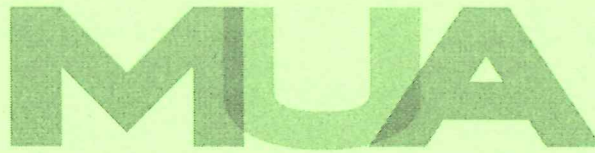


The
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UNDERGRADUATE UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP

PSM 301: PUBLIC SECTOR PROCUREMENT

DATE: 6TH AUGUST 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 **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. Write all your answers in the Examination answer booklet provided.

QUESTION ONE

Read the case study below and answer the questions that follow:

PUBLIC SECTOR PROCUREMENT

In many countries including Kenya serious allegations in regards to procurement of goods and services continue to surface. Millions of dollars is believed to continue being lost in shady procurement deals. Its increasingly becoming complex even to the investigating agents who in most of their investigated instances their findings are indicating that group or persons have been receiving kickbacks a term that is used to portray persons in society who are morally un upright.

A lot of information that is now in public domain is that procuring persons are distributing tender awards to their close relatives and friends translating to looting public money. In the past few years there has been great need for private sector procurement to align and replicate its procuring functions such that private sector procurement is conducted in a similar manner like the public sector.

Continuous reforms are urgently needed if the public who are beneficiaries have to feel a positive impact of public procurement. If scrutiny of public procurement process is not done or addressed, inefficiencies will contribute to unstable business environment. Moral uprightness should guide the team players in public procurement. As a country we need to develop our approach to good governance with international standards. Even if there seem to be a lack of international standards rules as a nation we need to learn from countries whose public procurement has through ages improved economies of such nations tremendously.

There has been a need to establish origin of weakness in procuring process as it has not been known whether there are loopholes at two stage selective tendering process or at post tendering stage. Other voices speculatively point at opening tenders stage as a weak point where activities take place in public procurement.

An approach of improving public procurement reforms should continue. Procuring persons or teams should be held responsible for their acts or omissions. Good

governance must prevail in the public sector as well as private sector. Our focus now and in future should be to improve accountability, transparency, and zero tolerance of corruption. In the manner that the current procurement regulations in Kenya is structured there are voices of different opinion who have pointed out that the creation of the tender committees for all public institutions under the chairmanship of the respective accounting officers underlines the powers of executive boards that are excluded from these committees even when big tenders are awarded. One of the examples in Kenya is where only two directors are authorized to sit in the tender committee. The accounting officer is not allowed to sit in any of the committees. Many projects will stall if public money is spending all over without value or money is being spent for non-existent goods.

Required:

- a) In reference to the case study, moral uprightness is needed, explain any five good morals that procurement officer should have (10 marks)
- b) From the case study, government services in Kenya spend billions of shillings on goods and services annually. Explain five challenges facing public procurement in Kenya (10 marks)
- c) Explain procurement activities in the post tendering stages (5 marks)

QUESTION TWO

- a) Explain five objectives or aims of the public procurement and disposal act (PPDA). (10 marks)
- b) Discuss five functional areas the public procurement and disposal act applies to. (5 marks)

QUESTION THREE

- a) The annual procurement plan of each procurement entity must include various details; explain any five items likely to be included in annual plans (10 marks)

- b) A procuring entity may use direct procurement as allowed as long as the purpose is not to avoid competition, explain five reasons to be satisfied
(5 marks)

QUESTION FOUR

- a) A procuring entity shall establish an inspection and acceptance committee; explain five function Inspection and acceptance committee perform.(10 marks)
- b) Discuss five details of termination of various members of the Public Procurement Oversight Authority
(5 marks)

QUESTION FIVE

- a) Explain any five aspects considered in contract termination
(10 marks)
- b) Define fraud in purchasing and discuss five examples of supplier related fraud
(5 marks)

QUESTION SIX

- a) Explain tender modification and discuss three ways how modification is done
(5 marks)
- b) Explain the responsiveness of tenders
(5 marks)
- c) When there is no effective completion for procurement locally, international tendering shall apply, explain the process
(5 marks)