



**UGANDA INSTITUTE OF INFORMATION AND COMMUNICATIONS TECHNOLOGY  
END OF SEMESTER I EXAMINATION ACADEMIC YEAR 2024/2025**

**DEPARTMENT : MANAGEMENT**  
**YEAR OF STUDY : ONE**  
**PROGRAM : PLM**  
**COURSE : FUNDAMENTALS OF PROCUREMENT MANAGEMENT**  
**COURSE CODE : PLM 1101**  
**DATE : SUNDAY 15<sup>TH</sup> DECEMBER, 2024**  
**TIME : 14:00-17:00 HOURS**  
**DURATION : 3 HOURS**

**INSTRUCTIONS:**

- i. This paper consists of TWO sections, SECTION A & B
- ii. Answer **FOUR (4)** Questions in all.
- iii. Section A is COMPULSORY, Answer any **THREE** questions from **Section B**
- iv. Credit will be given for the use of relevant examples and illustrations.
- v. Mobile phones are NOT allowed in the exam room.
- vi. **DO NOT** write anything on this question paper, rough work should be done in the answer booklet and cancelled through.
- vii. Start a new number on a new fresh page.

**SECTION A (THIS SECTION IS COMPULSORY)**

**QUESTION ONE**

*Provide short answers for the following items*

- a) Distinguish between procurement and purchasing as used in procurement management (04 marks)
- b) List four (4) types of relevant information on public procurement and disposal should be made public. (04 marks)
- c) Identify four (4) sources of information used by procurement personnel to develop specifications. (04 marks)
- d) State four (4) consequences of failure to maintain adequate procurement records in an organization. (04 marks)
- e) Outline the alternative dispute resolution between two or more parties in a contract. (02 marks)
- f) Summarize the functions of the Public Procurement and Disposal of Public Assets Authority as stated in PPDA Act 2003. (04 marks)
- g) Explain the following terms used in procurement;
  - i. Terms of Reference (02 marks)
  - ii. Direct procurement (02 marks)
  - iii. Prequalification (02 marks)
  - iv. Public record (02 marks)
- h) Give four (4) reasons for monitoring the performance of procurement contracts. (04 marks)
- i) Identify four (4) types of contract forms indicated in section nine of the bidding document. (04 marks)
- j) Find two reasons why standard bidding documents are used in procurement. (02 marks)

**SECTION B (Attempt any three (3) questions from this section)**

**QUESTION TWO**

According to the PPDA Act 2003, a procuring and disposing entity shall- maintain detailed records of all its proceedings; and preserve, maintain and safeguard all relevant documents it issues and receives. Based on your knowledge of procurement;

- a) Enlighten UICT stakeholders on the importance of records management in procurement management. (10 marks)
- b) Summarize the attributes of procurement documents. (10 marks)

**QUESTION THREE**

- a) As a member of evaluation committee of UICT, explain the different types of skills the committee should possess. (10 marks)
- b) Discuss the responsibilities of the chairperson in evaluating procurement bids. (10 marks)

**QUESTION FOUR**

- a) Describe the bidding process used in procurement of supplies. (10 marks)
- b) Identify the contents of a bid data sheet. (10 marks)

**QUESTION FIVE**

- a) The statement of requirements interfaces with other stages in the procurement cycle, explain **(10 marks)**
- b) As a procurement student educate procuring and disposing entities (PDEs) of ways of ensuring that the PDE produces the right statement of requirements. **(10 marks)**

**QUESTION SIX**

As a newly appointed intern in Ministry of Finance, inform your colleagues about;

- a) Items included in a procurement plan **(12 marks)**
- b) Factors that influence procurement planning. **(08 marks)**

**QUESTION SEVEN**

- a) Describe the Public procurement and disposal legal framework in Uganda. **(10 marks)**
- b) Outline ten (10) roles of the Ministry of Finance in public procurement. **(10 marks)**

**\*\*\*GOOD LUCK\*\*\***

Marking guide –Procurement management

QUESTION ONE

- a) Procurement is the business management function that ensures identification, sourcing, access and management of the external resources that an organization needs or may need to fulfil its strategic objectives. Procurement exists to explore supply market opportunities and to implement resourcing strategies that deliver the best possible supply outcome to the organization, its stakeholders and customers. Whereas procurement necessarily includes a contract development stage purchasing does not always include contract development. (2 marks)

Purchasing is another, while it may be used interchangeably with buying it is just part of procurement. Purchasing begins with the placement of a requisition, which upon approval, becomes a purchase order and is sent to a supplier (2 marks)

