



INDIAN INSTITUTE OF MATERIALS MANAGEMENT
GRADUATE DIPLOMA IN PUBLIC PROCUREMENT
Paper No.5
Negotiations and Supplier Management

Dec 2012

Date: 10.12.2012
Time: 2.00 p.m to 5.00 p.m.

Max Marks: 100
Duration: 3 Hours

Instructions:

Part A contains 4 questions, each question carries 10 marks. Attempt all 4 questions
Part B contains 7 questions, attempt any 4 questions. Each question carries 15 marks

PART-A

Answer all four questions. Each question carries 10 Marks. Total 40 Marks for this section.

Q1. State True or False:

- 1.1 Negotiation objectives should be ambitious but achievable, precise and measurable.
- 1.2 An organization ethics officer should be one of its top managers.
- 1.3 Only use logic on someone who will see it.
- 1.4 Negotiations stop after the contract is signed.
- 1.5 The agreement is not the end but the beginning.
- 1.6 Excessive approvals are one of public procurement's most common bottlenecks.
- 1.7 Different types of products and services do not require different procurement strategies.
- 1.8 Make sure that the value of change is higher than the cost of making it.
- 1.9 An internal agenda may not help to keep your team on track during the negotiations.
- 1.10 You need to measure the process as well as the outcome.

Q2. Write the full form of the following abbreviations as used in the context of public procurement.

- | | | | | |
|----------|----------|--------------|----------|------------|
| 2.1 AAA | 2.3 CISG | 2.5 UNICTRAL | 2.7 LCIA | 2.9 CV |
| 2.2 SWOT | 2.4 ADR | 2.6 RFID | 2.8 WBS | 2.10 SME's |

Q3. Fill in the blanks.

- a) Pre-qualification objectives..... bidding to a capable supplier.
- b) Briefing the contract team is before the negotiations.
- c) Negotiation zone is the within which the chances for an agreement are located.
- d) Payment can destroy relationships.
- e) Critical path delays will project completion.
- f) The extent of public access must be against the need for confidentiality.
- g) Formal complaint resolution procedure is an ingredient for good governance.

- h) High transportation costs the entry of new suppliers into the market.
- i) Appearance of wrong doing can be just as as actual violation.
- j) Compromise means using a argument based on facts and figures.

Q4. Match the columns:

- | | |
|-------------------------------------|--|
| 1. Market value | a) a voluntary international trade agreement that establishes guidelines for contracting parties and dispute resolution. |
| 2. In negotiations | b) cost involved in acquiring and using the procured goods. |
| 3. CISG | c) helps to understand the supplier relationships required. |
| 4. Cost of ownership | d) should focus on minimizing overall costs & supply risks |
| 5. Procurement & Supply strategy | e) are high risk and require full attention. |
| 6. Leverage items | f) should not require significant contract management efforts either as risks are low. |
| 7. Bottleneck items | g) dealing with international trade be conversant with arbitration rules. |
| 8. Supply positioning model | h) using a rational argument based on facts and figures. |
| 9. Public procurement professionals | i) the bargaining and proposal stages often overlap. |
| 10. Logic | j) is what the buyers are actually paying for the product in the market place |

PART- B

Attempt any four questions. All Questions carry equal marks. Total Marks 60

- Q5. What is negotiation? Why is it important in a procurement process? What are the phases of negotiations?
- Q6. In view of the competitive environment, training of procurement personnel is of utmost importance. Explain.
- Q7. Transparency plays an important role in public procurement. Explain. Also explain how does this assist in reducing bidders protests and complaints.

Q8. Write Short Notes on any three :

- a) SWOT Analysis.
- b) E-Commerce.
- c) Consultancy contracts.
- d) Monitoring the procurement process.
- e) Using standards in procurement.
- f) Bid evaluation process.
- g) Contract review register.

Q9. What is solicitation process? Explain in detail.

Q10. What is the importance of price and cost analysis during negotiations? When does cost Analysis become essential.

Q11. What is alternate dispute resolution? Describe various methods and indicate the advantages of including ADR in contracts.
