

Quota Arrangement

The system can make use of certain mechanism to determine which source is to assigned to the material requirement. Thus, the total requirement of material is divided into different source of supply called as **Quota Arrangement**.

Key points about Quota Arrangement:

- **Quota Arrangement** is a mechanism which divides the total requirement of material among source of supply i.e., vendor and then assign quota to each vendor.
- **Quota** specifies which portion of the total requirement should be procured from a given source of supply.
You can set the quota arrangement for in-house production as well as for external procurement.
- Quota rating is used to determine the amount of material that is to be assigned to a particular vendor.
- Quota Rating is calculated by following method:

$$\text{Quota rating} = (\text{Quota allocated quantity} + \text{Quota base quantity}) / \text{Quota}$$

- Quota allocated quantity: Total quantity from all purchase requisition, purchase order allocated to given source of supply.
- Quota base quantity: This is the Quantity used to control the quota arrangement when new source of supply is identified/ included.
- Quota: Portion of total requirement assigned to particular vendor.

Step 1: Create (MM01) or change (MM03) Material by selecting Quota arrangement and Source list in **Purchasing view**.

The screenshot shows the SAP Material Edit interface for material 1728. The title bar reads "Material Edit Goto Environment System Help". The main title is "Create Material 1728 (Raw material)". The current view is "Purchasing".

Material: 1728, Description: test material
 Plant: RG02, Location: shubhashri enterprises pune

General Data

Base Unit of Measure	KG	Kilogram	Order Unit		Var. OUn	
Purchasing Group	000		Material Group	0001		
Plant-sp.matl status			Valid from			
Tax ind. f. material			Qual.f.FreeGoodsDis.			
Material freight grp			<input type="checkbox"/> Autom. PO			
<input type="checkbox"/> Batch management			OB Management			
			OB ref. matrial			

Purchasing values

Purchasing value key			Shipping Instr.		
1st Rem./Exped.	0	days	Underdel. Tolerance	0.0	percent
2nd Reminder/Exped.	0	days	Overdeliv. Tolerance	0.0	percent
3rd Reminder/Exped.	0	days	Min. Del. Qty in %	0.0	percent
StdValueDelivDateVar	0	days	<input type="checkbox"/> Unltd Overdelivery		<input type="checkbox"/> Acknowledgment Reqpd

Other data / manufacturer data

GR Processing Time		days	<input type="checkbox"/> Post to insp. stock		<input type="checkbox"/> Critical Part
Quota arr. usage	4		<input checked="" type="checkbox"/> Source list		JIT Sched. Indicator
Mfr Part Number					Mfr Part Profile
					Manufact.

Quota Arrangement Usage: It determines whether a material is included in a quota arrangement and which operation lead to a quota arrangement. For example, you can define quota arrangement to only purchase order.

Below elements are consider foe Quota Arrangement Usage:

- Purchase order
- Scheduling agreement delivery schedule
- Planned orders
- Purchase requisitions
- Material planning and control

Quota arrangement usage (1) 4 Entries found

Restrictions

Q	PO	SLn	PIOr	PReq	MRP	Ord
1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Step 2: Create Info Record

Create Info Record for vendors. Suppose I have 2 vendors 14 & 15.

Step 3: Create Source List

Maintain Source List: Overview Screen

Material: 1728 Test material

Plant: RG02 shubhashri enterprises pune

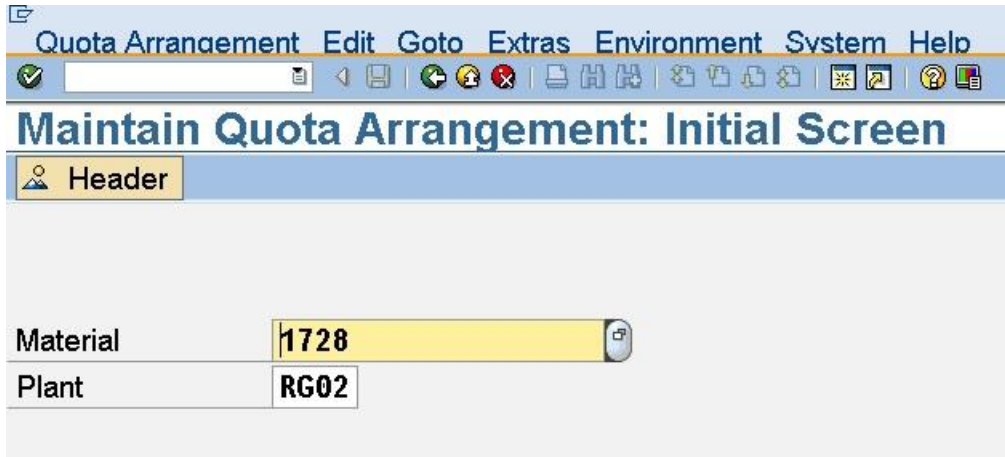
Source List Records												
	Valid from	Valid to	Vendor	POrg	PPI	OUn	Agmt	Item	Fix	Blk	MR	MRP Area
	23.04.2021	01.01.2022	14	RG03					<input type="checkbox"/>	<input type="checkbox"/>		
	23.04.2021	01.01.2022	15	RG03					<input type="checkbox"/>	<input type="checkbox"/>		
									<input type="checkbox"/>	<input type="checkbox"/>		