- a) All relevant information on public procurement and disposal should be made public e.g:
- Law, Regulations and the Guidelines;
  - Bid/bid opportunities;
  - Specifications/TOR/SOW;
  - Evaluation criteria;
  - Award decisions;
  - Pre-qualification lists;
  - Providers lists;
  - Procurement and disposal reports
  - Procurement and disposal work plans (6 marks)

**b) Sources of information**

- Users/User Departments.
- Business contacts e.g. suppliers/other buyers
- Special events such as fares, exhibitions
- Technological research institutions, government institutions and international institutions .e.g. UMA
- Published documents such as directories, consumer reports
- Records kept
- Internet (4 marks)

**c) Consequences of failure to maintain adequate procurement records**

Failure to effectively manage procurement records means:

- Decisions are taken on ad hoc basis without the benefit of records;
- Fraud cannot be proven and meaningful reporting and audits cannot be carried out;
- Government actions are not transparent;
- Citizens cannot protect or claim their rights;
- Citizens cannot make an informed contribution to the governance process; and
- A PDE's or even a country's memory is impaired. (4 marks)

d) alternative dispute resolution includes

- negotiation,
- mediation,
- conciliation and
- arbitration.

(4 marks)

e) The following are some of the functions of the Authority

- Advise government, Local governments and statutory bodies on procurement and disposal
- Monitor public procurement and disposal
- Prepare, update, and issue SBDs
- Approve any deviations from the use of SBDs
- Issue guidelines

(4 marks)

f)

**i. Terms of Reference**

A statement of requirements for the procurement of services is defined in the terms of reference or brief. The terms of reference, or brief, contain a clear, unambiguous and precise description of the services required including:

- a background narrative to the required services;
- the objectives of the services required and a list of targets to be achieved by a provider;
- a list of the specific tasks or duties to be performed;
- a schedule of deliverables for the assignment or outputs against which the achievements of the services shall be measured.

(2 marks)

**ii. Direct Procurement**

Direct procurement is a sole source procurement method for procurement or disposal requirements where exceptional circumstances prevent the use of competition. Direct procurement or disposal is used to achieve efficient and timely procurement or disposal, where the circumstances do not permit a competitive method. (2 marks)

**iii. Pre-qualification Method**

specifically, to obtain a shortlist Used of bidders, with the particular intention of ensuring that the bids are confined to potential bidders (2 marks)

**iv. Public Record**

“All documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business by any agency”.

**g) Purposes of monitoring are to:**

- Improve program performance through early identification of questions and issue resolution
- Identify potential problems that may require additional scrutiny
- Evaluate provider performance controls to ensure there is a reliable basis for validating service deliverables, and
- Assure that financial documentation is adequate and accurate so that costs will not be questioned later on.

(4 marks)

***h) Section 9. Contract forms***

- Bidding Forms
- Bid Submission Form
- Bid Security
- Price Schedule
- Qualification Form
- Agreement Form
- Performance Security

**QUESTION TWO**

**a) Importance of records management in procurement management**

- To Control the Creation and Growth of Records
- To Reduce Operating Costs
- To Improve Efficiency and Productivity
- To Assimilate New Records Management Technologies
  1. Ensure Regulatory Compliance
- To Minimize Litigation Risks
- To Safeguard Vital Information
- To Support Better Management Decision Making
- To Preserve the Corporate Memory
- To Foster Professionalism
- Foster accountability (10 marks)

**b) In general, procurement documents have the following attributes:**

- Requires potential bidders to submit all particulars for the employer to evaluate the bidder.
- All submissions to be set out in a clear, honest manner to ensure that the shortlist criterion is unambiguous.
- Clear definition of the responsibilities, rights and commitments of both parties in the contract.
- Clear definition of the nature and quality of the goods or services to be provided.
- Provisions without any prejudice to the interests of either party.
- Clear, easy to understand language. (10 marks)

**QUESTION TWO**

The evaluation committee should include members with a relevant type of skills and experience and the skills required should be determined by the nature of the procurement requirement, including:

- end-user representatives;
- procurement and contracting skills;
- financial management skills;
- technical skills relevant to the subject of the procurement;
- legal expertise; or
- industry development expertise.

