

# WOMEN'S UNIVERSITY IN AFRICA



*Addressing gender disparity and fostering equity in University Education*

---

**FACULTY OF MANAGEMENT AND ENTREPRENEURIAL SCIENCES**

---

**BACHELOR OF SCIENCE HONOURS DEGREE IN PURCHASING AND SUPPLY  
CHAIN MANAGEMENT**

**MAIN PAPER**

**PSM 122 : PURCHASING OPERATIONS**

**INTAKE 12 : FIRST YEAR SECOND SEMESTER**

**TIME : 2 HOURS**

**INSTRUCTIONS TO CANDIDATES**

Answer Question **1** and any other **two**.

## **Question 1**

### **Procurement guidelines for State entities**

The Regulations governing public procurement have a bearing on both the Procuring Entity (PE) and on the bidder with the former expected to design the procurement rules which the later should follow.

The decentralisation of procurement decision making means that each PE is now responsible for managing its procurement requirements. To this end, it is critical for all PE staff involved in public procurement to have appropriate knowledge and skills to achieve the best outcomes. Competent staff must possess both skills and knowledge about the new law.

### **Responsibility for procurement**

Section 14(1) of the PPDPA Act states that each PE shall be responsible for managing its procurement, where the value of the procurement requirement is below the prescribed financial thresholds stated below;

- (a) US\$200 000, in the case of construction works; or
- (b) US\$100 000, in the case of goods; or
- (c) US\$50 000, in the case of consultancy and non-consultancy services; PEs shall be responsible for managing their own procurement. For procurements above these financial thresholds, PE's must obtain authorisation from PRAZ to conduct procurement.

### **Authorisation to conduct procurement**

Section 15 (1) prohibits a PE from conducting any procurement in which the value of the procurement requirement is at or above the prescribed threshold unless the procuring entity has been authorised by the Authority.

This restriction means that every procuring entity that conduct procurement should have applied for authorisation to conduct procurement after January 1, 2018. Authorisation to conduct procurement shall be given in writing; and may be subject to such terms and conditions as the Authority may specify in the authorisation; and shall be valid for a period of two years from the date on which it is given, and may be renewed for further such periods. In other words, authorisation may be conditional and subject to renewal every two years.

### **Application for Authorisation Requirements**

The Third Schedule to the Act provides the requirements for the applications. These are:

- a) The nature of procurement proceedings to be conducted by the procuring entity that is the Procurement Plan; and
- b) The assignment of responsibilities for procurement within the procuring entity's organisation that is the organisational structure; and

- c) The identity of the procuring entity's accounting officer; and
- d) The structure of the procuring entity's Procurement Management Unit and names of individuals that may be used in evaluation committees; and
- e) The procuring entity's facilities for conducting procurement proceedings that is address and location of PMU that is procurement reports; and
- f) Particulars of procurement proceedings conducted by the procuring entity during the preceding two years; and
- g) Such other information as may be required in the application form or as the Authority may reasonably require.

The Authority may in relation to a procuring entity that fails to obtain authorisation to initiate or conduct any procurement proceedings at or above the prescribed threshold appoint another procuring entity so authorised to conduct such procurement on behalf of the first mentioned entity.

### **Renewal of authorisation**

Before the expiry of its authorisation, a procuring entity must apply to the Authority for renewal of the authorisation. On the other hand, the Authority shall continuously assess the following:

- (a) The continued capacity of authorised procuring entities to conduct procurement proceedings; and
- (b) The compliance of authorised procuring entities with the terms and conditions of their authorisation;

If the Authority considers that the entity no longer has the capacity to conduct procurement proceedings, or is contravening or failing to comply with any material term or condition of its authorisation, the Authority may cancel the authorisation or direct the entity to rectify the non-compliance, or may take such other measures to remedy the situation as the Authority considers necessary or desirable. However, before cancelling a procuring entity's authorisation, the Authority shall notify the entity concerned of the proposed cancellation and the reasons for it, and shall give the entity a reasonable opportunity to make representations in the matter.

### **Sensitisation workshop**

In order to capacitate its stakeholders on the Public Procurement and Disposal of Public Assets Act, PRAZ will be conducting a Breakfast Meeting Sensitisation Workshop on April 25, 2019 at ZITF in Hall 2. The Authority's stakeholders who would like to participate may contact PRAZ on the contact details above.

**Adapted from The Herald, April 11, 2019 by Praz CEO Mr Chizu**

### **Required**

a) Discuss the Decision Making Unit (DMU) players in public procurement entities such as those discussed above. [20]

b) Examine the objectives of public procurement that should be fulfilled by procurement professionals practicing in procurement entities as put across in the above passage. [20]

**Question 2**

Explore the different organisational buying influences giving practical examples. [20]

**Question 3**

Explain the factors to be considered when outsourcing services from external suppliers. [20]

**Question 4**

Evaluate the different criteria for appraising suppliers in order to ensure quality suppliers for the organisation. [20]

**Question 5**

With the aid of examples, examine the different aspects of quality control. [20]

**Question 6**

Discuss any **five (5)** ethical considerations for public procurement professionals as provided by the Procurement and Disposal of Public Assets Act ca. 22:23 of 2017. [20]

**END**