
An Overview of the Oracle Project Contracts Module

Peter Atkinson
Igatech Consulting Pty Ltd

Introduction

The Project Contracts Module is an extension of the Core Contracts Module introduced in the CRM product set. It is designed to allow users to author contracts in a corporate structured form and to link their contracts to Oracle Projects for costing and billing purposes. Using templates and /or standard terms and condition statements, together with attachments and clauses from a corporate database, the system can record full contract details. In addition it manages versions, change requests and deliverables at the header and line levels.

Through the use of workflow the change and approval processes can be managed and tracked. A comprehensive security environment can be created based on users and their roles as they relate to contract management.

Contract Organiser

The Contract Organiser is the main screen of the module. It shows a hierarchy of contract groups with drilldown to allow quick location of individual contracts. These groups are user defined. In addition the Organiser has tabs to track Solicitations, Proposals and Contracts thereby following an opportunity or idea from concept to fulfilment.

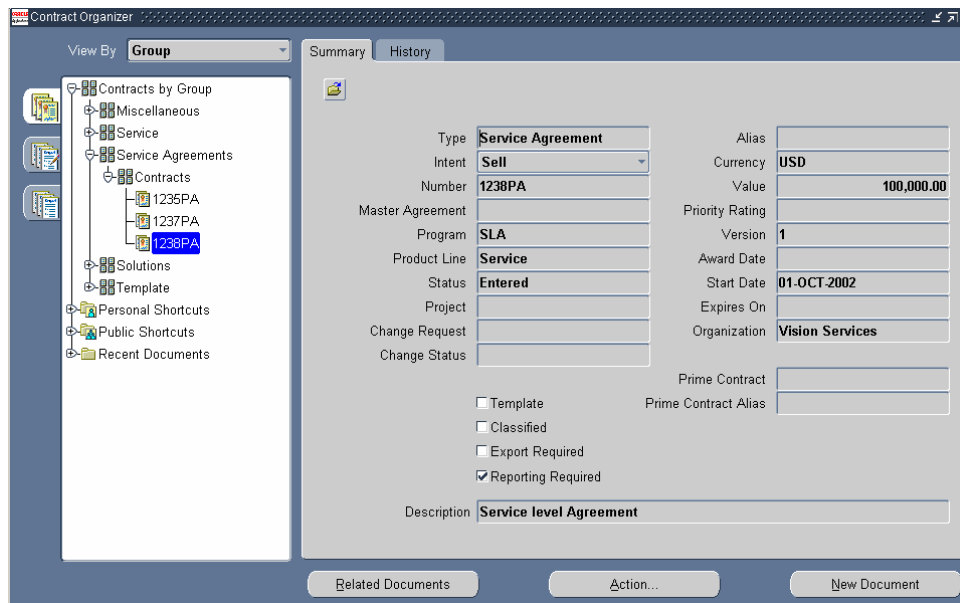


Figure 1 - Contract Organiser

With the desired contract highlighted, the system allows quick access to contract detail by hitting the action button. This generates a pull-down menu to the areas of authoring, change management, communications, versions, deliverables and holds. New documents can be created quickly from templates or copy another contract.

Related Documents can be attached for viewing online.

Contract Authoring

Once a document record has been created the work of compiling the document commences. The numerous clauses and lines of the contract can be added quickly by reference to corporate standards or new items specific to this contract. An individual contract can have any number of lines or levels with the document. A filter is provided to assist in accessing the required information.

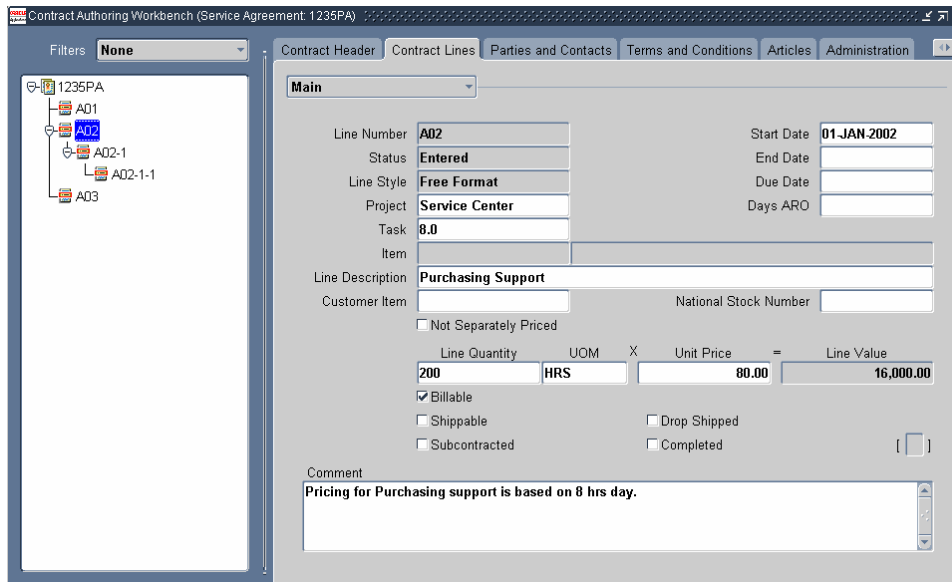


Figure 2 - Authoring Workbench

Within the Authoring area you can complete the following tabbed areas :

- **Contract Header:** This is the header information applying to the entire contract including type, status, start date, document number, Project code and any applicable master agreement.
- **Contract Lines:** The individual lines within a contract contain information specific to that line such as quantity, due date, part number, description, Project and task codes and status.
- **Parties And Contacts:** You can specify the parties to the contract, their contract roles, and contact names.
- **Terms and Conditions:** This tab contains data about rules, instructions, notices, agreements, and other criteria under this contract.
- **Articles:** These are standard or non-standard text clauses for the contract.
- **Administration:** You can assign workflows to a contract, such as an approval workflow. It can be generated from this region in order to receive authorizations.
- **Standard Notes:** You can enter and view standard notes for such items as packaging or shipping instructions.
- **Print Forms:** This area lists any forms to be included with the contract.
- **User Attributes:** Each user-defined attribute group is defined as a descriptive flexfield context. You can define as many contexts as required.