- c) The chairperson of the evaluation committee should be responsible for:
- ensuring all members have a common understanding of the evaluation methodology and criteria to be used;
  - ensuring the evaluation is in accordance with all legal requirements and the provisions of the solicitation document;
  - chairing all meetings of the evaluation committee and ensuring that discussions are productive, open and participatory;
  - ensuring all members are aware of their responsibilities, including the need for confidentiality;
  - ensuring the security of bids and other documentation;
  - ensuring that decisions are made in a timely manner;
  - managing communications between the evaluation committee and a bidder or any other body;
  - ensuring that the evaluation committee has access to adequate resources; and
  - ensuring the final evaluation report is prepared accurately and on time

#### QUESTION FOUR

##### a) BIDDING PROCESS

- Request for Expressions of Interest
- Shortlist or Advertisement
- Bidding documents and Specifications/Terms of Reference
- Correspondence with suppliers relating to Bidding (pre-order)
- Bids, Quotations or Pro-forma invoices received
- Bid opening records
- Record of Bid Securities
- Evaluation Report
- Submission to Procurement Committee & relevant Minutes of decisions (10 marks)

b) This supplements the ITB by specifying details relevant to an individual bidding document. It gives clarity on:

- Name of Organisation/Procurement and Disposal Entity (PDE)
- Subject of Procurement
- Procurement Reference Number
- Medium of communication
- Language of bid
- No. of lots if a bidder may bid for if applicable
- Contact addresses and persons
- Any other documents submitted with the bid
- Alternative bids if applicable
- Scope of prices quoted (if adjustable & formula)
- Bid validity
- Bid security requirements (amount and type)
- No. of copies to be submitted.
- Currency to be used during financial evaluation and source of currency rate and date in case of conversions.
- Address and room, date and time for bid submission, bid opening and pre offer meeting.

- Packaging instructions etc.

#### QUESTION FIVE

- c) The statement of requirements interfaces with other stages in the procurement cycle;
- Needs identification
  - Procurement planning
  - Bidding process
  - Evaluation process
  - Contract management
  - Disposal
- b) **Ways of ensuring that the PDE produces the right statement of requirements**
- Ensuring that all users understand the mandate, strategy and objectives of the entity.
  - Effective budgeting & procurement planning system in place.
  - Effective communication.
  - Participatory approach (User, PDU, Mgt)
  - Functional PDE. (Carrying out research, having a data bank etc).
  - Using statement of requirement writers/ specialist where the entity has a deficiency.
  - Ensuring that the user is involved/agreement.

#### QUESTION SIX

- a) Items included in a procurement plan.

A procurement plan involves the

- identification and assessment of the need for the procurement,
- the methods to be used in the procurement process,
- how much to procure,
- estimated cost of the procurement
- the source of funds for the procurement, and
- when to undertake the procurement.
- a detailed description of the goods, services or works and
- specify the period when the goods, services or works would be required, and t
- he User Department that would require the same.

- a) Factors that influence procurement planning

A procurement plan is influenced by a number of factors. These include:

- value of the procurement;
- the type of procurement – for example, whether the procurement is sensitive, unique, high risk, or of strategic significance to the Procuring Entity’s success; and
- nature of the procurement – for example, whether it involves intrinsic risks and
- or process issues.

#### QUESTION SEVEN

- a) The Public procurement and disposal legal framework

- The Constitution of the Republic of Uganda (1995).
- PPDA Act and Regulations (2003)
- LGA Cap 243
- LGPPDA Regulations 2006
- PPDA guidelines
- Circulars

b) Summarise the roles played by ministry of finance in public procurement

<b>Role</b>
<ul style="list-style-type: none"> <li>• To enable formulate and implement policies and programs for the development of Uganda.</li> <li>• To develop performance standards for the Public Service.</li> <li>• To carry out inspection and monitor the performance of both the Central Ministries and Local Governments in order to ensure total compliance with the set standards, rules, regulations and procedures.</li> <li>• To offer technical guidance, where necessary, to facilitate improved service delivery at the least cost to the citizens of Uganda with the aim of realizing the PEAP (NDP) goals.</li> <li>▪ Monitoring and evaluating the implementation of Government policies and programs that fall within the mandate and portfolio of the Ministry of Public Service, and producing periodic reports.</li> <li>▪ Planning and carrying out inspections to ensure proper implementation of Public Service rules and regulations, and providing appropriate implementation guidelines.</li> <li>▪ Identifying performance bottlenecks against set targets/objectives and advising on possible solutions.</li> <li>▪ Reviewing and evaluating performance of Public Officers and identifying cases of excellent and/or poor performance with a view to recommending rewards and/or remedial actions.</li> <li>▪ Investigating and making appropriate recommendations on staff and public complaints.</li> </ul>