



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF BUSINESS, ECONOMICS AND ACCOUNTING

DEPARTMENT OF BUSINESS ADMINISTRATION AND MANAGEMENT

EXAMINATION PAPER

COURSE CODE : CPS 407
COURSE TITLE : PUBLIC PROCUREMENT
SPECIAL REQUIREMENTS : NO SPECIAL REQUIREMENTS
DURATION : 3 HOURS
LEVEL : 4.2
DATE : 06 OCT 2022

INSTRUCTIONS TO CANDIDATES:

1. No cell phones are allowed in the examination venue.
2. Answer question number **one (1)** in Section A (Compulsory) and any other **three (3)** questions in Section B.
3. Begin each question on a new page.
4. The number of marks for each question or part question is shown in brackets []

SECTION A

QUESTION ONE

Case Study: Roads

The Ministry of Transportation is planning a major road building project to improve access to the eastern regions of the country. The project will be funded from a special reserve created by the revenues from mining operations. The Ministry uses competitive international bidding procedures in a bid of securing the participation of major international road construction contractors. In fact, three such firms (from Belgium, South Africa and Italy) request the bidding documents, indicating their intention to submit competitive bids to the Ministry on a timely basis. In the interest of time the Ministry goes through a very limited pre-qualification procedure and does not schedule a pre-bid conference.

After bids are submitted and evaluated, the contract award is made to the Belgian firm, Tropical Construction, S.A. After receiving the mobilisation advance (20% of the contract price), Tropical Construction fails to move construction equipment to the country or otherwise take positive steps to perform the contract. The performance security submitted to cover the advance payment turns out to be an uncollectible issuance by a non-existent financial institution, Sunshine Securities, of the Bahamas. In short, Tropical Construction has defrauded the Ministry and the project is now a year behind schedule and millions of dollars in the red.

After investigation by the Office of Auditor General (OAG) in the Republic Zimbabwe, it is discovered that Tropical Construction is in fact a substantial firm doing road construction work in developing countries, but that the firm had experienced major difficulties completing projects in the last two years. On one road project in Vietnam, Tropical was not able to complete the work because local labour walked off the job unhappy with working conditions and slow payment. Another project in Honduras, funded by the Inter- American Development Bank (IADB), was terminated for default and both the Government of Honduras and the IADB had debarred Tropical from further work for a three-year period. In the Republic, the Ministry of Transport determined to conduct another round of bidding, with pre-qualification procedures and a pre-bid conference, to identify another international construction firm, with

assurance of **capability** and integrity. The Ministry also hired a law firm in Belgium to bring legal action against Tropical and circulated information about Tropical's fraud to the other ministries and departments urging them not to consider Tropical for future work.

- a. Evaluate the pre-qualification procedure and the applicability of pre-bid conference as used in the case study **[10 Marks]**
- b. Examine the competitive procurement procedures of the World. **[9Marks]**
- c. 'Once the fraud was discovered, the Ministry of Transportation take adequate measures to protect its interests.' Explain the measures the Ministry would take. **[6 Marks]**

SECTION B

QUESTION TWO

- a. Explain the procedures you would follow when procuring a building above ZWL 20 million. **[15 Marks]**
- b. Examine the challenges that many public procuring entities face in implementing Sustainable Public Procurement (SPP). **[10 marks]**

QUESTION THREE

Discuss the procedures you would use to implement framework agreements, giving any examples of your own choice. **[25 Marks]**

QUESTION FOUR

Evaluate the implementation of the emergency procurement. **[25 Marks]**

QUESTION FIVE

Outline the strengths and weaknesses of contracts used in public procurement in Zimbabwe citing specific practical examples. [25 Marks]

END

15/12 Am