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KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATIONS, 2022/2023 ACADEMIC YEAR
FIRST YEAR, SECOND SEMESTER EXAMINATION
FOR THE DIPLOMA IN PROCUREMENT AND SUPPLY MANAGEMENT
DPS 1105- PUBLIC PROCUREMENT AND FINANCE

Date: 27th July 2022

Time: 8.30am-10.30am

INSTRUCTIONS TO CANDIDATES:

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS
QUESTION ONE COMPULSORY (30 MARKS)

Kyle limited a semi-autonomous public entity whose main mandate is to control competition among private companies engaged in business activities that are same or similar created by an Act of Parliament five years ago and has been in operation for that long. The organizational structure has the board of management which is non-executive with its secretary as the CEO who is also the Accounting Officer. Under the CEO there are various directorates and departments then sections completing the organizational structure. Supply chain department under the Director Corporate Services and the head of department reports directly to the Director Corporate Services. The board in the recent past has been involved in the procurement process where it decides who to be awarded, which procurement method to use and even which merchant/ contractor to pay among other activities of procurement. The internal audit department which is charged with responsibilities of auditing systems and procedures of department has highlighted the following issues concerning procurement department which is contrary to various articles in the Public Procurement and Asset Disposal Act 2015.

- No time lines of procurement of goods, works, services and consultancy
- Incomplete information concerning individual procurement and, in some instances, information totally missing for some procurement
- High pending bills as a result of non-payment to merchants/contractors who have delivered goods or services to the organization
- Instances of highly priced items that have been paid for
- Staff in procurement have no requisite skills and training to handle procurement activities
- It was not clear how suppliers were identified before being invited to bid
- No evidence to show how goods were received, stored and distributed

- A lot of complaints had been received from the disadvantaged groups of discrimination where none of the groups had been awarded contracts and there was no evidence to the contrary.

REQUIRED

- a) Identify Five key areas that the organization has failed while procuring goods and services and give reasons. (5 Marks)
- b) In your opinion, is there any role the Board of Management play in Procurement? Support your answer. (5 Marks)
- c) Mention procurement ethical issues that may have arisen from the above case study. (5 Marks)
- d) Outline and discuss the reasons why you would advice Kyle limited to embrace technology in procuring their goods and services. (5 Marks)
- e) Compliance with law is a key principle of public procurement. Describe how public policy have strived to achieve this principle (5 marks)
- f) A procurement entity is mandated by the regulatory body (PPRA) of Procurement to manage Procurement process in their daily activities. Outline type of committees and explain their roles as stipulated in the regulation (5 marks)

QUESTION TWO (20 MARKS)

- a) The New Act, Public procurement and Asset Disposal 2015 has brought new procurement methods to enable challenging situations in the market. Explain in details the following incorporated methods:
 - i) Force Account
 - ii) Electronic competition
 - iii) Design competition
 - iv) Framework agreement
 - v) Two stage Tendering (10 marks)
- b) Enumerate the Historical development of public procurement in Kenya from pre-independence up-to-date. (10 marks)

QUESTION THREE (20 MARKS)

- a) Describe the procurement cycle in procurement of goods and services. (10 marks)
- b) A procuring entity shall prepare a procurement plan under for each financial year as part of the annual budget preparation process. Outline the contents of the procurement plan. (5 marks)
- c) Description/specification is a statement of the attributes of a product or service? it's a statement of requirements or a statement of the needs to be satisfied by the procurement of the external resource. Outline the purpose and contents of specification in a procurement entity (10 marks)

QUESTION FOUR (20 MARKS)

- a) Explain any sourcing policies and parameters for global sourcing of a supplier. (5 marks]
- b) Enumerate the role of green procurement in public sector procurement. (5marks)
- c) Discuss various bodies that regulates public procurement in Kenya, giving their roles and responsibilities. (10 marks)

QUESTION FIVE (20 MARKS)

- a) Negotiation refers to the process of conferring, discussing or bargaining to reach an agreement in business transactions. Highlight the objectives, styles and approaches of negotiation procurement. (10 marks)
- b) You have been appointed as a supply chain manager of Price Link Enterprises. The organization has requested you to present a paper on five different types of contracts commonly used and the future expectation in the Global market. Discuss (10 marks)