



MACHAKOS UNIVERSITY

University Examinations for 2018/2019 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

**FOURTH YEAR SPECIAL/SUPPLEMENTARY EXAMINATION FOR
BACHELOR OF COMMERCE (PROCUREMENT AND SUPPLY CHAIN
MANAGEMENT OPTION)**

BMS 426: PUBLIC PROCUREMENT

DATE:

TIME:

INSTRUCTIONS

Answer Question One And Any Other Two Questions

PITTO GROUP INTERNATIONAL (KENYA)

PITTO 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. PITTO 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, PITTO 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 PITTO 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 PITTO. (6 marks)
- c) PITTO should be conversant with the Open tendering process. Describe this process. (6 marks)
- d) Highlight the offences that may lead to the debarment of PITTO from participating in procurement opportunities. (6 marks)

QUESTION THREE

- a) Just like any other organization, public entities are expected to manage procurement costs. Explain the ways in which such costs can be managed. (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 role of this team in contract implementation. (10 marks)

QUESTION FOUR

- a) There are specific requirements which should be included when describing a procuring entity's technical requirements with respect to the goods, works or services being procured. Explain five such requirements (10 marks)
- b) Highlight the Prohibitions and offences that a procurement officer is supposed to be aware of while discharging his/her procurement duties. (10 marks)

QUESTION FIVE

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