



MURANG'A UNIVERSITY COLLEGE

A constituency College of Jomo Kenyatta University of Agriculture and Technology

School of Business and Commerce

Supplementary University Examinations

Bachelor of Purchasing and Supplies Management

COURSE CODE: HPS 2308 - PROCUREMENT MANAGEMENT

DATE: 29TH JUNE 2016

TIME: 2 HRS

INSTRUCTION: ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS

Question one

Western County wants to rehabilitate its road network and upgrade some from murrum to bitumen standards. The county made a call for tenders. The tender document included the following information for bidders.

Award would be made following evaluation of bids as soon as funds were allocated by national government.

The procuring entity reserves the right to require a bid at any time in the evaluation procedure.

Award would be to the lowest bidder best suited to do the job in the best judgment of the evaluation committee.

Three bids submitted by Tractor construction, Smart construction and Techno construction were evaluated by the tender evaluation committee which recommended award of the tender to Tractor construction.

Western county had required a bid bond from Tractor construction before the award. Smart construction and Techno construction protested the award to Tractor construction arguing that the process was fundamentally flawed.

- a) Explain whether the tender document establish adequate procedure for bid evaluation (6 m.
- b) Which procurement ethics would you prescribe to Western county incorporation (12 mk)

- c) Apart from lowest bid criteria what other criteria could have been considered (6 mk).
- d) “Poor procurement practices give rise to several types of risks” discuss (6 mk)

QUESTION TWO

- a) Using well articulated examples discuss the key steps of procurement planning (10 marks)
- b) Purchasers both in industrial and public sector utilize professional techniques and modern methods, and they employ professional buyers to ensure that the purchasing program fully supports their organizational needs. Discuss the principles of public procurement (10 marks)

QUESTION THREE

- a) Differentiate large and complex procurement (4 marks)
- b) Describe any two approaches to competitive tendering exist (6 marks)
- c) “Purchasing whether industrial or government is similar because the fundamental objective is to identify appropriate sources of needed materials/services and acquire those items when needed as economically as possible within accepted standards of quality” describe the characteristics of Government procurement (10 marks)

QUESTION FOUR

- a) “Public institutions are being accused by the public and other stakeholders for abuse of the procurement process. In order to achieve value for money and to effectively contribute to the efficient service delivery, public procurement practice must adopt a strong ethical bent”. Discuss five applicable ethics in public procurement. (10 marks)
- b) Using well articulated examples elaborate the steps in disposal (10 marks)

QUESTION FIVE

“Procuring entities are responsible for carrying out all the procurement procedures pertaining to the complete procurement cycle. It is important to be familiar with the complete procurement cycle and to ensure that there are effective management procedures in place to properly manage each step” briefly describe the stages of the procurement cycle. (20 marks)

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