



SUBCONTRACT OPERATIONS SUPPLEMENT

Version 1.0

Copyright 2021 OnRamp Solutions. All rights reserved.

Information in this document is subject to change without notice. The software described in this document is furnished under a license agreement or nondisclosure agreement. The software may be used or copied only in accordance with the terms of those agreements. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or any means electronic or mechanical, including photocopying and recording for any purpose other than the purchaser's personal use without the written permission of OnRamp Solutions

OnRamp Solutions
10114 ON-26 Unit 2
Collingwood, ON L9Y 3Z1
905 901 5020

Welcome

Thank you for your interest in OnRamp. We at OnRamp Solutions designed the OnRamp ERP to meet and exceed your manufacturing resource planning demands. We know manufacturing and we believe that we have created an ERP system that is easy to learn, easy to use, and powerful enough to help you and your business overcome any challenge.

To help your business successfully adopt OnRamp as quickly as possible, we have designed this document to guide you through some of our most commonly used features.

Overview

This guide was written to help you learn how to use the OnRamp Subcontracting Process. Some of the screens and reports may be similar to those found in other ERP systems you have used. This guide describes how to:

- Setting up subcontract work centers
- Adding subcontract inventory locations
- Adding subcontract planners
- Adding the subcontract part and associating it to the part routing
- Adding a purchase order to track receiving
- Adding the subcontract operation costs to the part totals

Conventions

The training guide is structured to help you learn the material in class with a qualified instructor. Each chapter contains: a list of learning objectives for the chapter, an explanation of the chapter concepts, steps on how to perform the chapter actions, an exercise to help you learn the material, and, finally, a summary of the chapter.

This guide uses the following typographical conventions:

- **Bold** text - used to highlight important information in text. Used to denote click actions in procedures.
- *Italic* text - used to label tables and images. Used in notes.
- **Notes** - used to denote important notes related to the text.
- **Warnings** - used to denote warning messages. Ignored warnings can result in permanent negative consequences.

Customer Feedback

For questions, comments, or complains related to OnRamp Solutions documentation, training, or presentations, please contact us at: info@onramp-solutions.com.

Subcontracted Part Operations

Many manufacturers outsource some of the operations performed on their manufactured parts to subcontractors. The operations that manufacturers subcontract to vendors may include painting, welding, sanding, assembly, or packing. OnRamp has a built-in process to help you track these outside operations.

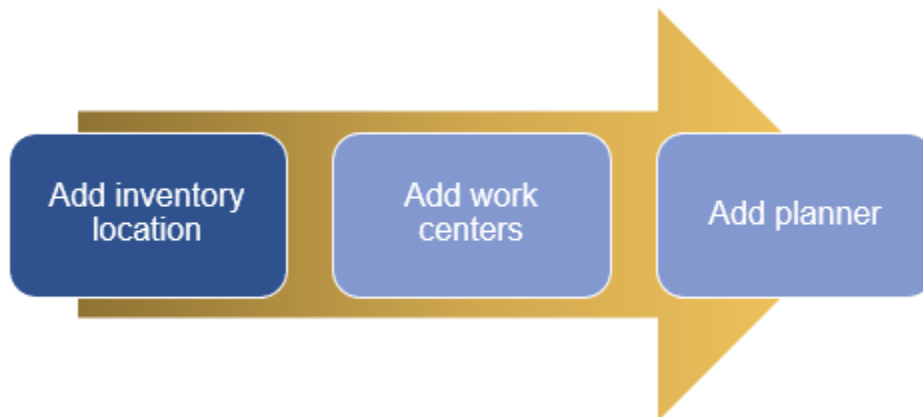
The OnRamp subcontract process allows you to track:

- The parts that need to be shipped and received
- The ship by and due dates for the parts
- The shipping documents for the parts
- The account balance for the subcontractor

This is done by adding setup records for the outsourced operations that specify the operational data. With the setup done correctly, OnRamp processes the subcontract operation as a sub-component that is added of the finished part. This sub-component part also gets bills of lading and other shipping and receiving paperwork, while also creating the required accounts payable entries.

