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KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2024/2025 ACADEMIC YEAR
FOURTH YEAR, SECOND SEMESTER EXAMINATION
FOR THE DEGREE OF BACHELOR OF SCIENCE
(BUSINESS ADMINISTRATION)

Date: 9th August, 2024
Time: 2.30pm – 4.30pm

KPS 2405 SPECIAL TOPICS IN PURCHASING

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

In 2022, the Kenyan government launched an ambitious infrastructure development project aimed at improving the road network in the Nairobi Metropolitan Area. The project, valued at KES 5 billion, included the construction of new roads and the expansion and maintenance of existing ones. The National Construction Authority (NCA) was responsible for overseeing the tendering process for this project. The tendering process was intended to be competitive and transparent, with the aim of selecting the most qualified contractors to ensure high-quality work and timely completion. However, the process faced several significant challenges that raised concerns about its integrity and effectiveness. During the tendering phase, it was discovered that some of the companies bidding for the contracts had submitted falsified documents to demonstrate their technical capabilities and financial stability. Additionally, there were allegations that certain high-ranking officials within the NCA had close ties with some of the bidding companies, leading to suspicions of favoritism and conflict of interest. The tendering committee also faced accusations of lacking impartiality, as some committee members were found to have accepted bribes to influence their decisions. As a result, contracts were awarded to companies that did not meet the required standards, leading to subpar construction work and significant delays in project completion. An investigation by the Public Procurement Regulatory Authority (PPRA) revealed widespread irregularities in the tendering process, including non-compliance with procurement laws and regulations. The findings prompted the government to halt the project temporarily and conduct a thorough review of the tendering procedures. The scandal drew significant public and media attention, with various stakeholders demanding accountability and reforms to ensure a fair and transparent tendering process. The government pledged to implement stricter oversight and anti-corruption measures to restore public trust and improve the efficiency of future infrastructure projects.

Questions:

- a) Explain the effect of falsified documents and favoritism on the outcome of the tendering process. Provide examples from the case study to support your answer.

(5 marks)
- b) Public Procurement Regulatory Authority (PPRA) plays a crucial role in addressing some of the issues highlighted in the case study above. Discuss the importance of such body in public procurement.

(6 marks)

- c) According to the case study above, there were allegations that certain high-ranking officials within the NCA had close ties with some of the bidding companies. Discuss how does this affect the project deliverables. (6 Marks)
- d) The National construction Authority had allegations to prove among them was lacking impartiality, accepted bribes to influence their decisions. Suggest measures that could be implemented to prevent irregularities and ensure a fair and transparent tendering process in future projects. (6 Marks)
- e) Consider the role of stakeholder engagement, including the public and media, in promoting accountability in public procurement. How can stakeholders contribute to improving the tendering process in Kenya? (6 marks)
- f) Give the benefits of having Public trust when carrying out procurement activities. (4 Marks)

QUESTION TWO (20 MARKS)

- a) Purchasing activities involves buying decisions from the point a need is recognized to when the need is fulfilled. Discuss the six R's of purchasing. (6 marks)
- b) The supply chain emphasis the process approach concerned with how a product or service is delivered to the final consumer. Explain the objectives of any purchasing or procurement function. (8 marks)
- c) Describe five benefits accrued by the organization when introducing e-procurement. (6 Marks)

QUESTION THREE (20 MARKS)

- a) Building relationship with suppliers is becoming an explicit part of the procurement strategy for many organizations that would like to remain competitive in today's global market. Discuss some of the procurement relationships. (8 Marks)
- b) Discuss procurement strategies that a procurement manager would use when buying small, bulk and emergency orders in an organization. (4 Marks)
- c) Explain challenges likely to be experienced by a firm that procures its material requirements from the local market. (8 Marks)

QUESTION FOUR (20 MARKS)

- a) Explain the challenges that the Ethics and Anti-Corruption Commission may face when dealing with unethical purchasing practices in the public sector. (8 Marks)
- b) Explain the benefits that may accrue to an organization from practicing ethical buying. (8 Marks)
- c) Discuss the importance of variety reduction and standardization. (4 Marks)

QUESTION FIVE(20 MARKS)

- a) Service quality is about ensuring customers, both internal and external get what they want. Elaborate on the concept of value analysis and value engineering. (8 marks)
- b) Highlight the contributions of a procurement plan in the procurement of public institution. (4 Marks)
- c) Using relevant examples Highlight the benefits of having different procurement methods in efforts to ensure fair and equitable competition for procurement opportunities. (8 marks)