

UGANDA MARTYRS UNIVERSITY
FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT
BAM II

COURSE UNIT: Pro 2201: PROCUREMENT MANAGEMENT PRINCIPLES

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Introduction

Purchasing and procurement have become of strategic importance to firms, in helping them achieve their goals and objectives. This is only possible if the proper purchasing and disposal procedures are followed. This course will introduce students to the basic concepts in procurement and the processes involved in both public and private sectors thus exposing them to the aspects that will enable them appreciate the importance of procurement management in today's competitive environment.

This course unit has been designed to guide students and other practitioners in the use of government's and non government procurement processes and tools such that:

- The expectations of procurement policy and contracts are met as efficiently as possible;
- The risks to the agencies from inappropriate procurement practices and decisions are minimized; and
- The right goods and services are acquired with the best value for money and made available at the right place in a timely manner.

Responsibility for procurement in public and private sectors is shared between program Ministries, government agencies, NGOs, and service providers of these bodies. This course unit identifies:

- Who has the authority to purchase in specific circumstances;
- The tools that are available to simplify the procurement process and meet the expectations of policy, trade agreements, and contract law;
- The standard terminology for core government procurement and non-government processes and tools; and
- The resources available to provide assistance and advice.

Course objectives

- To enable students appreciate the role of procurement/purchasing in making organizations competitive in today's business environment through cost efficiency and quality
- To enable students appreciate the emerging changes in procurement and its increased interest

- Understanding the procurement cycle and methods, procurement procedures and processes in both the public and private sector
- To enable students appreciate the role procurement planning, evaluation, disposal, contract management and ethics in procurement to the organizations

Mode of assessment

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| • Take home assignments | 25% |
| • Course work tests | 25% |
| • Final Exam | 50% |

Teaching methods

- Straight lectures, Handouts, Group and class discussions

COURSE CONTENT

Introduction to procurement management principles

- ❖ Meaning of procurement
- ❖ The evolution / trends of the procurement function
- ❖ Differences between old and new procurement
- ❖ Reasons for the increasing interest in the field of procurement
- ❖ Procurement and other terms and concepts
- ❖ The strategic goals and objectives of procurement
- ❖ Basic public procurement principles

Methods of procurement

- ❖ Methods used in public procurement
- ❖ Methods used in private procurement
- ❖ Advantages and conditions of using a particular method
- ❖ Thresholds in procurement

The procurement management cycle

- ❖ Meaning and purpose
- ❖ Private procurement process
- ❖ Basic public procurement process

Procurement planning

- ❖ Why planning
- ❖ Conditions needed for planning
- ❖ Contents of procurement plan
- ❖ Advantages of a procurement plan

Bid evaluation

- ❖ Conditions needed for proper evaluation
- ❖ Types of evaluation
- ❖ Parties involved

Disposal procedures and processes

- ❖ Meaning
- ❖ Reasons for disposal
- ❖ Disposal methods
- ❖ Conditions under each method

Contract administration and management

- ❖ Introduction and definition of a procurement contract
- ❖ Types of procurement contracts
- ❖ Conditions under which type of contract may be used

Procurement structure of an organization

- ❖ Introduction
- ❖ Centralised and decentralised structures
- ❖ Advantages of each
- ❖ Purchasing tasks and responsibilities
- ❖ Relationship with other departments

Documents used in the Procurement process

- ❖ Procurement requisition
 - ❖ Bid documents
 - ❖ Purchase order and other documents
 - ❖ Purchasing manual
- Meaning, contents, relevancy of each in Procurement Mgt. Principles, and challenges

Procurement ethics

- ❖ Meaning
- ❖ Relevance of ethics to Procurement officers, entity and providers.