

SAP Ariba Supplier Engagement Policy



YorkshireWater

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Definitions

Advanced Ship Notice (ASN) – This is submitted by the supplier via the SAP Business Network for material Purchase Orders only. This will notify the Yorkshire Water business requestor that the goods have been dispatched and the estimated delivery date.

Ariba – a cloud-based portal that Yorkshire Water has purchased to facilitate its Procure to Pay processes and requires its Suppliers to transact within.

Enterprise Account– An enhanced subscription account which incurs both transaction and subscription fees based on usage. The Enterprise Account type is not compulsory to transact with Yorkshire Water Services via the SAP Business Network. The decision to upgrade from a Standard Account to an Enterprise Account is solely at the discretion of the supplier to understand the benefits and the costs of upgrading.

EDI/Cxml connection – is a type of integrated connection that requires Suppliers to upgrade to an Enterprise Account. Integration enables the connection of a Suppliers ERP to the SAP Business Network via an electronic method (e.g., cXML, EDI, CSV, Dell Boomi) to transact via a touchless process to reduce manual effort and duplications of processes.

Good(s) – physical items and materials that are supplied by the Supplier and delivered to a chosen location.

Goods Receipt – an activity carried out by the YW Requester in Ariba to confirm that they have satisfactorily received their Goods from the Supplier.

Invoice Status Portal (ISP) – A self-service solution which enables Suppliers to track the status of their invoice, including net due date.

Intelligent Invoice Conversion (IICS) – a feature introduced to help suppliers to upload PDF and scanned invoices for conversion into an Electronic Invoice. For Intelligent Invoice conversion to work the supplier should have an Enterprise account and have both test Supplier account as well as the Production supplier account.

Punch Out Catalogue – A Punch Out Catalogue is directly hosted by the Supplier in their website and allows Yorkshire Water requisitioners to access a Suppliers web shop directly from Yorkshire Water Ariba's realm.

Purchase Orders (POs) – is a commercial document and first official offer issued by YW to a Supplier indicating types, quantities, and agreed prices for products or services.

Order Confirmations– – This is a mandatory document submitted by the supplier via the Ariba Network for each Purchase Order. This will notify the Yorkshire Water business requestor that the supplier is able to fulfil the requirements of the order.

Qualification Questionnaire – The second stage of registration with Ariba is for Suppliers to qualify themselves, by providing evidence of requested documentation, into the YW Ariba realm, enabling YW to transact with them.

Request for Quotations (RFQs)– An event in the SAP Business Network submitted by a Yorkshire Water business requestor which requires a supplier to provide a price for goods, works or services. This typically results in a Purchase Order.

SAP Business Network (formerly Ariba Network) – is a hosted service that enables suppliers and buyers to form relationships and conduct transactions over the internet

Service(s) – a type of economic activity provided by the Supplier that is intangible, is not stored and does not result in ownership. A service is consumed at the point of sale.

Service Entry Sheet (SES) – is completed by the Supplier on completion of the requirements of a Service PO. A SES stores a record of all the services that have been procured and details the associated costs.

Sourcing Event – is a process within Ariba, instigated by YW, in which it invites Suppliers to tender for a specified Goods and/or Services. The output of which will be a contract.

Standard Account– This is the default account type which suppliers are registered to in the Ariba Network. This account type incurs no fees regardless of the number of documents transacted with Yorkshire Water Services.

Static Catalogue – A static catalogue is stored on the Ariba Network that enables Yorkshire Water requisitioners access to the Goods and Services agreed within the Contract.

Supplier(s) – is a person or business that provides a good or service to YW.

Supplier Information Portal – provides information for all Suppliers conducting business with Yorkshire Water Services Ltd. On this site you will find information to help answer any of the questions you may have.

Unplanned Costs – any costs not included in the original PO but incurred by the Supplier whilst fulfilling the requirements of the PO are Unplanned Costs. These must be itemised and detailed, including costs, on the SES. These Unplanned Costs must be accepted by YW before they can be invoiced.

