

# Understanding Methods for Purchasing Outsourced Services

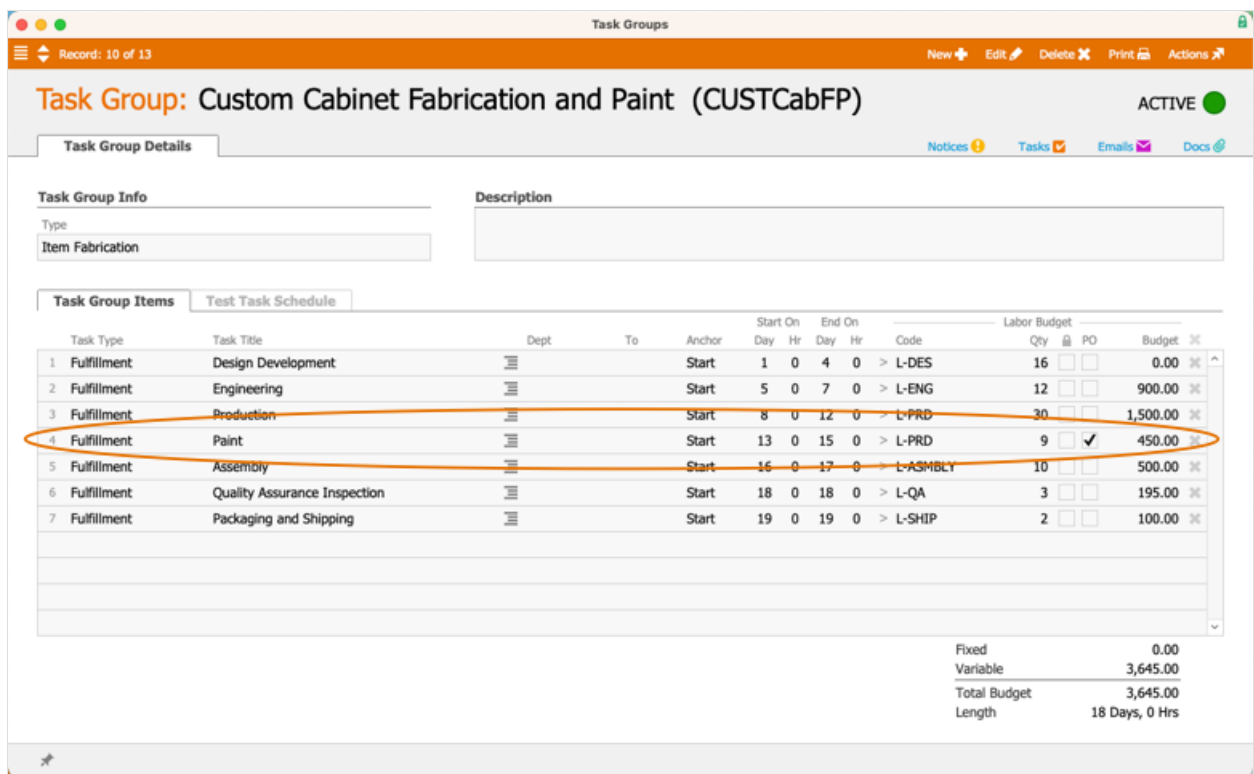
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This guide explains two methods for managing outsourced services using aACE. It is intended for advanced users.

You can use two methods to manage outsourced services in aACE. One utilizes task groups and purchase order (PO) features. The other uses assembly-type line item codes (LICs).