Step 4: Create Quota Arrangement

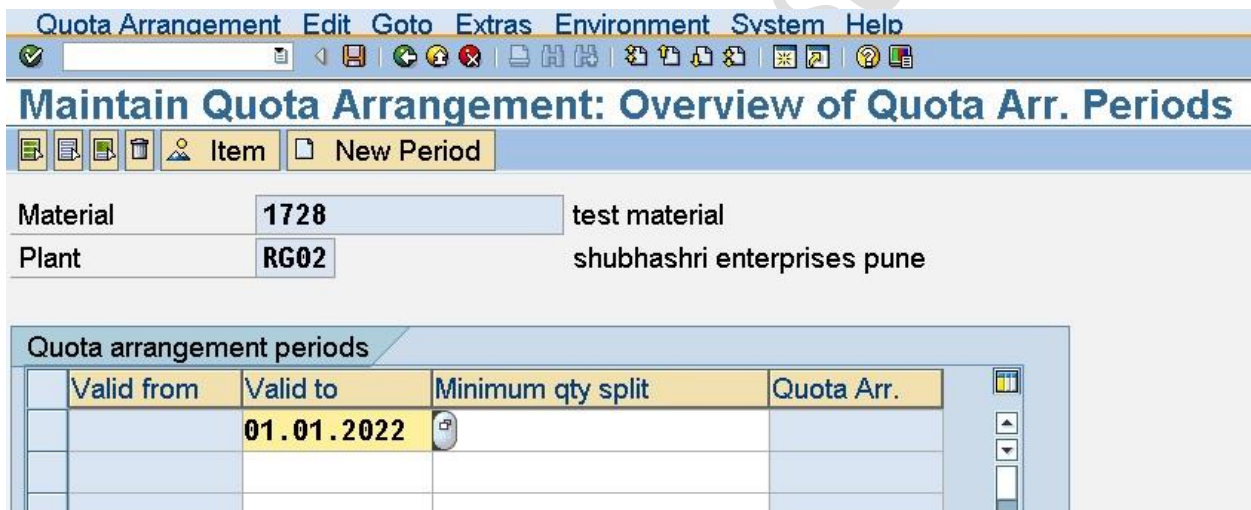
T code – MEQ1

Menu Path = Logistic – Material Management – Purchasing – Mater Data – Quota Arrangement – Maintain

Enter the Material and Plant for which we have to maintain the Quota Arrangement.



Enter the date in valid to box system will automatically give valid from date.



Go to Items enter Procurement type, vendors and maximum quantity. Click on save. Thus, Quota Arrangement is maintained successfully.

Maintain Quota Arrangement: Overview of Quota Arr. Items 125

Material: 1728 test material
 Plant: RG02 shubhashri enterprises pune
 Quota Arr.: 125 Base Unit: KG
 Valid from: 23.04.2021 Valid to: 01.01.2022
 Minimum Qty: 0.000
 Created by: SAPUSER Created on: 23.04.2021

Quota Arr. Items	QAI	P	S	Vendor	PPI	PVer	Quo	In %	Allocated Qty	Maximum Quantity	Quota Base Qty	Max. Lot Size	Min. Lot Size	RPro	1x	Max. Rel. Qty	N	P	Pr
1	F		14			1	33.3		0.000	10,000.000					<input type="checkbox"/>				
2	F		15			2	66.7		0.000	5,000.000					<input type="checkbox"/>				

For vendor 15 I have entered Maximum quantity 5000 it means when I use quantity 5000 or less than 5000 then system will take vendor 15 for it.

Step 5: Create PR

Here I have created PR of 4500 quantity when we click on Assign Source of Supply system will automatically take vendor 15.

Purchase Requisition - Edit - Goto - Environment - System - Help

Create Purchase Requisition

Document Overview On | Personal Setting

Purch.requis. Stand. | Source Determination

Texts

Header note

Continuous-text e

Stat	Item	A	I	Material	Short Text	Quantity	Unit	C	Delivery Date	Material Group	Plant	Stor. Location	PGR	Requisitioner	TrackingNo	Des.Vendor
	10			1728	test material	4,500	KG	D	26.04.2021	0001	shubhashri enter		000			

Item: [10] 1728, test material

Material Data | Quantities/Dates | Valuation | Source of Supply | Status | Contact Person | Texts | Delivery Address

Agreement: | Purch. Org.: RG03 | PO Unit: |
 Fixed Vendor: 15 shubhashri | Supplying Plant: |
 Info Record: 5300006019
 Desrd Vndr: | Vendor Material No.: |

Assign Source of Supply

When we try to enter quantity >5000 system will give you message- Quota arrangement specifies vendor 14.

Stat	Item	A	I	Material	Short Text	Quantity	Unit	C	Delivery Date	Material Group	Plant	Stor. Location	PGr
	10			1728	test material	6,000	KG	D	26.04.2021	0001	shubhashri enter		000



Item [10] 1728 , test material

Material Data | Quantities/Dates | Valuation | Source of Supply | Status | Contact Person | Texts | Delivery Address

Agreement Purch. Org. **RG03** PO Unit

Fixed Vendor **15** hubhashri Supplying Plant

Info Record **5300006019**

Desrd Vndr

Vendor Material No.

Quota arrangement specifies vendor 14

Best Regards,
Shubhashri Gavhane

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