



# **MACHAKOS UNIVERSITY**

**University Examinations 2021/2022 Academic Year**

**SCHOOL OF BUSINESS, ECONOMICS AND HOSPITALITY AND TOURISM**

**MANAGEMENT**

**DEPARTMENT OF BUSINESS ADMINISTRATION AND FINANCE**

**FOURTH YEAR FIRST SEMESTER EXAMINATION FOR**

**BACHELOR OF COMMERCE (PROCUREMENT)**

**BMS 426: PUBLIC PROCUREMENT MANAGEMENT**

**DATE: 22/8/2022**

**TIME: 2.00-4.00 PM**

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## **INSTRUCTIONS**

**Attempt Question one which is compulsory and then choose two other questions of your choice.**

### **QUESTION ONE (30 MARKS)**

#### **KERU AGENCY**

KERU Agency provides procurement and asset disposal services on behalf of all the state organs and public procuring entities except Parliament, Judiciary and Kenya Defense Forces (KDF). These services include both local and foreign. The Agency employs staff with the right technical competences in matters pertaining to procurement and asset disposal. The Agency is so efficient and effective that it gets top priority in handling most of the specialized and complex procurement requirements for its clients including the imports.

KERU Agency is under strict standing contractual obligation to handling all the procurement and asset disposal proceedings and processes in full compliance with the Public Procurement and Asset Disposal Act of 2015, Constitution of Kenya (2010), Public Finance Management Act of 2012, Leadership and Integrity Act of 2012, Regulations from National Treasury, Guidelines from Public Procurement Regulatory Authority and the general best practices.

To maintain continuous improvement and get value for money, KERU Agency as all the state organs and public procuring entities have installed Integrated Financial Management Information System (IFMIS) through the National Treasury. The National Treasury has taken upon itself to develop the capacity and capability of the users of the Integrated Financial Management Information System so as to enhance efficiency and effectiveness in procurement and asset disposal.

**Required.**

- a) Highlight FIVE challenges that the KERU Agency users of the procurement module inbuilt in the Integrated Financial Management Information System (IFMIS) are likely to encounter (10 marks)
- b) Highlight FIVE aspects that the agency should ensure when undertaking international open tenders. (10 marks)
- c) Highlight FIVE areas of conflict between the PP&ADA 2015 and other Acts or agreements that the agency should be familiar with. (10 marks)

**QUESTION TWO (20 MARKS)**

- a) Accounting Officers are mandated to establish an adhoc Evaluation Committee for each procurement. Explain FIVE duties that such a committee is expected to perform. (10 marks)
- b) Confidentiality is an ethical requirement for procurement officers. Describe FIVE general rules that relate to confidentiality in public procurement. (10 marks)

**QUESTION THREE (20 MARKS)**

- a) An audit of road construction projects in a county government in Kenya, revealed excessive cost-overruns. As a procurement specialist, explain SIX contracting weaknesses that may lead to such costs. (12 marks)
- b) Public procurement systems for different countries may be evaluated against four pillars using the Methodology for Assessing Procurement Systems (MAPS). Explain these FOUR principles. (8 marks)

**QUESTION FOUR (20 MARKS)**

- a) As a procurement officer of a Parastatal in Kenya, describe FIVE circumstances that would favour the use of trade-in method when disposing unwanted equipment. (10 marks)
- b) Public Procurement Administrative Review Board exists to hear and determine cases related to public procurement. In FIVE points explain the scope of the power of this board. (10 marks)

**QUESTION FIVE (20 MARKS)**

- a) Public Procurement Code of Ethics for Procuring Entities, 2011 contains the expected ethical behavior in a public entity. Explain FIVE impediments to procurement officers when

adhering to this requirement.

(10 marks)

- b) Explain FIVE functions of the Public Procurement Regulatory Authority (PPRA) in the regulation of public procurement in Kenya. (10 marks)