

KIBABII UNIVERSITY



**UNIVERSITY EXAMINATIONS
MAIN EXAMS**

2020/2021 ACADEMIC YEAR

THIRD YEAR SECOND SEMESTER

**FOR THE DEGREE OF BACHELOR OF
COMMERCE**

COURSE CODE: BCP 350E

**COURSE TITLE: GOVERNMENT AND PUBLIC SECTOR
PROCUREMENT**

DATE: 05/10/2021

TIME: 2.00 – 4.00PM

INSTRUCTIONS TO CANDIDATES

- 1) Answer Question **ONE**(Compulsory) and **ANY OTHER TWO** Questions
 - 2) Candidates must hand in their answer booklets to the invigilator while in the examination room
 - 3) Credit is given for legibility, clarity and use of relevant examples
 - 4) Question **ONE** is **30 marks** while Questions **2-5** carry **20 marks** each
 - 5) Clearly write your **Registration Number** on each answer sheet used
-

TIME: 2 Hours

KIBU observes ZERO tolerance to examination cheating

QUESTIONS : SECTION A

Question one – Compulsory (30 marks)

Case Study

Energy Generators and Transmission Ltd. Advertised bids for erection of 500kv transmission line of 100km length. The contract value was Sh. 45,000,000. The tender document stated the following:

- The tender would be awarded to the lowest bidder.
- Bidder must have general experience of at least 3 projects of similar complexity spanning 100km.
- Bidder must have all necessary equipment for erection of transmission line.
- Bidder must submit the list of equipment to be dedicated to the project. The list must include item descriptions.
- Delay in completion would attract a penalty of Sh. 2,000,000 per day.
- Non availability of equipment dedicated to this project would disqualify any bidder.

Seven bids were received. Kirenga, Smith and Mwanzo firms were considered the lowest priced after evaluation.

On close scrutiny, the three lowest priced bids appeared as follows:

- Kirenga did not confirm equipment availability because they could not prove ownership and commitment of the equipment to the project.
- Smith could not demonstrate the ability to handle at once a 100km project and could not prove ownership and commitment of equipment.
- Mwanzo met the general experience criteria and owned all the necessary equipment but could not indicate commitment of equipment to the project. Its past performance was okay but the price was one million shillings higher than the lowest bidder.

The ranking of the companies was as follows:

1. Kirenga – Lowest Priced Bidder.
2. Smith – Second Lowest Priced Bidder.
3. Mwanzo – Third Lowest Priced Bidder.

Required:

- a) Which firm would you choose as substantially responsive bidder for the project? Explain in detail. (10 marks)
- b) Since past performance was not specified criteria in the bidding documents, would you agree to its application by the procuring entity in the process of evaluation? Discuss (10 marks)
- c) Write short notes on each bidders suitability to implement the project (10 marks)

(30 marks)

QUESTIONS : SECTION B

Question Two (20 marks)

Explain why Government buying is different from private buying, by giving detailed comparison. Also bring out what are the concepts and values of good governance.

(20 marks)

Question Three (20 marks)

Write short notes on **any FIVE**.

- a) Consultancy contracts.
- b) Managing the contract.
- c) Importance of training of procurement personnel.
- d) Environment procurement.
- e) Open tendering the preferred option.
- f) Corruption Prevention
- g) Necessity of performance measurement.

(4 marks each)

(20 marks)

Question Four (20 marks)

- a) Tender committee is very important when it comes to tendering process.
Discuss FIVE functions of the tender committee

(10 marks)

- b) There are various methods used in procurement. Explain FIVE alternative procurement methods used in government and public procurement

(10 marks)

(20 marks)

Question Five (20 marks)

- a) Public procurement has to be done based on the laid down procedures and by following the necessary principles. Explain FIVE guiding principles which govern the administration of public procurement.

(10 marks)

- b) Responsible management of public and corporate funds is vital when handling this necessary process, whether in strong or weak economic markets. Following a proven step – by - step technique will help management successfully achieve its goals. Discuss the THREE steps of the procurement cycle.

(10 marks)

(20 marks)