are not using Oracle Advanced Planning and Scheduling.
Planning Notification	This activity fires off a notification to the original requestor about the planning entry details and can be routed to the appropriate department. This notification is for information only and does not require a response.
End	This is a standard activity that marks the end of the process.

Default Requisition Process

The diagram shown below illustrates the Requisition process as provided by Oracle Project Contracts:

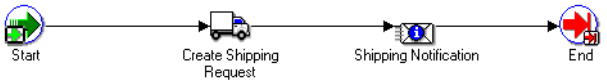


The default requisition process consists of 4 nodes. The following is a description of each of the nodes.

Activity	Description
Start	This is a standard activity that marks the start of the process.
Create Requisition	This activity creates a requisition in the requisition interface in Oracle Purchasing using the PL/SQL function OKE_DTS_INTEGRATION_PKG.CREATE_EVENT. You can replace this activity with the appropriate action if you are not using Oracle Purchasing.
Requisition Notification	This activity fires off a notification to the original requestor about the requisition details and can be routed to the appropriate department. This notification is for information only and does not require a response.
End	This is a standard activity that marks the end of the process.

Default Shipping Process

The diagram shown below illustrates the Shipping process as provided by Oracle Project Contracts:

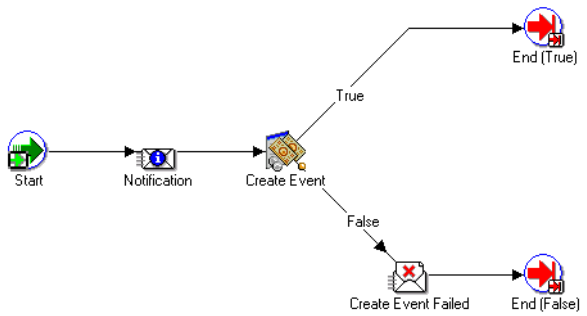


The default shipping process consists of 4 nodes. The following is a description of each of the nodes.

Activity	Description
Start	This is a standard activity that marks the start of the process.
Create Shipping Request	This activity creates a shipping request in Oracle Shipping Execution using the PL/SQL function OKE_DTS_INTEGRATION_PKG.CREATE_EVENT. You can replace this activity with the appropriate action if you are not using Oracle Shipping Execution.
Shipping Notification	This activity fires off a notification to the original requestor about the shipping details and can be routed to the appropriate department. This notification is for information only and does not require a response.
End	This is a standard activity that marks the end of the process.

Default Billing Process

The diagram shown below illustrates the Billing process as provided by Oracle Project Contracts:



The default billing process consists of 6 nodes. The following is a description of each of the nodes.

Activity	Description
Start	This is a standard activity that marks the start of the process.
Notification	This activity fires off a notification to the original requestor about the billing details and can be routed to the appropriate department. This notification is for information only and does not require a response.
Create Event	This activity creates a billing event in Oracle Projects using the PL/SQL function CREATE_BILLING_EVENT in package OKE_DELIVERABLE_BILLING_WF. This activity returns TRUE if the billing event has been successfully created; FALSE otherwise. You can replace this activity with the appropriate action if you are not using Oracle Projects.
Create Event Failed	This activity sends a notification to the original requestor in case the billing event creation failed. The reason for the failure is included in the body of the notification. This notification can then be routed to the appropriate department for corrective actions. This notification is for information only and does not require a response.
End (True)	This is a standard activity that follows the successful creation of the billing event and marks the end of the process. This activity returns a value of “True” for the workflow process.
End (False)	This is a standard activity that follows the failed attempt to create the billing event and marks the end of the process. This activity returns a value of “False” for the workflow process.

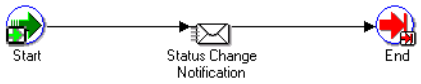
Other Workflows

Oracle Project Contracts includes additional default workflow processes for Hold Management and Communications Action Processing.

Hold Management Workflow

Oracle Project Contracts allows you to specify a workflow process for each hold status. The appropriate workflow process, if specified, will be initiated if a contract hold has been set to the corresponding status.

