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**UNIVERSITY EXAMINATIONS
SPECIAL/SUPPLEMENTARY EXAMS**

2022/2023 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: 10/08/2023 TIME: 8:00AM-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
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TIME:2 Hours

QUESTIONS : SECTION A (Compulsory)

QUESTION ONE

M/s. ABC Ltd, a public security company, wanted to purchase Bullet Proof Jackets (BPJ) for its security guards at its various Offices and installation in Jharkhand and Odisha, which are affected by Maoist violence. Total requirement of BPJs was about 500. Company wanted to purchase the BPJs within one month as they had received information about security threat from security authorities.

The responsibility of purchase was given to a middle level Purchase Officer in head office at Delhi. Bullet Proof Jackets is a lifesaving sophisticated device. The manager initially approached a company from Hyderabad to whom technology was heard to be transferred by defense but there was no response for 15 days. Thereafter he mentioned the issue to a friend of him who mentioned that he knew an agent of a firm supplying BPJs. Next day Mr. R K Jain called on Purchase Manager through reference of the friend of Purchase Manager and mentioned he could arrange BPJs from one Indian Supplier within one month. Purchase Manager requested him to give a formal proposal which was submitted on 26/9/12 as under on behalf of M/s. URBR Ltd Delhi.

- a. Item: Bullet Proof Jacket
- b. Qty: 500
- c. Delivery: At consignee's place in Delhi
- d. Delivery period: Within One Month
- e. Rate: Rs.20000/- all inclusive per number
- f. Payment: 95% on delivery of stores to consignee and balance 5% after confirmation of receipt of stores in good condition.

Purchase Manager placed a supply order on 27/9/2012 for delivery by 31/10/2012 and other stipulations as above on M/s. URBR Ltd Delhi. M/s. URBR Ltd supplied 200 BPJs on 15-10-2012. Hyderabad based firm mentioned on 16/10/2012 that they can supply BPJs @ 15000/- per number within 15 days. On receipt of communication from Hyderabad firm, the Purchase Manager cancelled the supply order for balance qty of 300 without financial repercussions on 17-10-2012. M/s. URBR Ltd Delhi protested on 18-10-2012 and mentioned that they were ready with entire qty and requested for reinstatement of contract. Purchase Manager replied on 27-10-2012 that cancellation was in order.

M/s. URBR Ltd served a legal notice on 29-10-2012 for damages for the cost of unsupplied qty and forpayment of 200. Purchase Manager asked security personnel to test the BPJs by firing bullets fromAK47 at same place from 1 meter distance. The samples taken from BPJs supplied by M/s. URBRfailed in firing and Purchase Manager mentioned that no payment was payable as BPJs were of poorquality. M/s.URBR filed a case in Delhi Court for damages and payments in term of their legal notice.

Purchase Manager later found that the M/s. URBR's Memorandum of Association did not show them tobe in business of security devices. His friend refused to intervene in the matter.

Questions:

- a) Comment on the method of selection of supplier in this case
(10 marks)
- b) Comment on the specification and quality aspects to be included in tender and supply order.
(10 marks)
- c) Comment on the dispute resolution in contracts
(10 marks)
(30 Marks)

QUESTIONS : SECTION B

QUESTION TWO

- a) Discuss the main activities being carried out by the following committees
 - (i) Inspection and acceptance committee.
 - (ii) Disposal committee.
(10 marks)
- b) Discuss the essentials of good contract administration. Use a case example of a realcontract which was done or is being done.
(10marks)
(20 marks)

QUESTION THREE

- a) Discuss FIVE procurement methods used by modern firms to procure works, goods and services under the public procurement and Asset disposal act 2015 (PPADA 2015)

(15 marks)

- b) Briefly describe the procurement cycle.

(5 marks)

(20 marks)

QUESTION FOUR

- a) Enumerate various unethical practices in procurement and various ways of upholding ethics in procurement as per the procurement law.

(10 marks)

- b) The Public Procurement Act requires a procuring Entity to keep records for each procurement for at least six years. Discuss the content of procurement records as per the PPADA (2015)

(10 marks)

(20 marks)

QUESTION FIVE

- a) Discuss major public procurement reforms in Kenya highlighting the historical development of public procurement in Kenya.

(10 marks)

- b) Describe the major roles played by public procurement regulatory authority in Kenya.

(10 marks)

(20 marks)