YW Requester – is the person in YW who has requested the work, raised the requisition in Ariba, and will usually be the main point of contact for the Supplier.

Introduction

Yorkshire Water (YW) facilitates its Source to Pay processes via SAP Ariba and the SAP Business Network (formerly SAP Ariba Network). The SAP Business Network is the largest business-to-business network in the world, with 729+ million B2B transactions handled in a 12-month period.

The SAP Business Network enables seamless collaboration between Buyers and Suppliers, in turn resulting in easier and quicker processing of orders and the tracking of orders. Suppliers will also benefit as a result of fewer blocked invoices, clearer communication of order status' and ultimately a quicker payment process.

In order to realise these benefits, Suppliers are required to adhere to the following:

1. Supplier Registration

1.1. To be eligible to participate in a Sourcing Event, suppliers must register their details on the SAP Business Network (if not already registered). YW will send invites to participate in upcoming tenders via the SAP Business Network to the details registered on the Suppliers account. It is therefore important that the contact details provided at this stage are an appropriate person.

1.2. Yorkshire Water only requires suppliers to register for the Standard Account which is completely free regardless of the number of documents transacted. Ariba offer an enhanced Enterprise Account, which incurs transaction and subscription fees based on usage. It is the responsibility of the supplier to assess the benefits and fees associated with an Enterprise Account. YW does not determine the account type the supplier chooses.

2. Supplier Qualification

2.1. If successful at the end of a tender process, Suppliers will be invited to qualify for the YW realm within Ariba.

2.2. YW will send a Qualification Questionnaire to the Supplier. This needs to be fully completed and submitted to YW for approval. Only once this has been fully approved will the Supplier be able to transact with YW within Ariba (if not already qualified to the correct commodity).

2.3. This stage will also require the Supplier to upload mandatory documents to the SAP Business Network, including but not limited to: insurance documents, modern slavery statements; and policy documents.

2.4. Upon the expiry of any of these documents, the Supplier will be required to replace and upload the latest version. Failure to do this will invalidate your account, and you will no longer be able to transact with YW. The system notifications can be tailored to send email reminders to the relevant person in advance of the document expiry date to act as a prompt.

2.5. Periodically YW may choose to change its Qualification Questionnaire and as a result Suppliers may be asked to re-qualify against the new criteria.

3. Maintain Account Details

3.1. Suppliers must ensure that they maintain their own account details in the SAP Business Network, this includes but not limited to:

3.1.1. Key contact name and email address;

3.1.2. Email address that all purchase orders will be sent to;

3.2. Should the key contact leave their business Suppliers must ensure that the contact details

are amended in a timely manner.

3.3. Should the email address to which purchase orders are sent be an individual person's email, Suppliers must ensure that they have the appropriate delegations in place to receive orders in their absence.

3.4. Suppliers should ensure that any notifications sent from the SAP Business Network are not received by the Suppliers' junk mailbox.

4. Confirming Purchase Orders

4.1. Purchase Orders sent via the SAP Business Network will be received by the Supplier in their Ariba inbox that they have connected to their SAP Business Network. It is the responsibility of the Supplier's nominated recipient to monitor this inbox on a frequent basis (up to 5 email addresses can be configured). Email notification preferences can be amended to alert the Supplier when a new Purchase Order has been received, and prompt them to login into the system.

4.2. It is the responsibility of the Supplier to check the details on the Purchase Order as soon as possible after receiving it. If the details are correct and the instructions clear, the Supplier must click the "Confirm Purchase Order" button which will confirm to YW that the Supplier has received their PO and are in the process of fulfilling the order. Without confirming the PO, the Supplier will not be able to send an invoice.

5. Advanced Ship Notice (Material POs only)

5.1. Once the Supplier has submitted an Order Confirmation for the Purchase Order via the SAP Business Network, the Supplier is then able to submit a ship notice via the SAP Business Network. This notifies the Yorkshire Water business requestor that the goods have been dispatched and includes the estimated delivery date. This is an optional step for any material Purchase Orders, however we recommend the use of this capability as Yorkshire Water can make the necessary arrangements to accept delivery on the expected delivery date.

