



STRATHMORE BUSINESS SCHOOL
BACHELOR OF SCIENCE IN SUPPLY CHAIN & OPERATIONS MANAGEMENT
END OF SEMESTER EXAMINATION
SCM 2203: PUBLIC PROCUREMENT

DATE: Friday, 13th December 2024

TIME: 08:00 – 10:00

Instructions

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

QUESTION ONE

(30 MARKS)

Read the case study below and answer the following questions that follow;

MaxPower Ltd is a state corporation mandated to procure and distribute electricity countrywide at affordable rates while generating income for the nation. It has been in operation for the past one hundred years during which in recent years its sales have constantly dipped every financial year affecting profit margins significantly.

The Board of trustee and the Chief Executive Officer has realized the importance of restructuring their entire supply chain operations by enshrining key procurement principles and also incorporating sustainable procurement practices. This pronouncement was reached after various stakeholder meetings were held including views from a task force that was established by the ministry of energy. Issues identified which were perceived to be impediments to the operations of supply chain management functions, therefore, affecting the sales included: unreliable and costly sources of energy from producing companies, constant power failure to customers due to theft of transformers and other materials, lack of enough water to produce electricity due to climate change and global warming, and environmental degradation as a result of waste disposal. This has resulted in unsatisfied customers some opting to install solar panels as an alternative.

- a) Outline **Four** procurement principles that can guide MaxPower supply chain function. **(4 Marks)**
- b) Describe the **Four** role of public procurement in promoting economy. **(8 Marks)**
- c) Discuss **Five** major procurement reforms that may have affected the operations at MaxPower. **(10 Marks)**
- d) Explain **Four** key steps MaxPower, may take in achieving sustainable procurement **(8 Marks)**

QUESTION TWO**(20 MARKS)**

- a) Explain **Four** benefits to public entities in complying with procurement laws and regulations. **(8 Marks)**
- b) Illustrate **Three** ways in which bodies involved in procurement regulation can positively impact public sector entities. **(6 Marks)**
- c) Discuss **Three** sources of procurement laws in Kenya. **(6 Marks)**

QUESTION THREE**(20 MARKS)**

- a) Describe **Three** ways that eligibility criteria may have used in evaluating the consultant for the project. **(6 Marks)**
- b) Propose **Four** roles of an accounting officer in public procurement. **(8 Marks)**
- c) Evaluate **Three** responsibilities of the contract implementation team in the execution procurement. **(6 Marks)**

QUESTION FOUR**(20 MARKS)**

- a) Identify **Two** attributes of open tender procurement procedure that makes it the most preferred method. **(4 Marks)**
- b) Explain **Five** circumstances under which direct procurement may be permitted in public procurement practice. **(10 Marks)**
- c) Discuss **Three** circumstances when a buying entity may be allowed to use Community participation as a method of procurement. **(6 Marks)**

QUESTION FIVE**(20 MARKS)**

Read the case study below and answer the following questions that follow;

Ujuzi Construction Authority(UCA), a state Corporation under the Ministry of Transport intends to construct its headquarters at Upper Hill Nairobi at a cost of shillings Five Hundred Million. The project is to be implemented in a period of one year within the 2024 -2025 financial year. Some elements of works of this project is to be given to the special group suppliers that have the capacity to deliver.

The company does not have procurement capacity to conduct the procurement and contract implementation processes and it is also considering unbundling the procurement for efficiency purposes. The UCA Board of Management has hired you as the Director Procurement to oversee the procurement functions and the project implementation.

- a) Examine **Five** roles of the tender opening committee in the construction project. **(10 Marks)**
- b) Advise the Chief Executive Officer on the composition of the evaluation committee for this project. **(4 Marks)**
- d) Explain **Three** benefits UCA may get from unbundling procurements. **(6 Marks)**

***** **END*******