Oracle Project Contracts provides a default workflow item type called "OKE Hold Status Change" with a default process called "Hold Status Change". The diagram below illustrates this default process:



The default process includes an activity to trigger a notification that can be routed to the appropriate departments, such as engineering, production, and purchasing, to process the contract hold. Additional activities and branches can be added based on hold types and reasons to fit your business requirements.

Communication Action Workflow

Oracle Project Contracts allows you to specify a workflow process for each communication action. The appropriate workflow process, if specified, will be initiated if a communication has been logged with the corresponding action.

Oracle Project Contracts provides a default workflow item type called "OKE Communication Action" with a default process called "Communication Action Process". The diagram below illustrates this default process:

The default process includes an activity to trigger a notification that can be routed to the appropriate departments to take action on the communications. Additional activities and branches can be added to fit your business requirements.

A

Profile Options

Topics covered in this appendix include:

Profile Options Overview

This appendix describes profile options that affect the operation of your Oracle Project Contracts application.

Profile Option Summary

The table below indicates whether you (the ”User”) can view or update the profile option and at which System Administrator levels the profile options can be updated: Site, Application, Responsibility, and User. Use the Personal Profile Options window to view or set your profile options at the user level. You can consult your *Oracle Applications System Administrator's Guide* for a list of profile options common to all Oracle Applications.

A ”Required” profile option requires a value. An ”Optional” profile option provides a value already, so you need to provide a value only if you want to change the value.

Profile Option	User Resp	System Administrator Responsibility				Requirements	
		User	Resp	App	Site	Required?	Default
OKE: Debug File Directory					4		
OKE: Debug Mode	4	4			4		
OKE: Recent Document List	4	4			4	4	6
OKE: Show Contract Funding Wizard	4	4			4		

Profile Option Details

OKE: Debug File Directory

Indicates the directory location where debug files should be created if debug mode is enabled.

This profile option is visible to the System Administrator and updateable at the site level only.

The internal name of the profile option is OKE_DEBUG_FILE_DIR.

Attention: Directory specified in this profile must be included in the `utl_file_dir` parameter in the init.ora file. Otherwise, Oracle Project Contracts processes will fail when running in debug mode.

OKE: Debug Mode

Attention: Directory specified in this profile must be included in the `utl_file_dir` parameter in the init.ora file. Otherwise, Oracle Project Contracts processes will fail when running in debug mode.

Indicates whether Oracle Project Contracts processes are run in debug mode. The debug mode enables a tracing feature and causes additional messages to be printed to the log file.

Available values are as follow:

Yes	System is operating in debug mode.
No	System is operating in normal mode.
(No Value)	Equivalent to No.

This profile option is visible to the System Administrator and updateable at the site and user levels. This profile option is also visible and updateable by the user.

The internal name of the profile option is OKE_DEBUG_MODE.

OKE: Show Contract Funding Wizard

Indicates whether the Contract Funding Wizard should be invoked whether a new contract funding source in created. The Contract Funding Wizard should always be used if you wish to convert an existing Projects agreement to contract funding source.

Available values are as follow:

Yes	Contract Funding Wizard will be displayed.
No	Contract Funding Wizard will not be displayed.

(No Value) Equivalent to Yes.

This profile option is visible to the System Administrator and updateable at the site and user levels. This profile option is also visible and updateable by the user.

This profile can also be set inside the Contract Funding Wizard using the checkbox "Show Contract Funding Wizard".

The internal name of the profile option is OKE_SHOW_FUND_WIZARD.

OKE: Recent Document List

Indicates the size of the Recent Documents folder in the Contract Organizer.

During installation, Oracle Project Contracts will automatically create a default size of 6 at the site level.

This profile option is visible to the System Administrator and updateable at the site and user levels. This profile option is also visible and updateable by the user.

The internal name of the profile option is OKE_K_FIFO_LOG.

Profile Options in Other Applications

If you are implementing other Oracle Applications products, you will need to setup additional profile options as appropriate. Please refer to the respective Users Guide or Implementation Manual for more details.

