



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

June 2011

**Paper No.5
Negotiations and Supplier Management**

**Date: 13.06.2011
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 Payment delays can destroy relationships.
- 1.2 Pre-qualification objectives limit bidding to capable suppliers.
- 1.3 Probing questions can get you the information you need during negotiations.
- 1.4 The critical path does not comprises all activities that will result in a delay to the schedule if they are delayed.
- 1.5 An internal agenda will help to keep your team on track during the negotiations.
- 1.6 Excessive approvals are one of Public procurement's most common bottlenecks.
- 1.7 Briefing the contract team is not essential before the negotiations.
- 1.8 Negotiations do not stop after the contract is signed.
- 1.9 Formal complaint resolution are essential ingredients for good governance.
- 1.10 During negotiations, emotions should be sincere and never exaggerated.

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

2.1 WIPO	2.3 RFI	2.5 ICC	2.7 WBS	2.9 LC
2.2 ICSID	2.4 RFID	2.6 RFQ	2.8 ITB	3.0 AWB

Q3. Match the columns:

1.Creative Style of Negotiation	a) Setting your negotiation objectives and developing your supply strategy.
2.Threat in Negotiation	b) A person who is friendly, and easily relates to other people.
3.Bargaining in Negotiation	c) characterized by low annual expenditure & available from wide choice of suppliers.
4.Routine Items	d) pre-award supplier complaints
5.Critical Items	e) that is fair to both sides.
6.The Supplier Perception Model	f) how suppliers see your organization as a potential client.

7.Warm Negotiation style	g) characterized by high annual expenditure & high risk.
8.Elements of the Preparation phase	h) suggesting the consequences of not complying to your demand.
9.The best Agreement	i) the trading of variables.
10.Protests	j) person who is inventive, imaginative & looks at the total picture.

Q4. Fill in the blanks.

- a) Win-win aims at finding that meet the objectives & interest of both the sides.
- b) It is to have a clear detailed idea of what is needed before negotiations begin.
- c) Different types of products and services require different strategies.
- d) items are those which are offered only by one supplier for reasons of technology, patent, copyright etc.
- e) Cost of ownership is the cost involved in acquiring and using the procured goods.
- f) The negotiable is the range within which the chances for an agreement are located.
- g) Clearly, you must know what you before you negotiate .
- h) Being able to forecast is important.
- i) Supplier is a vital aspect of the procurement and supply process.
- j) There is no negotiating style.

PART- B

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

- Q5. What is negotiation? Why is it important in procurement process? What are the phases of Negotiation ?
- Q6. Streamlining the procurement process is one of the key strategies for reforming the Procurement process. Explain?
- Q7. What is understood by measuring and communicating performance? Explain.
- Q8. Write Short Notes on any three
 - a) Policy and procedures..
 - b) Transparency in procurement.
 - c) Using standards in procurement
 - d) Contract Review Meetings.
 - e) Monitoring the procurement process.
 - f) Procurement Action File & Contract file.
 - g) Managing Quality.

Q9. Why a Contract Management Plan needs to be prepared. What should be included in it.

Q10. Explain the importance of training procurement personnel in view of competitive environment.

Q11. What are bidders complaints? What measures need to be taken to reduce and avoid complaints.