Subcontract Setup

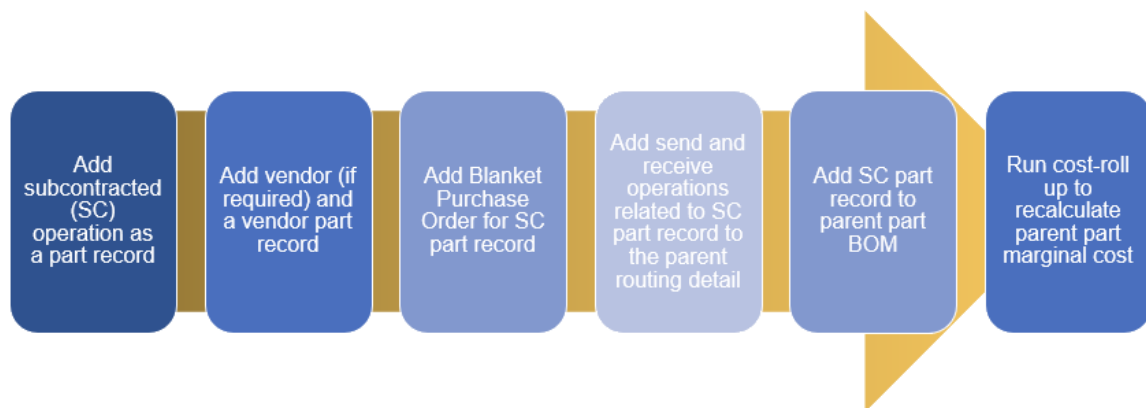
Note: To ensure that the setup is correct, please see the **Recommended Settings** chapter at the end of this guide to know what settings to enter into key fields.



In OnRamp, you must add the following information:

- To represent the part inventory location, you need to add an **inventory location**.
 - This is a tracking record that OnRamp uses to ensure there are no errors on the transaction records.
 - Inventory Locations are added on **Inventory Location Master** [S1107]

- To represent the part processing, you need to add two **work centers**.
 - This record is used on the routing detail of the parent part (the part that the subcontractor will be processing) to represent the subcontractor as a work center.
 - The work center also helps track the time it takes for the subcontractor to receive, complete, and ship the part back to your shop.
 - Finally, OnRamp adds bar codes to printed work orders if it is a subcontract operation, which can be scanned to complete subcontract shipping forms in OnRamp.
 - Work Centers are added on **Work Center Master** [S1019]
- One planner to track the subcontract operations
 - Planners are added on **Planner Master** [S1286]



For each part that requires shipping to a subcontractor for processing, you must add:

- A part for the subcontract operation, with the **System Type** set to *Subcontract*
- A vendor and a vendor part for the operation
- A blanket purchase order to track when the part is returning
- Two routing entries. One for the subcontract shipping and another for receiving. You might also want to add an inspection operation
- A BOM entry for the subcontract operation part
- A cost roll-up to set the part's material cost

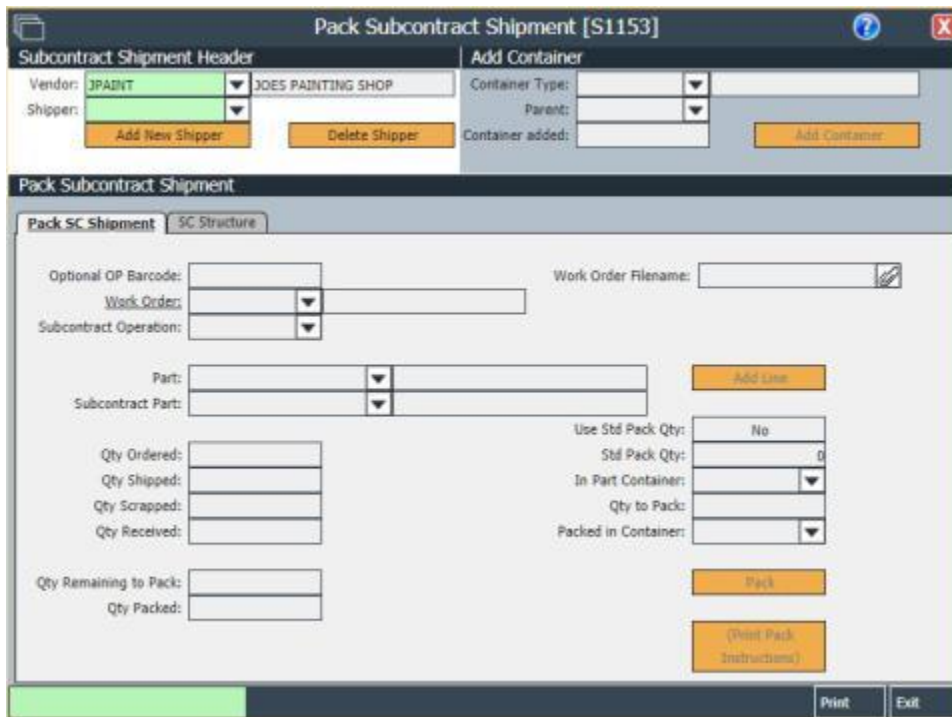
Processing Subcontract Parts

With the setup performed correctly, when a part that has subcontract operation is required, running [MRP](#) will create the work orders that include information for the part and add schedule items to the purchase order.

