

**UGANDA MARTYRS UNIVERSITY, NKOZI/LUBAGA
CAMPUS**

**FACULTY OF BUSINESS ADMINISTRATION AND
MANAGEMENT**

DEPARTMENT OF MANAGEMENT SCIENCES

BAM 2, BSC ACC& FIN III SEMESTER TWO 2017/18

COURSE UNIT: PROCUREMENT MANAGEMENT PRINCIPLES

DATE: Wednesday, 9th May 2018

Time allowed: 9:30am- 12:30pm

Instructions to Candidates:

Read the following before answering the examination questions.

- 1) Do not write anything on this question paper.
- 2) Write neatly and show all workings clearly.
- 3) Start every question on a new page
- 4) Clearly state the question number & sections attempted
- 5) Answer **any four** questions, Section **A** is Compulsory

SECTION A

ANSWER BOTH QUESTIONS

Case Study: NSSF Pension House Saga

The project that has so far ensured the completion of the foundation level by Uganda's Roko construction, that each stage would be contracted to a different building company. Information around alleges that bribery and favoritism as major forms of procurement malpractice has bogged down the procurement process to the extent that an earlier approved contractor has been kept waiting for a full year, and yet known procurement principles do not encourage these kinds of traits. Transparency, accountability, fairness and other ways of professional conduct are the recommended practices of any procurement process world over.

It is alleged thought that a Chinese firm, China Civil Engineering Construction Corporation (CCECC) was evaluated the best bidder in January 2013. However, NSSF has since reportedly sat on CCECC's bid papers with the effect that the firm cannot be given a green light by the Fund's board. As CCECC awaits the final approval, claims are now emerging showing that NSSF lost faith in the earlier procurement process altogether and wants to hire a new firm to carry out a fresh procurement and evaluation process. Investigations reveal that the Fund managers are in silent talks with a private consultant De Point Development Consultants to do the new procurement process. This would however prove immensely costly to the Fund and its savers since it would mean spending millions and possibly billions in taking on a new procurement expert, to mention the fact that the Fund already spends heavily on its internal procurement department. CCECC will also likely resort to court for breach if it is able to convince the judges that it indeed had been selected as the most competent firm

Required:

QUESTION ONE

- a) Define the term 'Procurement Process'. **(2 Marks)**
- b) With relevant examples, examine the various public procurement principles NSSF managers should have observed in the Pension House procurement **(13 Marks)**
- a) Briefly examine why you would think procurement corruption is increasingly becoming rampant among organizations nowadays **(10 Marks)**

QUESTION TWO

- a) What do you understand by the term 'Procurement Malpractice', as used in the case above **(3 Marks)**
- b) Describe the various forms of malpractices that have affected public procurement performance of the NSSF Pension House **(13 Marks)**
- c) Propose a range of strategies Government can use to prevent the various forms of corruption mentioned in (b) above **(9 Marks)**

SECTION B
CHOOSE ANY TWO QUESTIONS

QUESTION THREE

- a) Define the term ‘Centralized Procurement’? **(3 Marks)**
- b) With relevant examples, discuss why one would campaign for a centralized procurement system as opposed to that which is decentralized. **(12 Marks)**
- c) Briefly explore the disadvantages of decentralized procurement management. **(10 Marks)**

QUESTION FOUR

- a) What do you understand by the term ‘Disposal Management’? **(2 Marks)**
- b) Examine the factors that determine ones choice of a given disposal method **(10 Marks)**
- c) Using appropriate examples, discuss the various methods of disposal that can be used by an organization. **(13 Marks)**

QUESTION FIVE

- a) What are ‘Preliminary Supplier Evaluations’? **(6 Marks)**
- b) With local examples, examine the principles of supplier evaluation that managers ought to consider is conducting an evaluation exercise **(10 Marks)**
- c) Briefly describe any three supplier evaluation methodologies. **(9 Marks)**

QUESTION FIVE

Briefly describe the following concepts as used in Procurement Cycles:

- a) Procurement Planning **(5 Marks)**
- b) Specification Development **(5 Marks)**
- c) Procurement Thresholds **(5 Marks)**
- d) Statement of Procurement Ethics **(5 Marks)**
- e) Green Procurement **(5 Marks)**

-----*Good Luck*-----