



STRATHMORE BUSINESS SCHOOL
BACHELOR OF SCIENCE IN SUPPLY CHAIN AND OPERATIONS MANAGEMENT
END OF SEMESTER EXAMINATION
SCM 1204: PROCUREMENT OF GOODS, SERVICES AND WORKS

Date: Thursday, 15th April 2021

Time: 2 Hours

Instructions:

Question one is compulsory

Answer any other two questions

QUESTION ONE (30 MARKS)

- a) Using real life examples, explain the categories of procurement and give a distinction among them. **(6 Marks)**
- b) As a procurement officer in one of the manufacturing firms in Kenya, you have been tasked to come up with procurement frameworks guiding the structure for buyers. Point out the various types of buyers and explain which category you will prefer to apply in your procurement. **(6 Marks)**
- c) Discuss any TWO elements of a procurement plan. **(4 Marks)**
- d) Point out any TWO specification principles for specification writers. **(2 Marks)**
- e) Describe any TWO features of procurement in the public sector. **(2 Marks)**
- f) Distinguish between open tendering and restricted tendering. **(2 Marks)**
- g) List THREE participants involved in the preparation of bidding documents. **(3 Marks)**
- h) Discuss FIVE distinctive features that make service procurement different. **(5 Marks)**

QUESTION TWO (20 MARKS)

a) Nairobi is the capital city and most populated city of Kenya, with a population of about 4 million people. Its total procurement volume is \$ 1.5 billion per year, giving it a huge impact on the supply of goods and services within the Kenyan Market. The city has set a target for 90% of food served in municipal facilities to be organic. However, the city's produce on organic food lies below 40% and that means, a larger percentage will have to be procured from foreign sources. Procuring from foreign sources normally comes with its disadvantages and normally cost plays a role. That said, it's important for procurement function to understand all freight terms to aid in better negotiations before entering into an agreement. Using this information, explain using **FIVE** freight terms that procurement function need to take into consideration.

(10 Marks)

b) Using a practical example, explain **TWO** classification of works.

(4 Marks)

c) Using Strathmore University as a case of reference, explain **THREE** relationship of procurement department and other departments.

(6 Marks)

QUESTION THREE (20 MARKS)

a) Using practical examples, describe any **THREE** exceptional circumstances when single sourcing should be used.

(6 Marks)

b) You have been appointed as the University procurement officer for Strathmore University and your first assignment is on procuring laptops for first year students. Discuss any **THREE** procurement methods you are likely to use and give a stance on which one will take priority and why.

(14 Marks)

QUESTION FOUR (20 MARKS)

a) List and explain any **FOUR** elements of a bidding document.

(8 Marks)

b) You have been assigned to vet for specifications of a company within the automotive sector. Discuss **SIX** criteria for vetting the specifications.

(12 Marks)

QUESTION FIVE (20 MARKS)

a) As a buyer within the Strathmore University cafeteria, explain the procurement cycle to follow for the purchase of items to be used at the cafeteria.

(12 Marks)

b) Explain the various types of procurement sectors.

(3 Marks)

c) Using a practical example, describe any two essentials that a contract must satisfy.

(5 Marks)