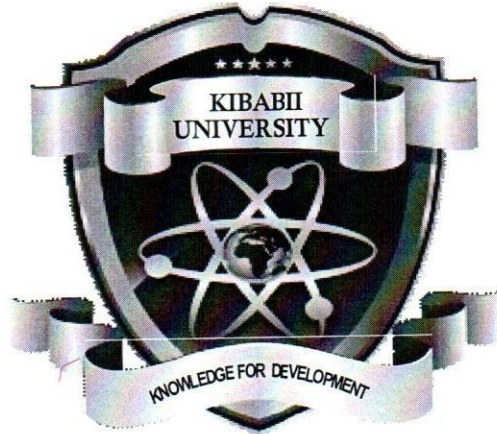


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# KIBABII UNIVERSITY



## UNIVERSITY EXAMINATIONS SPECIAL/SUPPLEMENTARY EXAMINATION 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: 19/01/2021      TIME: 8.00 – 10.00AM**

### 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

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### Case study

XYZ Ltd. is a large public corporation involved in provision of electricity to rural households. The procurement department has been a bee-hive of activities in the past five years due to the government program of providing electricity to rural households in every county. The procurement for the projects has largely been done the traditional way. The design of the engineering infrastructure is carried out by consultants, who also prepare the tender documents.

Contractors are then invited to bid via newspaper advertisements. The contractors respond by filling the tender documents from the employer.

Standard terms and conditions are used as part of the standard bidding documents for all the contracts. However, particular conditions of contract have normally been added to the standard terms of contract to cater for the peculiarities of each project.

All the contracts in the last five years have been awarded on a lump sum basis, based on detailed bills of quantities. However, over 80% of the contractors have ended up presenting variations and claims.

A particular clause in all previous contracts was that every contractor must be fully conversant with all contractual requirements and no claims would be accepted except claims due to the default or mistakes of the employer. Furthermore, every standard contract document had a clause on "sufficiency of tender". The contracts also did not permit alternative designs from bidders. A clause in the instructions to tenderers also stated that the standard terms and conditions of contract would be given second priority in the interpretation of the contract.

### Required:

- (a) Several contractors proposed that XYZ Ltd. should involve them in both design and construction on a turnkey basis in order to reduce variations and claims. Discuss whether it would be logical for XYZ Ltd. to grant this wish to future contractors. (10 marks)
- (b) Explain why it might have been necessary to award the contracts on a lump sum basis considering the public procurement regulations. (5 marks)
- (c) Explain whether it is appropriate to give particular terms and conditions priority over the standard ones. (5 marks)
- (d) Identify FIVE issues that may have made XYZ Ltd. incur claims from the contractors. (10 marks)
- (30 marks)**

## QUESTIONS : SECTION B

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### Question Two (20 marks)

- a) Explain the role of ethics and transparency in Public Procurement systems. Give examples
- b) One of the bodies involved in regulation of public procurement is the Public Procurement Regulatory Authority (PPRA). Explain FIVE responsibilities of PPRA
- (10 marks)  
**(20 marks)**



**Question Three (20 marks)**

a) Information Communication Technology is a catalyst in procurement process in the modern businesses. Explain FIVE importance of the use of ICT in government and public procurement process (10 marks)

b) Discuss FIVE important things to consider in procurement planning (10 marks)

**(20 marks)**

**Question Four (20 marks)**

Write short notes on **any FIVE**.

a) Importance of specifications in contracts.

b) Total cost of ownership.

c) Problems faced by SME's Small & medium Enterprises.

d) Role of Internet in procurement.

e) Electronic Data Interchange

f) Accountability

g) Anti-corruption considerations.

**(20 marks)**

**Question Five (20 marks)**

a) Streamlining the procurement practices is one of the key strategies for reforming the procurement process. Explain giving examples. (10 marks)

b) Why is contract administration and review important? Explain how it assists in effective procurement. (10 marks)