



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF BUSINESS

DEPARTMENT OF MANAGEMENT SCIENCE

UNIVERSITY EXAMINATION FOR:

**FIRST YEAR FIRST SEMESTER EXAMINATION FOR DEGREE OF MASTER OF
SCIENCE IN PROCUREMENT AND SUPPLIES MANAGEMENT**

BPC 5105: STRATEGIC PROCUREMENT AND SUPPLY MANAGEMENT

END OF SEMESTER EXAMINATION

SERIES: DECEMBER, 2016

TIME: 3 HOURS

DATE: Dec 2016

Instructions to Candidates

You should have the following for this examination

-Answer Booklet, examination pass and student ID

This paper consists of Choose No questions. Attempt question ONE (Compulsory) and any other TWO questions.

Answer question ONE Compulsory and any other THREE questions

Do not write on the question paper.

Question ONE (25 MARKS)

Public procurement in Kenya faces many challenges today and the procurement professional as employees of the government has borne the brunt of these challenges. The professional faces a very competitive tenderers who are ready to do anything they can to win bids while the Public Procurement and Asset Disposal (PPAD) Act 2015 must be adhered to the letter. A senior official in the Ministry of Treasury recently contacted the Public Procurement Regulatory Authority (PPRA) about how due process can be used to aid in the turning a round of the fortunes of this very crucial tendering process towards value for money. After some preliminary analysis towards proactive strategic purchasing, the authority in collaboration with private sectors player floating the idea of developing criterion with clear requirement solution for all bidders/tenderers

that could provide them with comprehensive guidelines. The analysis revealed that the current purchasing strategy across the country was very inefficient since it exposed the purchasing to being encroached by interested parties, the purchasing professional were unaware about the new guidelines required to conduct strategic procurement e.g the new Act PPAD 2015 as well as the chapter 6 of the constitution of Kenya about the techniques of strategic evaluation of bid documents, followed by professional recommendation and finally the approval by the Accounting Officer of a procuring entity. The proposed strategy (system) would be piloted in one procuring entity whereby all the professional employees will be provided with guidelines of strategic procurement and other techniques to help them to achieve objective of the proposed guidelines.

Required:

- a). Describe the potential bottlenecks of public procurement and suggest remedies to those bottlenecks. 15 marks
- b). In conceptualizing the above challenges facing procurement professional and the new PPAD 2015, how many methods can you identify to improve the inefficient tendering process? 10 marks

Question TWO

- a). Explain how you would characterize the completion strategy of a high end department store chain such as TUM and what are the key customer needs that TUM stores endeavor to satisfy. 10 marks.
- b). Mr. Wamono argues that strategic procurement is a collective pattern of coordinated decisions that act upon the formulation, reformation and deployment of procurement resources to provide support to the overall strategic initiative directed towards achieving goals. In view of this explain the benefits of strategic procurement management. 15 marks

Question THREE

Discuss how strategic purchasing and supply function could assist in the strategic requirements of closer link with major vendors and finally developments in the field of Electronic Data Interchange (EDI). 25 Marks

Question FOUR

The relationship between a procurement entity and a vendor is of considerable strategic importance. In view of this, justify this statement and explain the implications of this in respect to purchasing strategy. 25 marks

Question FIVE

Assume you have been appointed in one of the best organizations in UK as a strategic purchasing manager, and they have tasked you with the responsibilities of formulating strategic procurement checklist. In light of the above, explain any twenty procurement strategic formulation lists. 25 marks



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Question ONE

a). Describe any five features of an effective strategic purchasing and indicate where they are applicable in today's enterprises. 15 marks

b). With the aid of SWOT analysis, explain strategic planning steps and show what they mean in a good global sovereign strategy 15 marks

Question TWO

Describe the main five features of world class strategic procurement and explain the benefits of accessing quality procurement information. 20 marks

Question THREE

a). Explain any five core purchasing strategies and indicate where they are applicable in today's enterprises. 10 marks

b). Describe the Strategic cost reduction measures which you would endeavor to embrace during the procurement process. 10 marks

Question FOUR

a). Explain the necessary steps when developing strategic plans 10 marks

b). Global strategic sourcing often aims to exploit global efficiencies in the delivery of a product or service. Justify. 10 marks

Question FIVE

Describe the seven-step process under model plots categories and indicate their value in strategic procurement. 20 marks