See Also

Personal Profile Values Window, *Oracle Applications User's Guide*

Overview of Setting User Profiles, *Oracle Applications System Administrator's Guide*

Common User Profile Options, *Oracle Applications User's Guide*

B

Descriptive Flexfields

Topics covered in this appendix include:

Descriptive Flexfields

This appendix lists the names of the descriptive flexfields you can customize in Oracle Project Contracts.

Descriptive Flexfield Name	Title
OKE_BILLING_METHODS	Additional Billing Method Information
OKE_CHG_REQUESTS	Additional Contract Change Request Information
OKE_CHG_STATUSES	Additional Change Request Status Information
OKE_COMM_ACTIONS	Additional Communication Action Information
OKE_FUNDING_POOLS	Additional Funding Pool Information
OKE_HOLD_STATUSES	Additional Contract Hold Status Information
OKE_K_BILLING_METHODS	Additional Contract Billing Method Information
OKE_K_COMMUNICATIONS	Additional Contract Communication Information
OKE_K_DELIVERABLES	Additional Deliverable Information
OKE_K_FUNDING_SOURCES	Additional Funding Source Information
OKE_K_FUND_ALLOCATIONS	Additional Funding Source Allocation Information
OKE_K_HOLDS	Additional Contract Hold Information
OKE_K_PRINT_FORMS	Additional Contract Print Form Information
OKE_K_STANDARD_NOTES	Additional Contract Standard Notes Information
OKE_K_TERMS	Additional Contract Terms and Conditions Information
OKE_K_TYPES	Additional Contract Document Type Information
OKE_K_USER_ATTRIBUTES	User-Defined Contract Attributes
OKE_POOL_PARTIES	Additional Funding Pool Party Information
OKE_PRINT_FORMS	Additional Print Form Information
OKE_PRIORITY_CODES	Additional Priority Rating Information
OKE_PROGRAMS	Additional Contract Program Information

See Also

Planning and Defining Descriptive Flexfields, *Oracle Applications Flexfield Guide*

C

Attachments

This appendix provides a description of the use of attachments in Oracle Project Contracts. Topics include:

Attachments

Oracle Project Contracts supports attachments for the following entities. You can access attachments for these entities in the windows listed.

Entity / Possible Uses for Attachments	Window	Modes
Contract Document: Attach scope of work / statement of work, actual contract document, design / engineering drawings, other supported documentation	Contract Organizer	View
	Contract Authoring Workbench	Modify
Contract Document Line: Scope of work / statement of work, actual contract document, design / engineering drawings, other supported documentation	Contract Authoring Workbench	Modify
Deliverables: Scope of work / statement of work specific to the deliverable, design / engineering drawings, inspection related documents, certification of completion	Deliverable Tracking System	Modify
Programs: Program related materials and documents	Programs	Modify
	Contract Organizer	View
	Contract Authoring Workbench	View
	Funding Pools	View
Change Requests: Modified scope of work / statement of work, actual contract document, design / engineering drawings, other supported documentation	Change Management	Modify

Entity / Possible Uses for Attachments	Window	Modes
Funding Sources: Funding related documents, such as LCs	Funding Workbench	Modify
Funding Pools:	Funding Pools	Modify
Funding Pool Parties: Funding related documents, such as LCs	Funding Pools	Modify
	Funding Workbench	View
Communications: Actual copies of the communications / correspondence, etc.	Contract Communications	Modify

The table below shows each window that supports attachments and the mode in which the attachments feature can be used. It includes entities in Oracle Project Contracts as well as entities in other applications.

Window	Entity	Modes
Contract Organizer	Contract Documents	View
	Programs	View
Contract Authoring Workbench	Contract Documents	Modify
	Contract Document Lines	Modify
	Standard Articles (Oracle Contracts Core)	View
	Projects (Oracle Projects)	View
	Programs	View
Deliverable Tracking System	Deliverables	Modify
Change Management	Change Requests	Modify
Funding Workbench	Funding Sources	Modify
	Funding Pool Parties	View

Funding Pools	Funding Pools	Modify
	Funding Pool Parties	Modify
	Programs	View
Programs	Programs	Modify
Communications	Communications	Modify

See Also

About Attachments, *Oracle Applications User's Guide*