Deliverables

The Deliverables Tracking system allows lines and deliverables to be associated and the ability to track and record contract delivery and outcomes. Individual outcomes or product required under the contract can be planned and tracked at a line level of the contract. The integration with Oracle projects allows for the tracking of costs and revenue.

The Deliverables Tracking System provides a display of Contract lines in a tree hierarchy. Before any deliverable can be tracked a line must be created through the Authoring Workbench. This function can be used for both inbound and outbound deliverables.

Using this function you are able to track requisitions, purchase orders, receipts, subcontract and Project details that relate to the contract. Requisitions can be initiated from the Deliverables Tracking System and passed to Oracle Purchasing for processing. It is also possible to set up deliverable dependencies. i.e. Some deliverables cannot take place until others are completed.

Another useful function is the tracking of reports, drawings, manuals, etc which may have progress through various versions.

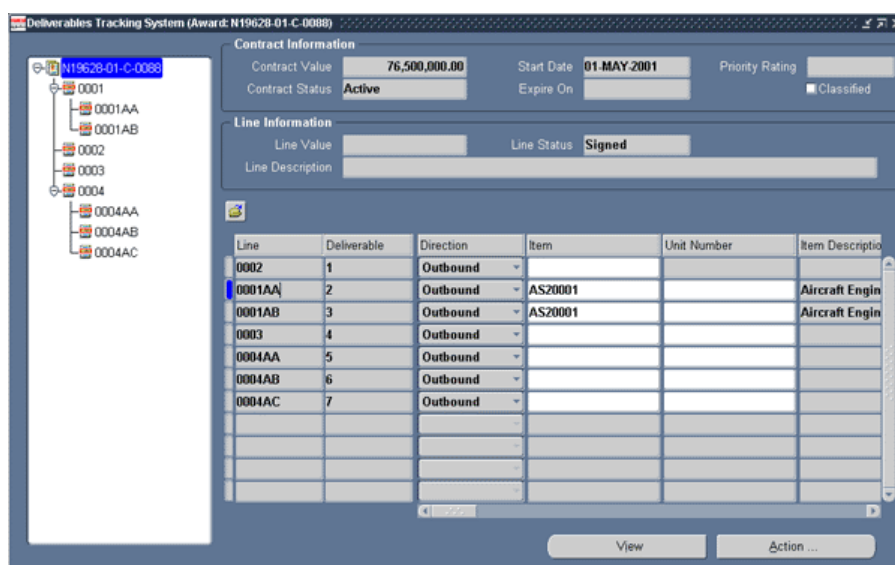


Figure 3 - Deliverable Tracking System

Change Management

The system allows for the tracking and approval of change requests. A contracts full audit trail of changes can be maintained.

Funding

The Project Contracts Module is an extension of the Project Module Agreements and Funding functions. The module allows the creation of the Project Agreement or the conversion of an existing Funding Agreement attached to the Project. An extension has been added to allow “Funding Pools” that group contracts based on the source of funds.

Billing

Project Contracts extends the Billing Methods used in Projects. New Billing methods are possible together with the ability to use multiple methods. These can be set at the line level and associated with deliverables. Using the integration with Project Billing the system is able to generate invoices through the project files and into Accounts Receivable. Billing methods include Fixed Price, Cost Plus, Time and Materials and many more.

Communications

Also provided in the module is the ability to track communications with other parties. Tracking E-mails, Faxes, and telephone conversations is possible using the communications screen. Each communication can be references to a line, deliverable, change request and /or project and task. Together with the attachment feature of Oracle full documentation can be maintained and referenced quickly.

Security

The Project Contracts Module also includes a high degree of security. An example is the use of Contract roles and the ability to dissect the contract into sections and to allow different functional groups to have limited access to Contract data. This functionality called “Contract Flowdown” can allow subcontractors to see only their section of the contract and the relevant documents.

Conclusion

This module is an extension of the Project Costing and Billing modules and provides Contract Managers with the tools to manage the preparation, execution and financial aspects of a contract. Like other Oracle modules the setup can be gradual over time with the introduction of the system to limited areas. Over time a complete library of corporate contracts would be established that would form the basis of Corporate Contracting Standards.

About the Author

Peter has been a qualified Chartered Accountant for 25 years and is currently the principal functional consultant with Igatech Consulting in Melbourne. He first installed Oracle Financials when he was the Manager - Accounting Development & Control for the City of Melbourne and spent 5 years implementing, upgrading and developing the system as a user. After leaving Melbourne, Peter has consulted to a number of organisations in the public and private sectors. He has 8 years experience with Oracle and specialises in the GL, AP, AR, and Project modules.