The subcontract parts are then:

1. Shipped on screen **Packing Subcontract Shipment** [S1153] and **Finalize Subcontract Shipment** [S1666].
2. Received with screen **Receive Subcontract PO** [S1911].

Pack Subcontract Shipments



Pack Subcontract Shipment screen


To pack subcontract shipments:

1. Navigate to the **Pack Subcontract Shipment [S1153]** screen.
2. Select the desired **Vendor** and **Shipper**.
3. Enter the desired information. Alternately, you can scan the bar code on the work order to fill out the shipment form.
4. If required, add the container information and click **Add Container**.
5. When the packing record is ready, click **Pack**.

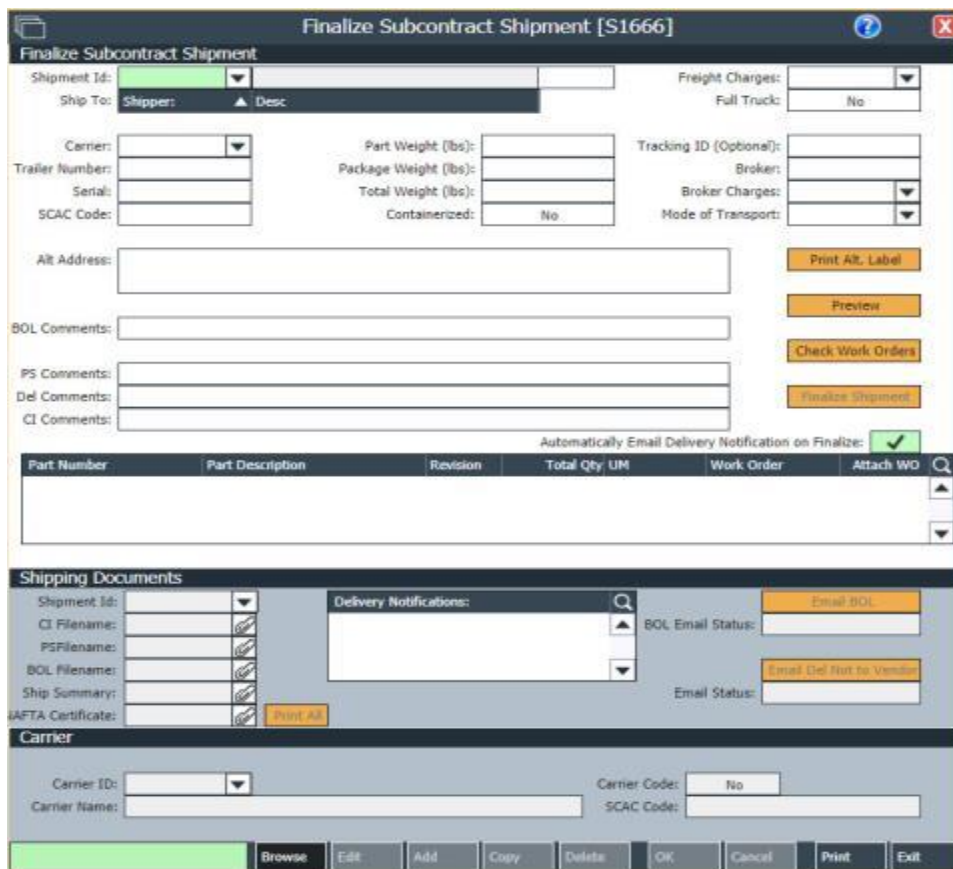
Result

You have packed the parts to be shipped to the subcontractor.

Notes

- To add a copy of the work order document, click  to launch the [File Picker](#) app.
- If you scan the bar code on the work order, the work order document will be added to the record automatically.

Finalize Subcontract Shipment



Finalize Subcontract Shipment screen

To finalize shipments:

1. Navigate to the **Finalize Subcontract Shipment [S1666]** screen.
2. Select the desired **Shipment ID** and **Ship To**.
3. Enter the desired information. Alternately, you can scan the bar code on the work order to fill out the shipment form.
4. Click **Finalize Shipment**.

