



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

**June 2012**

**Date: 11.06.2012**  
**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

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**PART-A**

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

**Q1. State True or False:**

- 1.1 Pre-qualification objectives do not limit bidding to capable suppliers.
- 1.2 The critical path comprises all activities that will result in a delay to the schedule if they are delayed.
- 1.3 Negotiations do not stop even after the contract is signed.
- 1.4 Briefing the contract team is essential before the negotiations.
- 1.5 Routine items should require minimal contract management effort.
- 1.6 In negotiations the bargaining and proposal stages do not overlap.
- 1.7 Win – win situation aims at finding solutions that meet the objectives & interest of both sides.
- 1.8 It is essential to have a clear idea of what is needed before the negotiation begins.
- 1.9 There is no 'ideal' negotiation style.
- 1.10 Don't fall into the trap of agreeing to unjustified extras.

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

2.1 WIPO	2.3 ILO	2.5 ITT	2.7 ITC	2.9 LCC
2.2 ICSID	2.4 RFQ	2.6 RFI	2.8 ITB	2.10 ICC

**Q3. Fill in the blanks.**

- a) Compromise means using a ..... argument based on facts and figures.
- b) Negotiation zone is the ..... within which the chances for an agreement are located.
- c) Routine items are ..... by low expenditure & available from wide choice of suppliers.
- d) Critical items are ..... by high annual expenditure and high risk.
- e) The best agreement is that which is .... to both sides .
- f) The procurement & supply strategy should focus on ..... overall costs and supply risks.
- g) The supply positioning model helps to understand the ..... Relationship.
- h) Proprietary items are those offered by ... supplier for reasons of technology, patents etc.
- i) Different types of products and services do require ..... procurement strategies.
- j) Make sure that the value of change is ..... than the cost of making it.

**Q4. Match the columns:**

1.Disputes are	a) means the trading in variables.
2.Protests are	b) should be ambitious but achievable, precise & measurable
3.Elements of preparation phase	c) isn't always clear especially when parties involved are inter-cultural.
4.Excessive approvals	d) must be balanced against the need for confidentiality
5.Negotiation objectives	e) suggesting the consequences of not complying to your demand.
6.Body language during negotiations	f) post-award supplier complaints.
7.The extent of public access	g) can limit the entry of new suppliers in the market place.
8.Threat of negotiations	h) is one of public procurement's most common bottleneck.
9.High transportation costs	i) pre-award supplier complaints .
10.Bargaining in negotiation	k)Setting your negotiation objectives & developing your strategy

## **PART- B**

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

- Q5. Preparing for a negotiation is essential to its success. Explain. Also explain what are different negotiation styles?.
- Q6. What is transparency in public procurement system? Explain what is the role of the ethics officer in the public procurement process.
- Q7. Streamlining the procurement process is one of the key strategies of reforming the procurement process. Explain.
- Q8. Write Short Notes on any three
- a) Policy and procedures.
  - b) Managing quality.
  - c) Phases of negotiations.
  - d) Supplier performance.
  - e) Contract review meetings.
  - f) Contract budget.
  - g) Training procurement personnel.
- Q9. What are bidder complaints? What measures need to be taken to reduce and avoid complaints?
- Q10. Describe in brief the salient features of the solicitation document to be submitted by the supplier in response to the bid document.
- Q11. Why is contract management and review important? Explain in detail.

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