6. Completing Service Sheets (Service POs only)

6.1. For Service POs the Supplier is required to submit a Service Entry Sheet within the SAP Business Network once the work is undertaken. For Goods POs this is not a requirement.

6.2. The Service Entry Sheet must detail the work undertaken including any Unplanned Costs as a result of carrying out the work.

6.3. The Service Entry Sheet is submitted to the YW Requester who will approve the Service Entry Sheet in Ariba if they are satisfied that the work is completed and that the costs associated with the job are as agreed.

6.4. Once the Service Entry Sheet has been submitted and approved by YW, the Supplier will then be able to submit an invoice in Ariba.

7. Invoicing

7.1. All POs received via the SAP Business Network must be invoiced via the SAP Business Network. Physical invoices emailed to YW will not be processed and will be rejected. The Supplier shall raise invoices in a timely manner and in any event within 90 days of completion of the relevant work or delivery of the Goods, or milestone of the Services, etc.

7.2. Once a Service Entry Sheet (Service POs only) has been approved by the YW requestor, then the Supplier can create an invoice in their SAP Business Network. The system will not allow

service invoices to be sent to YW before the YW requestor confirms and approves that the services requested have been satisfactorily completed.

7.3. Suppliers can submit their Invoices (Goods POs only) upon delivery of the goods. Suppliers must ensure that all goods have been delivered before submitting an Invoice.

7.4 There is no requirement to upload invoices from Supplier's ERP systems, Ariba will generate an invoice from the details provided in the PO. For Supplier's with an Enterprise Account, enhanced invoicing capabilities exist, including Intelligent Invoice Conversion and Cxml/EDI capabilities.

7.5. The invoice generated via the SAP Business Network will be the tax document used for both YW and the supplier to enable them to pay and recover VAT. Suppliers will be responsible for ensuring the correct VAT treatment is applied on the Ariba generated invoice. Ariba generated invoices will be the document of record for the transactions from an HMRC perspective.

7.6 Suppliers will also be responsible for ensuring the correct data is inputted into the Invoice fields. This includes but not limited to; Invoice reference, Invoice tax date, VAT ID and value.

7.7. Once the invoice is submitted, the Supplier's payment terms will be triggered, and a payment made in due course.

7.9. An electronic remittance will be issued to Suppliers from the SAP Business Network.

7.10. Suppliers are able to track the status of their invoice via the [Invoice Status Portal](#).

8. Contract Catalogues

8.1. For some contracts it may be suitable to produce, as part of the tender process, a catalogue of Goods/Services offered as part of the contract. This catalogue will allow YW requesters to add Goods/Services to a basket and produce a PO without the need to obtain quotes from the Supplier.

8.2. Suppliers will be responsible for producing the line-item detail, in a specified format, to be uploaded to the Ariba system. This information will need to be maintained to ensure prices/line items are kept up to date.

8.3. Any price changes required would need to be submitted to YW, via the process detailed in the contract terms for approval.

8.4. Where Suppliers already have an online catalogue, it may be possible to "punch-out" from YW's Ariba system to the supplier's database. However, this would need exploring at contract implementation stage. Suppliers may also be required to maintain a Static Catalogue in their SAP Business network.

9. Request for Quotations (RFQs)

9.1. For some contracts, Yorkshire Water will use an RFQ event to communicate business needs to potential suppliers and asks them to propose goods or services to fulfil the business needs. Therefore, suppliers will need to use the SAP Business Network to receive and respond to RFQs rather than via email. RFQs may lead to a subsequent Purchase Order.

9.2 Suppliers will be responsible for processing an RFQ via their SAP Business Network account including but not limited to prices, quantities dates, attachments etc.

9.4 When a quote is received in response to an RFQ, it does not constitute an offer or a binding contract. The Yorkshire Water business requestor will issue the supplier with a purchase order specifying the terms and conditions of the goods/works/services.