



KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2018/2019

SECOND SEMESTER EXAMINATION FOR THE DEGREE OF

MASTER IN PUBLIC POLICY AND ADMINISTRATION

APP 811: PUBLIC PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

DATE: WEDNESDAY 3RD APRIL, 2019

TIME: 5.30 P.M - 8.30 P.M

INSTRUCTIONS:

ANSWER QUESTION ONE AND ANY OTHER TWO

QUESTION ONE (COMPULSORY) (30 MARKS)

Procurement in the public sector plays a unique role in the execution of democratic government. The manner in which the business of procurement is conducted is a direct reflection of the government entity that the procurement department supports. On average, total public expenditures by central and local governments (including consumption and investment expenditures) are estimated to account for about 10% of GDP. In addition, in some sectors, government procurement tends to be one of the most important source of sales (e.g. defense industry, health industry or research-related industries, construction, energy, transport equipment). Thus, if we can save a small portion of the public procurement expenditure, the government can relocate their resource to other valuable areas. How can this expenditure be saved? Even in private industry, cost savings and reductions of procurement materials and services have been considered to be one of the most important procurement activities to make a company successful and this can apply to public procurement as well. There are many ways and methods of affecting this, but first of all, management and public procurement officials have to understand cost structure, cost behavior and the supply market to maximize this opportunity.

- a) Even in private industry, cost savings and reductions of procurement materials and services have been considered to be one of the most important procurement activities to make a company successful and this can apply to public procurement as well. How do supply chain management enable public entities achieve this objective? [10 marks]

b) The manner in which the business of procurement is conducted is a direct reflection of the government entity that the procurement department supports. Discuss five procurement methods that public entities use when procuring goods and services (10 marks)

c) Evaluate the significance of the following concepts of public procurement.

- i. Evaluate committee (2 marks)
- ii. Procurement and asset disposal planning (2 marks)
- iii. Standard procurement and asset disposal documents (2 marks)
- iv. Confidentiality (2 marks)
- v. Powers to ensure compliance (2 marks)

QUESTION TWO (15 MARKS)

- a) Explain four reasons as to why supply chain forecasting is important in public procurement management (8 marks)
- b) Discuss seven roles of national treasury in public procurement and assets disposal (7 marks)

QUESTION THREE (15 MARKS)

- a) Explain four details that should be contained in the procurement records that an accounting officer should maintain (8 marks)
- b) A supply chain manager is supposed to ensure that all the processes in the supply chain are successful supply chain and indicate their applicability in Kenya's public supply chain management (7 marks)

QUESTION FOUR (15 MARKS)

- a) In performance of his/her responsibilities outline clearly eight ways an accounting officer of a public entity ensures that the public entity complies with the act? (8 marks)
- b) Discuss practical steps ;in improving supply chain vulnerability in the public sector (7 marks)

QUESTION FIVE (15 MARKS)

- a) Explain eight basic procurement rules that guide public sector procurement management (8 marks)
- b.) Explain the components of a service chain optimization system. (7 marks)