## Managing Outsourced Services with a Task Group

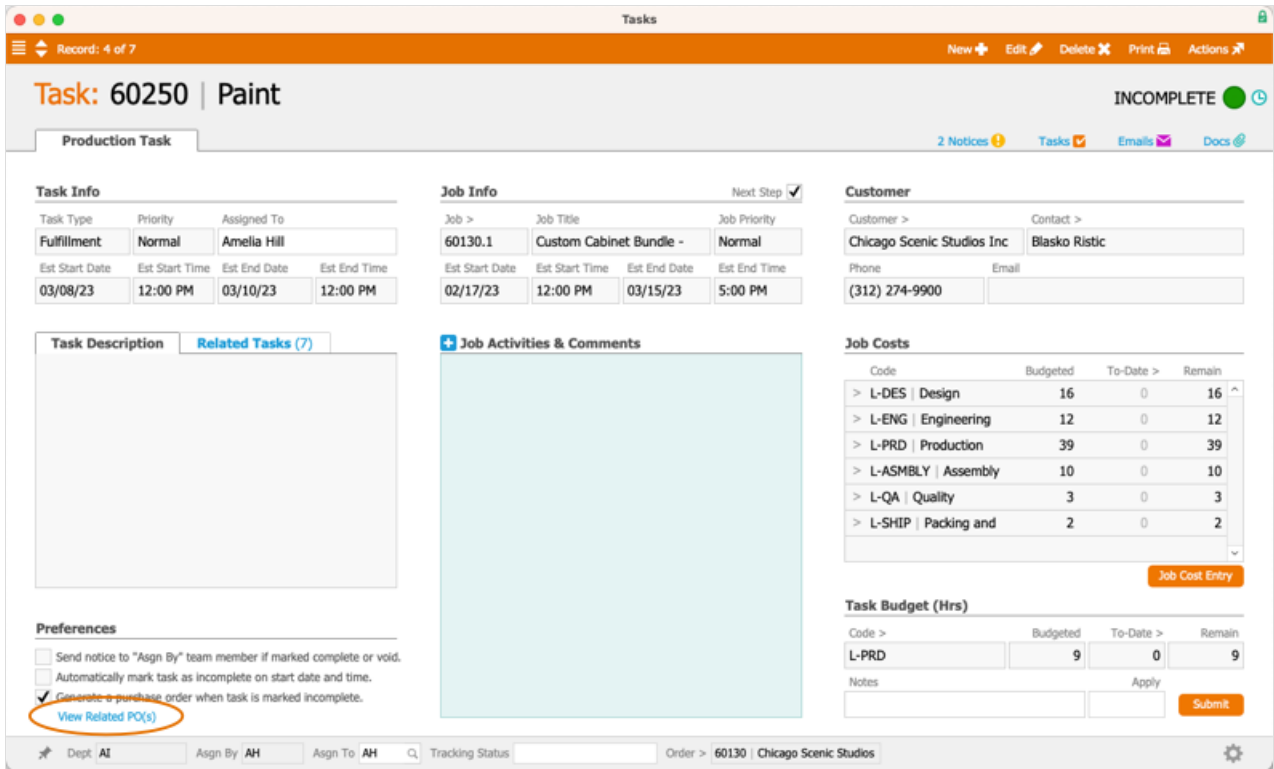
Suppose you have a custom cabinet fabrication and paint process where you complete the fabrication process yourself, but have a separate company paint the cabinets. The painting step is located in the middle of your task group workflow:



Because this service is outsourced, the task is flagged to generate a PO. When the preceding task is marked as complete, aACE changes the painting task from Pending to Incomplete status, then automatically generates a PO.

You can quickly access the PO for the task from the order record's detail view > Management > Procurement. You can also view the PO from the task's detail view, in the

Preferences section:



The PO can then be filled out to reflect the costs of the outsourced service.

aACE will mark the task as Complete when a purchase for the PO has been opened. Until that point, you can apply the labor costs to the job from the painting task and continue your task workflow.

Note: Using this method can be difficult for shipping and inventory. The PO in this example is a PO for labor, not inventory. You can use the Description notes on the shipment records (both incoming and outgoing) to clarify the transaction.

## Managing Outsourced Services with an Assembly-Type LIC

The second method for managing outsourced services involves aACE's [Special Order](https://aace6.knowledgeowl.com/help/working-with-special-orders) (SO) feature. If an item is kept in stock, but still uses outsourced services, you can use aACE's automatic [inventory replenishment process](https://aace6.knowledgeowl.com/help/configuring-inventory-replenishment-for-purchased-items) with the SO items.

### Special Order by Default Feature Only

SO items are LICs that are *not* kept in stock. When you create an order that includes an SO-type LIC, aACE will auto-generate a PO for the vendor of that item.

To use an SO item as an outsourced service, create an item-type LIC and an assembly-type LIC.

1. Navigate from **Main Menu > Inventory > Line Item Codes**.
2. Click **New > Item**.
3. Enter details for the outsourced service and [mark the flag to identify it as special order](https://aace6.knowledgeowl.com/help/working-with-special-orders#ConfiguringLICAsSpecialOrder) (<https://aace6.knowledgeowl.com/help/working-with-special-orders#ConfiguringLICAsSpecialOrder>).
4. Click **Save > Activate**.
5. Return to the Line Item Codes list view.
6. Click **New > Assembly Item**.
7. Add any LICs relevant to your assembly item, including your SO item.
8. Click **Save > Activate**.

When your assembly item LIC is added to a production order, aACE will create a production job that includes any LICs you added to your assembly LIC. You can find the production job at the order detail view > Management > Production. It is marked with an affix on the job ID (e.g. JOB12345.1).

You can apply job costs at the production job. However, to apply your SO LIC's job cost, you must generate the PO for the outsourced service:

1. Navigate from the order detail view > Management > Procurement.
2. Click the SO LIC's line-level Actions > Procure Item.  
aACE creates a PO for your outsourced service.

When the purchase for the PO has been Closed, aACE will apply the outsourced service's job cost to the production job.

### **Special Order by Default with Inventory Replenishment**

For items that are kept in-stock, you can use a combination of the SO flag and inventory replenishment:

1. Using the steps described above, create both an inventoried item LIC and an inventoried assembly item LIC.
2. At the detail view of the inventoried assembly item LIC, navigate to the **Replenishment** tab.
3. [Configure inventory replenishment](https://aace6.knowledgeowl.com/help/configuring-inventory-replenishment-for-purchased-items) (<https://aace6.knowledgeowl.com/help/configuring-inventory-replenishment-for-purchased-items>) for your inventoried assembly item.