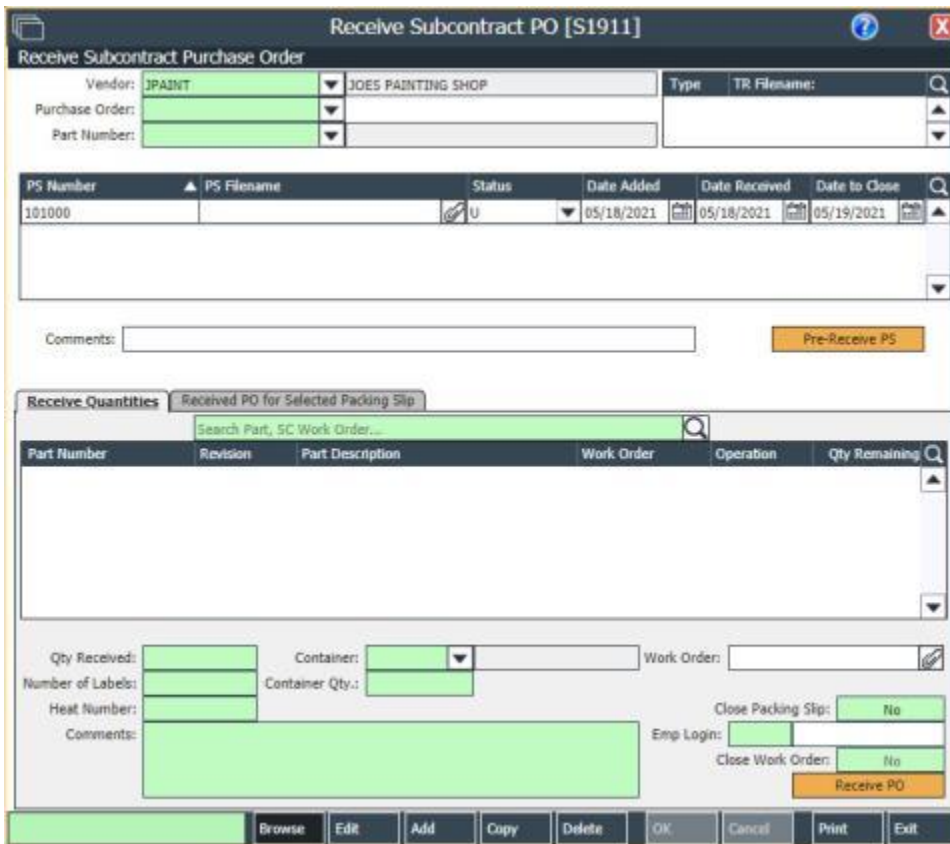
Result

You have shipped the parts to the subcontractor. OnRamp will create the required shipping documents, which can be emailed to the subcontractor.

Notes

- Add the carrier information on the **Carrier** frame.

Receive Subcontractor Shipments



Receive Subcontract PO screen

To receive parts from the subcontractor:

1. Navigate to the **Receive Subcontract PO [S1911]** screen.
2. Select the desired **Vendor, Purchase Order, and Part Number**.
3. To add packing slips, on the screen task bar, click **Add**.
4. Enter the desired information, including the information on the **Receive Quantities** tab.
5. Click **OK**.
6. Click **Receive PO**.

Result

You have received the processed parts from the subcontractor.

Recommended Settings

The following list of settings with the field in red are what is required for the subcontract operation to work. The item name and numbers are recommended to help your staff and OnRamp support differentiate the subcontract setup items.

Settings not listed can be left as default unless a change is required for your data to be accurate.

Inventory Location Master [S1107]:

- Location: *SC-TEMP*
- Description: *Temporary SC Location*
- Type: *Floor*
- Status: *Okay*
- Nettable: *Yes*

Work Center Master [S1019]:

- Work Center: *SC1 and SC2*
- Description: *Ship to Subcontract and Receive from Subcontract*
- WC Type: *SHIP_SC and REC_SC*
- Report Type: *S*
- Final Inspection: *No*

Planner Master [S1286]:

- Code: *SC*
- Description: *Subcontractor Planning*
- Person: *SC*
- Auto Release: *0*

Part Master [S1009]:

- Number: *(Parent Part Number)-SC-(Routing Operation Number)*. For example: 689-9632-SC-OP30
- Description: *(Subcontract Operation)*. For example: Subcontract painting of T-clip
- **Inventory** tab
 - Default Location: *SC-TEMP*
 - Point of Use Location: *SC-TEMP*
- **Planning** tab
 - Planner: *SC*
 - System Type: *S*
 - Free Issue: *REG*
 - WO Release Code: *R*

Production Purchase Order Maintenance [S1725]:

- Deliver to: *SC-TEMP*
- PO Type: *B*

Routing Detail [S1014]

- Settings for the shipping operation:
 - Work Center: *SC1*
- Settings for the receiving operation:
 - Operation: *(The number after the shipping operation)*. For example, if the shipping operation is 20, this one is 30.
 - Work Center: *SC2*
 - S/C Part Number: *(The part number entered in step 1)*. For example, 689-9632-SC-OP30
 - Subcontract PO: *(The purchase order created in step 4)*
 - Subcontract PO Line: *(The PO detail line created in step 4)*

Bill of Material Master [S1000]. Enter the new part record as sub-component on the BOM of the parent part

- BF at Operation: *Routing receiving operation number*