



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: Friday, 13th March 2026

TIME: 16:00 – 18:00

INSTRUCTIONS

1. This examination consists of **FIVE** questions.
2. Answer **Question ONE (COMPULSORY)** and any other **TWO** questions.

QUESTION ONE

Read the case below and answer the questions that follow:

Citizen Blue Ltd., a small cleaning services company, intends to procure cleaning supplies for a new contract with a large office complex. The procurement officer has received quotations from three suppliers:

Item	Supplier X	Supplier Y	Supplier Z
Cleaning chemicals (Per box)	2,500	2,400	2,600
Cleaning Equipment (Unit)	15,000	14,500	15,500

Additional Information:

- Supplier X delivers on time but is slightly more expensive.
- Supplier Y offers the lowest price but limited after-sales service.
- Supplier Z has flexible payment terms but longer delivery times.
- Company policy encourages supporting local SMEs and ensuring timely delivery.

Required;

- a) Which supplier would you recommend for each item? Justify your choice based on cost, reliability, and company policy. **(6 marks)**
- b) Identify **FOUR** ethical issues that could arise in this procurement process and explain how they should be addressed. **(6 marks)**

- c) Outline **FOUR** reasons why clear specifications are important in this process. (4 marks)
 - d) Identify **FOUR** key stakeholders who need to be involved in this process, clearly stating their roles and interest. (6 marks)
 - e) Explain the role of a procurement plan in ensuring value for money in this scenario. (4 marks)
 - f) Explain **TWO** ways Citizen Blue Ltd can benefit from establishing collaborative relationships with its suppliers. (4 marks)
- (Total 30 marks)**

QUESTION TWO

- a) Mfalme Manufacturing Ltd seeks to source packaging materials internationally due to local supply shortages. Examine **FIVE** risks associated with this sourcing decision and mitigation measures. (10 marks)
 - b) Outline **FIVE** consequences of poor governance in public procurement. (5 marks)
- (Total 15 marks)**

QUESTION THREE

- a) In response to a directive by the National Treasury, a Kenyan public university has transitioned from manual procurement to the Electronic Government Procurement (e-GP) system. Explain **FIVE** challenges the university may face during the implementation of this system. (10 marks)
 - b) Outline **FIVE** advantages of using the open tender method in sourcing for organizational goods and services. (5 marks)
- (Total 15 marks)**

QUESTION FOUR

- a) A training institution plans to procure teaching equipment and support services for the next financial year. Explain **FIVE** factors that should be considered when preparing the procurement plan. (10 marks)
 - b) State **FIVE** functions of the procurement department in an organization. (5 marks)
- (Total 15 marks)**

QUESTION FIVE

- a) A private hospital based in Nairobi frequently procures medical supplies through emergency purchases, resulting in high costs, delayed deliveries, and frequent stock-outs. Explain **FIVE** actions the hospital should take to address these challenges.

(10 marks)

- b) Outline **FIVE** benefits that an organization may derive from effective procurement leadership.

(5 marks)

(Total 15 marks)