

The
Management
University
of Africa



Sponsored by the Kenya Institute of Management

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

**DSM 103 : PROCUREMENT OF GOODS, SERVICES AND
WORKS**

DATE: 4TH AUGUST 2026

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:

THE PROCUREMENT OF MEDICAL SUPPLIES FOR NAIROBI COUNTY REFERRAL HOSPITAL

In January 2024, the Nairobi County Government embarked on a project to upgrade the Nairobi County Referral Hospital. This project involved procuring medical equipment, construction services for a new wing, and outsourced cleaning services for the facility. The County's Procurement Department was responsible for coordinating and overseeing all procurement activities, in compliance with the Public Procurement and Asset Disposal with technical experts and stakeholders.

For medical equipment, an open tendering method was chosen to attract qualified suppliers both locally and Act (PPADA) 2015. The department began by developing detailed specifications for each category of procurement—goods, services, and works—based on consultations internationally. For the construction works, a restricted tender was used due to the specialized nature of hospital infrastructure. For the cleaning services, a request for proposals (RFP) was issued to identify experienced service providers.

The procurement plans covered timelines, budgets, and responsibilities. Bidding documents were prepared following standard formats from the Public Procurement Regulatory Authority (PPRA). Bids were evaluated based on technical compliance, financial competitiveness, and supplier capacity. The department faced challenges, including delays in bid evaluations, suspected bid collusion among local contractors, and slow inspection of delivered equipment. Despite this, the hospital successfully opened the new wing by July 2025, and audits confirmed compliance with procurement laws, albeit with recommendations to improve future contract management and inspection procedures.

Source: *Developed for academic purposes based on typical procurement practices in Nairobi County, Kenya (Fictional Case Study).*

Required:

- a) Based on the case study, identify and explain the procurement methods used for each category (goods, services, and works). Justify their appropriateness.

(10

Marks)

- b) Discuss three key legal or regulatory requirements under Kenya's PPADA 2015 that the Procurement Department had to comply with in the case study.

(10

Marks)

- c) Suggest two strategies the department could implement in future to avoid the procurement challenges experienced in this case. Explain how each would improve procurement efficiency.

(10 Marks)

QUESTION TWO

- a) Critically analyze six ways in which the integration of Just-In-Time (JIT) inventory control system could impact the minimum, maximum, and re-order inventory levels within a manufacturing organization.

(6 Marks)

- b) Assume you are a supply chain consultant for a large agro-processing firm experiencing frequent stock-outs and overstocking. Propose a comprehensive inventory management strategy using at least three inventory control systems or techniques discussed in the course. Justify your choices.

(4 Marks)

QUESTION THREE

- a) Explain five reasons why organizations hold inventory as part of their inventory management and control practices.

(5 Marks)

- b) Describe five inventory control methods that procurement or stores officers can use to ensure efficient stock management.

(5 Marks)

QUESTION FOUR

- a) Explain five responsibilities of the Contract Implementation Team (CIT) as per the Public Procurement and Asset Disposal Act, 2015.

(5 marks)

- b) Discuss five essential elements of a valid procurement contract. **(5 Marks)**

QUESTION FIVE

- a) Examine five objectives of public procurement. **(5 Marks)**

- b) Describe the steps involved in the submission and receipt of tenders in public procurement.

(5 Marks)

QUESTION SIX

- a) Explain the importance of adhering to proper procurement procedures in public procurement.

(5 marks)

- b) Summarize five key factors that must be considered to ensure effective and compliant public procurement.

(5 marks)

