



**NAMIBIA UNIVERSITY  
OF SCIENCE AND TECHNOLOGY**

**FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION  
DEPARTMENT OF MARKETING, LOGISTICS AND SPORTS MANAGEMENT**

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| <b>QUALIFICATION: POSTGRADUATE DIPLOMA: PROCUREMENT MANAGEMENT</b> |   |
| <b>QUALIFICATION CODE: 08PDPM</b>                                  | <b>LEVEL: 8</b>                                     |
| <b>COURSE CODE: PPG801S</b>  | <b>COURSE NAME: PROCUREMENT AND GOOD GOVERNANCE</b> |
| <b>SESSION: JULY 2024</b>  | <b>PAPER: THEORY</b>                                |
| <b>DURATION: 3 HOURS</b>   | <b>MARKS: 100</b>                                   |

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| <b>SECOND OPPORTUNITY EXAMINATION QUESTION PAPER</b> |                      |
| <b>EXAMINER(S)</b>                                   | Dr Emilia Salomo     |
| <b>MODERATOR:</b>                                    | Ms Ester Bachenamisi |

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| <b>INSTRUCTIONS</b>   |
| <ol style="list-style-type: none"><li>1. Answer all the questions.</li><li>2. Write as legible and precise as possible.</li><li>3. Read each question carefully.</li><li>4. Provide practical examples to section B</li></ol> |

**THIS QUESTION PAPER CONSIST OF 3 PAGES, INCLUDING THE COVER PAGE**

**SECTION A**

**[40 MARKS]**

**QUESTION 1: MULTIPLE CHOICE**

**[ 16 MARKS]**

There are eight (8) multiple-choice questions with several possible choices each. Choose the best possible answer, e.g. 1.1 A. Each question is worth two marks.

1. Market analysis should be done at which stage of the procurement process?
  - a) Contract management
  - b) Needs assessment
  - c) Choice of procurement method
  - d) All of the above
  
2. At which stage of the procurement cycle must you consider the key components of procurement governance
  - a) Planning stage
  - b) Tendering stage
  - c) Contract management stage
  - d) All the stages
  
3. A supply chain that middlemen highly characterize is susceptible to which of the following types of supply chain fraud?
  - a) Misrepresentation of Goods or Services:
  - b) Sanctions Violations
  - c) Conflict of Interest
  - d) All of the above
  
4. What is the importance of procurement ethics and integrity
  - a) Avoiding conflicts of interest
  - b) Maintaining a level playing field
  - c) Helps organization to be above reproach.
  - d) All of the above
  
5. Which of the following laws supports the Namibian public procurement system?
  - a) Labour Act 11 of 2007
  - b) Code of Good Practice on Preferences
  - c) The Procurement Act of 2015
  - d) All of the above
  
6. Which of the following are typical environmental considerations throughout the contract life cycle?
  - a) Standards of ethical behaviour
  - b) Energy usage in manufacturing
  - c) Employee welfare
  - d) All the above
  
7. A supplier has not raised the price of a product for the third year in a row. What should your action be?
  - a) Don't contact the supplier; maybe he has forgotten to raise the price; enjoy it as long as it lasts.

- b) Give the supplier a call and ask him if he did not make a mistake. You do not want a surprise during the year on your purchasing budget.
  - c) You should wonder if you are not paying too much and whether you have paid too much in the past years.
  - d) All of the above
8. You are busy evaluating bids with the bid evaluation committee. One member argues for a particular supplier, while another member wants the project awarded to a different supplier for various new reasons based on bids submitted. Which of the below will you refer to the committees' members?
- a) Bidding document.
  - b) Procurements audits.
  - c) Source selection criteria.
  - d) All of the above

## **QUESTION 2**

**[24 MARKS]**

Please indicate which scenarios are compliant with the Namibian public procurement law. For each scenario, indicate **Compliant** or **Non-compliant**. Your judgment is solely based on the information provided. **Please note all the scenarios are for public entities regulated by the Procurement Act of 2015, its amendments and regulations.**

Each scenario is worth two marks.

1. A company issued an advert on all Namibian circulated media print, its website and the E-GP system sourcing for a supplier for a Toyota Fortuner 4x4 2024-year model.
2. A company used restricted bidding to procure cleaning materials worth N\$ 30 million.
3. A category two public entity issued a tender to procure vehicles worth N\$ 15 million.
4. A company issued a request for quotation to procurer a consultant to develop their 5-year strategic plan.
5. A company used direct procurement to procure stationery worth N\$ 1.5 million.
6. A company directly engaged MTC to provide them with daily SMS services.
7. A category one public entity advertised a tender to construct service stations across the country worth N\$ 150 million.
8. An entity used emergency procurement to acquire stationeries for daily operations.
9. The Oshakati Hospital restricted beef procurement only from abattoirs north of the veterinary cordon fence approved by the Meat Board of Namibia.
10. A company awarded a bid to a bidder whose price was the third lowest because they scored 8% on the margin of preference. Thus, they reduced their price by 8% for evaluation purposes only.
11. A company advertised an open national bid to procure Covid 19 vaccines.
12. A company advertised an open international bid to procure promotional items such as t-shirts, caps, etc., for an upcoming survey.

**SUBTOTAL: 40 MARKS**

**SECTION B**

**[60 MARKS]**

**QUESTION 3**

**[40 MARKS]**

XYZ company was notified as the successful bidder for a tender worth \$120 million to supply condoms to the Ministry of Health. In line with the country procurement act, the procuring entity published the notice of selection for the award on their company website, giving a chance for other unsuccessful bidders to submit applications for review within seven days.

The second runner-up bid was at N\$ 68.5 million, but XYZ was awarded as it was regarded as a local manufacturer, although this wasn't a requirement in the bidding document. More so, the company employed only 5 employees, and the certificate of registration of a factory was issued three months before the tender was advertised.

Inquiries later revealed that the company was not a manufacturing company but was repackaging imported pharmaceutical products. The country has been reported to be out of stock of critical drugs, such as medication for hypertension and epilepsy is threatening to bring state facilities to their knees. Also, the major hospital is reported to be dilapidated. The procuring entity resulted in issuing a public notice announcing the cancellation of the tender citing section 54 (1) (b), which allows public entities to cancel if the lowest evaluated bid is substantially above the applicable cost estimate.

**Disclaimer: this case is for learning purposes.**

3.1 Discuss any five roles of the Bid Evaluation Committee in public procurement governance in the context of the case above. **[15 marks]**

3.2 Create a sourcing strategic matrix for the Ministry of Health based on risk, complexity and amount spent. Giving practical examples of sourced material/products for each portfolio. Also, suggest possible procurement strategies for each quadrant. **[25 marks]**

**QUESTION 4**

**20 MARKS**

You are tasked to review the Namibian public procurement system; identify any four key components of procurement governance you will consider in your review and why.

**GRAND TOTAL: 100 MARKS**