



MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

FOURTH YEAR FIRST SEMESTER EXAMINATION FOR

BACHELOR OF COMMERCE (PROCUREMENT & SUPPLY CHAIN MANAGEMENT)

BMS 426: PUBLIC PROCUREMENT MANAGEMENT

DATE: 3/12/2019

TIME: 8.30-10.30 AM

INSTRUCTIONS:

Answer Question ONE and any other TWO Questions.

GROUP INTERNATIONAL (KENYA)

MANDA Group International (Kenya) is an upcoming Kenyan company of its type whose slogan is “Buy Kenya Build the World”. The company supplies an extensive range of industrial components and services to a diverse customer base. Rapid expansion over the last five years has transformed the group from a traditional industrial distributor to a flexible provider of business solutions, focused on reducing customers’ costs. MANDA Group International is now the leading player in providing integrated supply packages to local and foreign customers.

To support the continued expansion and diversification of the group, MANDA Group International has established three new specialist divisions of Bearings and Power Transmission, Fluid Power and Integrated Services. The divisions will take responsibility for product strategy and development, procurement and inventory management supporting the Group’s established field sales organization. Because of these changes, a number of new opportunities are now available to develop challenging and rewarding results.

Required:-

- a) Explain the eligibility criteria as contained in the PP&ADA, 2015 that MANDA should be conversant with for effective competition for opportunities. (6 marks)
- b) As a Kenyan firm, highlight the ways in which the PP&ADA 2015 may favour MANDA. (6 marks)

- c) MANDA should be conversant with the Open tendering process. Describe this process. (6 marks)
- d) Highlight the offences that may lead to the debarment of MANDA from participating in procurement opportunities. (6 marks)
- e) Explain the causes of action available for MANDA to take as an aggrieved party in public procurement. (6 marks)

QUESTION TWO (20 MARKS)

- a) Explain five functions of the Public Procurement Regulatory Board in the process of regulating public procurement in the country. (10 marks)
- b) Public procurement may vary or be similar in some aspects from one country to another. Discuss the criteria you would use when assessing public procurement systems of different countries. (10 marks)

QUESTION THREE (20 MARKS)

- a) Just like any other organization, public entities are expected to manage procurement costs. Explain the challenges that Public entities may face when managing such costs. (10 marks)
- b) For the purpose of managing complex and specialized procurement contracts the Public Procurement & Asset disposal act 2015 requires that Contract Implementation Team be established. Highlight the limitations to effective operation of such a team (10 marks)

QUESTION FOUR (20 MARKS)

- a) There is specific information that ought to be treated with uttermost confidentiality in public procurement operations. Explain such kind of information. (10 marks)
- b) An accounting officer of a procuring entity, may, at any time, prior to notification of tender award, terminate or cancel procurement or asset disposal proceedings without entering into a contract where some conditions prevail. Explain five such conditions. (10 marks)

QUESTION FIVE (20 MARKS)

- a) Describe the procedure that may be followed by public entities when disposing unserviceable equipment by use of public auction (10 marks)
- b) Explain the circumstances that may favour the use of force account method of procurement in a public entity. (10 marks)

