



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF BUSINESS, ECONOMICS AND ACCOUNTING

DEPARTMENT OF BUSINESS ADMINISTRATION AND MANAGEMENT

EXAMINATION PAPER

06 JUL 2022

COURSE CODE : CPS 403

COURSE TITLE : SUSTAINABLE PROCUREMENT

SPECIAL REQUIREMENTS : NO SPECIAL REQUIREMENTS

DURATION : 3 Hours

LEVEL : 4:1

DATE :

INSTRUCTIONS TO CANDIDATES:

1. No cell phones are allowed in the examination venue.
2. **QUESTION ONE IS COMPULSORY**
3. Answer **QUESTION ONE AND ANY THREE (3)** questions.
4. Begin each question on a new page.
5. The number of marks for each question or part question is shown in brackets []
6. Use of practical examples where necessary is encouraged

SECTION A

QUESTION ONE

Consider sustainable procurement

MANY reflect sustainable procurement in light of the values of particular individuals, organisations or society. My view of sustainability, though influenced by society, is tilted towards a meaning that gives value to the procurement process. In that light, it considers that procurement views sustainable procurement in its business context and detail its application in the function and environment of supply chain management in total. Sustainable procurement in this perspective is, therefore, a process where an organisation meets its needs for either goods, services and works in a way that not only achieves value for money but in a manner that considers the life cycle costs, economy and efficiency, the business case as well as minimising the damage to the environment.

Sustainability in procurement reviews the organisations' needs. Organisations needs are not limited to a single entity. Some organisations have several departments that share common resources and sustainable procurement, therefore, considers organisations requirements at an aerial view — breaking silo mentality that has eroded the principle. In that light, sustainability entails a coordinated approach to the purchasing of requirements of a common nature. The requirements can be goods, services or works. In order to ensure that common items required across sectors are effectively acquired, the organisation has to identify a lead agent in the procurement process, who is not subordinate to equal in the organisation structure. The head office is the appropriate office to coordinate procurement of goods, services or works that cut across many departments. These issues apply to both the public and private sector.

The definition of sustainable procurement relates to it as a process and not an event. Process is defined as a series of actions or steps undertaken to achieve a particular end. An event on the other end is a thing that happens at one particular incident. A process is, therefore, an activity that has a start date that can, be established and general results required known, whereas an event has a start and end date and associated results known. Organisations, therefore, require procedures to establish a sustainable procurement strategy that is specific, measurable, attainable, realistic and time bound.

There are many variations to value for money. It can be defined from an economic, accounting and even qualitative angle. From a qualitative angle, value for money is used in reference to something that is well worth the money spent on it. This meaning is subjective in the sense that the different grades of the needs and wants determine the worthiness of an acquisition. The subjective is important in that it relates to the requirements of one organisation independently of another.

In this case, value for money procurement relates to an outlay of cash that is in relation to what the organisation requires. In this case, if an organisation intends to replace a working solution for a desire of a new system, at the expense of other pressing requirements, then there is no value for money in that replacement. Economics reflects value for money in the context of opportunity costs. If an organisation spends a dollar, it must receive the same dollar in value.

Adapted: Newsday- August 1, 2016

- (a)** Evaluate the potential benefits of sustainable procurement. **(10 Marks)**
- (b)** What are the cost implications associated with operating an organisation under sustainable procurement principles? **(5 Marks)**
- (c)** Advise a Zimbabwean firm on why it is important to implement sustainable procurement in their daily operations. **(10 Marks)**