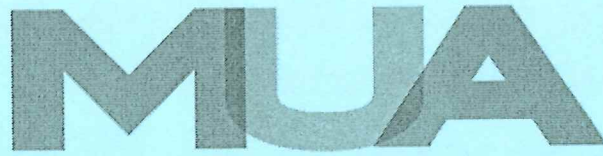


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**DIPLOMA UNIVERSITY EXAMINATIONS**  
**SCHOOL OF MANAGEMENT AND LEADERSHIP**  
**DIPLOMA IN SUPPLY CHAIN MANAGEMENT**

**DSM 104 : PUBLIC AND INTERNATIONAL PROCUREMENT.**

**DATE: 1<sup>ST</sup> APRIL 2021**

**DURATION: 2 HOURS**

**MAXIMUM MARKS: 70**

**INSTRUCTIONS:**

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **FOUR** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **10 MARKS** each.
7. Write all your answers in the Examination answer booklet provided.

## QUESTION ONE

Read the Case Study below carefully and answer the questions that follow:

### COMPLIANCE OF TENDER PROCEDURES

Tenders for the supply of various items for the National Youth Service have been cancelled for processing through the e-procurement platform.

Debarment and suspension of erring NYS contractors will send the right signals to other suppliers and this is an important tool for ensuring compliance with integrity-obligations of government contractors performing procurement actions for the government

While suggesting a way forward for procurement reform through early harmonization and consolidation of guidance, particularly in context of ongoing developments under state government regulations as well as those expected under the public procurement and disposal Act 2005 of the central government in Kenya, the President reiterated his directive for state institutions to adopt the e-procurement system to enhance transparency in tendering. Institution heads who fail to implement the orders once contractors are debarred or suspended are held responsible

He said this was also in a bid to monitor and streamline issuance of government contracts. Institution heads who fail to implement the order will be held responsible. The process will be conducted via the different components of the integrated Financial Management Information System rolled out by the government in 2014.

As is typically the case with government regulations in Kenya, executive guidance on the subject originates from the Director-General, public procurement oversight authority (PPOA)

#### Required

Use the above case to answer the following questions:

- a) List four grounds upon which NYS suppliers who breach procurement rules in accordance to the PPDA 2005 Act can be debarred by Public Procurement Oversight Authority. (8 marks)

- b) To avoid issues noted in the case above, Public Procurement and Disposal Act 2005 was enacted. Explain factors that lead to enactment of this Act  
(6marks)
- c) In case NYS decided to procure their goods internationally explain four points global sourcing strategy should address (8 marks)
- d) Explain the objectives of public procurement reforms Kenya (8 marks)

### QUESTION TWO

- a) Currency fluctuations impact negatively on international procurement. In two points, discuss the effects of currency fluctuations in international procurement. (4marks)
- b) Explain qualifications to be awarded contract for procurement (6 marks)

### QUESTION THREE

- a) Explain the procedures used in disposing of stores and equipment of a public entity that are unserviceable, obsolete or surplus (6marks)
- b) Explain the following procurement methods as applied in public procurement.
- i. Open tendering (2marks)
- ii. Restricted tendering (2marks)

### QUESTION FOUR

- a) Discuss three key differences between procurement and purchasing (6marks)
- b) Explain two major roles of Public Procurement legal system (4marks)

### QUESTION FIVE

- a) Define the following incoterms
- i. EXW-Ex Works (2marks)
- ii. CIF (2marks)

- b) Counter trade is a form of international reciprocal trade in which an order is placed by a purchaser to a supplier in another country on condition that goods of equal proportions will be sold in the opposite directions. Discuss types of counter trade (6marks)

**QUESTION SIX**

- a) Explain two impacts of world trade organization on international procurement (4marks)
- b) Why do organizations procure from international sources (6marks)