

**INDIAN INSTITUTE OF MATERIALS MANAGEMENT
GRADUATE DIPLOMA IN PUBLIC PROCUREMENT**

Paper No.2

Procurement Process/Operations

DEC-2010

Date: 12.12.2010

Time: 10.00 am to 1.00 pm

Max Marks: 100

Duration: 3 Hours

Note:

Part A contains 4 main 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 Composition specification is not precise and specific.
- 1.2 Specifying requirements means what exactly is required and how the quality be tested.
- 1.3 A procurement input may arrive damaged and be unusable due to inadequate packaging.
- 1.4 Procurement specification may not include operational, capital and other requirements.
- 1.5 Non-programme requirements are not those that neither forms a direct part of the goods or services offered by an organization.
- 1.6 A too detailed specification may lock you in.
- 1.7 Over – as well as under specifying are equally bad.
- 1.8 Technical specification do not define exactly what the buyer wants.
- 1.9 Call options do not allow you to secure a price without a commitment to buy.
- 1.10 Authority and responsibility do not go hand in hand.

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

- 2.1 EU
- 2.2 ITU
- 2.3 WSSN
- 2.4 TCO
- 2.5 EMS
- 2.6 R&D
- 2.7 SVC
- 2.8 FMC
- 2.9 ISONET
- 2.10 PERT

Q3. Fill in the blanks.

- 3.1 Bottleneck items are characterized by risk and ... annual consumption.
- 3.2 Market research helps to determine and prices for products.
- 3.3 Direct is a procedure where by the procurement entity contracts and seeks a proposal from one candidate only.
- 3.4 Open is a procedure where by all interested candidates may submit tenders.
- 3.5 Request for is a procedure where by the procuring entity invites quotations from candidates selected by it.
- 3.6 In two tendering the procuring entity invites tenders in two
- 3.7 Market helps to explore whether a relatively inexpensive off the shelf product can handle the requirement that your customer believes must be custom produced.

- 3.8 Industry are usually developed by trade and industry associations.
 3.9 EMS compliance is insisted upon by countries as arequirement for doing business.
 3.10 Expenditure on procurement is often a part of a Government business.

Q4. Match the following:

Column A

Column B

1.Performance specification	a) when quality is more important than the cost.
2.National Standards	b) means reducing the number of different specifications to the extent possible.
3.Brand or Trade names	c) Transport, Publicity, Janitorial services, Security services Training etc.
4.Functional specification	d) involves the process of understanding and getting used to working together.
5.Service specification may include	e) often state in very basic terms what function a procured product is required to carry out or achieve.
6.Standardisation internally	f) generally involves arms length relationships.
7.Learning curve	g) are established and agreed within a country.
8. Spot purchase	h) Suppliers can use their full expertise and innovation to develop the optimal solution.
9.Price volatility	i) sum of the cost of acquisition and the cost of ownership.
10.Life cycle cost	j) one of the main features of commodity buying.

PART- B

Attempt any four questions. Each question carries 15 marks. Total 60 marks

- Q5. Why are tender conditions necessary in procurement? Mention the important conditions and explain their relevance and importance?
- Q6. Explain in detail the procurement process? Explain the important criteria that needs to be met in case of competitive bidding?
- Q7. What are the different types of contracts? Briefly explain them. What is contract management and why is it necessary?
- Q8. Write short notes on any three.
 a) Forecasting of demands.
 b) Supply positioning model.
 c) Operational & Capital requirements.
 d) Statutory Variations.
 e) Consultancy contracts.
 f) Bid evaluation.
- Q9. What are bidder protests and bidder complaints? What are the measures to be taken to avoid such complaints?
- Q10. Explain what is the 80/20 rule? What are other methods of selective inventory analysis?
- Q11. What are fixed price contracts? Explain why including price in contracts becomes inescapable?