

The  
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DIPLOMA UNIVERSITY EXAMINATIONS  
SCHOOL OF MANAGEMENT AND LEADERSHIP  
DIPLOMA IN SUPPLY CHAIN MANAGEMENT

DSM 103 : PROCUREMENT OF GOODS,SERVICES AND WORKS

DATE: 5<sup>TH</sup> DECEMBER 2024

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **FOUR** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **10 MARKS** each.
7. Write all your answers in the Examination answer booklet provided.

**QUESTION ONE**

Read the Case Study below carefully and answer the questions that follow:

**MOSORIOT TEACHING AND REFERRAL HOSPITAL (MTRH)**

The Mosoriot Teaching and Referral Hospital (MTRH) in Nairobi which is under the Ministry of Health advertised a national tender for supply, delivery and installation of dialysis machines. The procurement department used the technical specifications that were provided by the user department. The head of the user department had obtained the specifications from a supplier, a local dealer of one of the European Manufacturers of dialysis machine. The specifications made reference to the brand name of the machine/manufacturer.

Two days after the advert, the head of the procurement unit received a number of emails from several suppliers seeking for clarification on the specifications. One of the suppliers, Health Equipment Distributors Limited applied to the Public Procurement Administrative Review Board (PPARB) seeking orders to cancel the tender citing skewed specifications to favor a specific supplier.

The Secretary to the Review Board wrote to MTRH instructing the procuring entity to stop the procurement proceeding until the case is heard and determined by the Board.

**Required:**

- a) Recommend to MTRH Four main approaches to specification development  
(8 Marks)
- b) Illustrate the process followed in developing specifications for procurement of the dialysis Machine  
(12 Marks)
- c) Suggest five mitigation approaches in specification development that MTRH may consider in future.  
(10 Marks)

**QUESTION TWO**

- a) Describe FIVE roles of public procurement regulators.  
(5 Marks)
- b) Outline FIVE distinct principles that guide procurement in third-sector organisations.  
(5 Marks)

**QUESTION THREE**

- a) State FIVE effective ways of handling unethical practices in procurement and supply  
(5 Marks)
- b) Describe FIVE contents that should be included in the invitation to tender.  
(5 Marks)

**QUESTION FOUR**

- a) Explain the role of user department in the preparation of bidding documents.  
(5 Marks)
- b) Outline the procedure followed by public sector buying organizations in the terminating of a contract.  
(5 Marks)

**QUESTION FIVE**

- a) Describe factors to consider when setting stock levels in an organization.  
(5 Marks)
- b) Discuss five (5) challenges brought about by the emerging trends in procurement of goods, services or works?  
(5 Marks)

**QUESTION SIX**

- a) Enumerate any five functions of a procuring unit in a public organization.  
(5 Marks)
- b) Define the following terms as used in procurement planning
- i. Profiling (1 Mark)
  - ii. Lotting (1 Mark)
  - iii. Aggregation (1 Mark)
  - iv. Packaging (1 Mark)
  - v. Grouping (1 Mark)

