

**UGANDA MARTYRS UNIVERSITY**  
**FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT**

**PROCUREMENT MANAGEMENT PRINCIPLES**

**Examination**

**2015 – 2016**

**2<sup>nd</sup> SEMESTER EXAM**

**BAM II Nkozi & Rubaga**

**Date: Monday 2<sup>nd</sup> May 2016**

**Time: 2.00 pm to 5.00 pm**

**Instructions**

Read the following before answering the examination questions.

- a) Do **NOT** write anything on this question paper.
- b) Answer **QUESTION ONE** and any other **THREE** questions
- c) Begin a new number on a fresh page
- d) Credit will be given for use of relevant examples and illustrations
- e) Mobile phones are **NOT** allowed in the examination room

### **QUESTION ONE (COMPULSORY)**

Mr. Kagole has been a Procurement Officer in one of the ministries of Uganda. It is said that his work has been characterized by both boom and cool situations. One report from that ministry quoted him to be used to practicing; bid trading, bribery gifts and gratuities, collusion and employees form companies, leakage of confidential information to those who do not need to know, conflict of interest, taking official decision outside office. Sometimes when things are not going well in his office, he could think of improper use of evaluation criteria, vendor collusion to win contracts in turns, restrictive specifications to bar bidders, unfair trade practices. His family is located in the country side and he has 5 children from 4 wives. He has also adopted 6 children. When it is time for school fees, he uses government money to clear school fees bills. In recovering this money, Mr. Kagole is said to have done bid collusion, bid trading and bid rigging.

This procurement Officer sometimes presents unfolded invoices, other times makes many orders to one supplier other than sole sourcing. In other circumstances, the procurement process lacks supporting documents. When asked about such conducts, he cannot give clear explanations, and has never gone for leave for over 5 years. As if this is not enough, most of the Saturdays, Mr. Kagole is fond of sitting and enjoying a tray of fatty pork at Kid pork joint while washing it down with some ice cold tusker larger. Some other evenings over the weekends is seen at Club Ambiance shaking his folded body.

#### **Required;**

- a. Define corruption and fraud in the context of procurement **(2marks)**
- b. With reference to the case study above, give the most common red-flags of procurement fraud **(6 marks)**
- c. As a student of procurement explain how you would prevent and or control procurement fraud. **(10 marks)**
- d. Explain unethical issues that were practiced by Mr. Kagole **(10 marks)**
- e. Identify and explain unethical aspects in the procurement process **(12 marks)**

## **QUESTION TWO**

Write a report to your CEO explaining how the following contract types may be used in an organization when acquiring items for a new project.

- a. In your report identify the items suitable for each contract type. **(10 marks)**
  - i. Lump sum contracts
  - ii. Force on Account
  - iii. Ad-Measurement contracts
  - iv. Retainer contracts
  - v. Cost reimbursable contracts
- b. Discuss the factors to consider when selecting the contract types in (a) above **(10 marks)**

## **QUESTION THREE**

Disposal procedure involves successive stages in the disposal cycle, including planning, choice of procedure, measures to solicit offers from bidders, examination and evaluation of those offers and award of a contract.

- a. Using relevant examples explain the general principles of public assets disposal **(10marks)**
- b. What major challenges do entities face during the disposal of assets? **(10marks)**

## **QUESTION FOUR**

Bid evaluation is a very important stage in the procurement cycle in that the best evaluated bidders is identified during this process. Using your knowledge of procurement management principles

- a). Describe the bid evaluation process **(15marks)**
- b). Propose evaluation methodologies evaluators can use to identify the Best Evaluated Bidder **(15marks)**

### **QUESTION FIVE**

The choice of a procurement method depends on the value of the estimate given by the users, type of procurement and circumstances of the procurement. Explain any **FIVE** procurement methods of your choice and highlight advantages procurers will benefit from using such methods. (20 marks)

### **QUESTION SIX**

- a. Why may a supplier be interested in bidding for a product? (10 marks)
- b. Discuss any five major guiding principles of public procurement (10 marks)

***End of Question Paper***