

UGANDA MARTYRS UNIVERSITY
BACHELOR OF BUSINESS ADMINISTRATION AND MANAGEMENT
BBAM III EXAMINATION 2012/2013

Pro 2201: Procurement Management Principles

Date: Saturday 24th August 2013

Time: 2.00pm-5.00pm

Instructions

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1. Question one is compulsory. Answer question one and any three other questions
 2. DO NOT WRITE ON THIS QUESTION PAPER
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Question one

Case study

Mr. Hyna is the LCV of one of the Districts in Uganda. Last week, he invited Mr. Mwaana w'Omwami (the Chief Administrative Officer) to his office and directed him to procure two motor vehicles for use at the district. Mr. Hyna gave Mwaana w'Omwami a copy of the advert he had sent for publication in Bukedde Newspaper inviting for bids. Mwaana w'Omwami protested the content of the advertisement and how the whole procurement activity was being handled, but Mr. Hyna overruled him and reminded him that he is in charge of the district and does not expect any insubordination. The following day the advert came out in Bukedde, reading;

Opportunity to supply Toyota land cruiser cars

"Hurry, hurry. A golden opportunity awaits for the people of remote district only. You are invited to supply two Toyota land cruiser cars worth Ug.shs 60,000,000/= each. The award will be on first come first serve basis. Please submit your bids in duplicate (one open and another one sealed) to the LCV Chairman in person. I can be reached at Spices Pork Joint in Rubaga in the evening".

On Friday, Darwin and Delvin proceeded to Spices Pork Joint and upon presenting the bids to Mr. Hyna, he declined to receive them saying that he had already identified the suppliers.

The following day, together with his secretary, evaluated the bids they had received and awarded the contract to the person of their choice who happen to be the husband of the secretary.

Barlene (the Direct PPDA) has learnt of this predicament and has requested for the evaluation report from the LCV Chairman. To Barlene's amusement, the Chairman (Mr. Hyna) has told her to go to hell arguing that he is elected by the people and is answerable to no one other than the people of his district who elected him but not the PPDA.

TASKS

- a. Identify the irregularities that surround the procurement procedures in the case. **(18marks)**
- b. Advise the PPDA on what it should do. **(6marks)**
- c. Describe the appropriate procurement methods that Mr. Hyna should have employed so as to achieve value for money. **(10marks)**
- d. Why do you think that procurement methods identified in part (c) above is the most appropriate in such a case? **(6marks)**

Question two

- a. Define the term 'ethics' and explain the benefits of ethics in business world. **(8marks)**
- b. Why do you think procurement officers engage themselves in unethical acts? **(4marks)**
- c. What are some of ethical code of conducts known to you? **(8marks)**

Question three

As a newly appointed manager of a busy organization, argue the case to management of the company of your choice that procurement is not a single activity but a process. **(20marks)**

Question four

- a. What can go wrong if procurement contracts are not managed well? **(10 marks)**
- b. What are the benefits and common problems encountered in trying to achieve effective contract management? **(10marks)**

Question five

Evaluation is very important in determination of a suitable service provider in regard to organizational requirements.

- a. Discuss the major obstacles that may be faced during the assessment and examination of bid **(10marks)**
- b. State the qualifications of the evaluation committee members in public procurement **(10marks)**

Question six

- a. Why would an entity be interested in disposal of an asset? **(6marks)**
- b. Identify and explain the circumstances under which public auction method would be recommended **(8marks)**
- c. What are the major considerations in selection of a suitable disposal method? **(6marks)**

Good luck