



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

DEPARTMENT OF MARKETING, LOGISTICS AND SPORT MANAGEMENT

QUALIFICATION: POSTGRADUATE DIPLOMA: PROCUREMENT MANAGEMENT	
QUALIFICATION CODE: 08PDPM	LEVEL: 8
COURSE CODE: ACM801S	COURSE NAME: ADVANCE CONTRACT MANAGEMENT
SESSION: JUNE 2025	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100
SECOND OPPORTUNITY MEMORANDUM PAPER	
EXAMINER(S)	Mr. Linus Hamukoto
MODERATOR:	Ms. Ester Hamukwaya
INSTRUCTIONS	
<ol style="list-style-type: none">1. Answer ALL the questions.2. Write clearly and neatly.3. Number your answers clearly.	

THIS QUESTION PAPER CONSISTS OF 9 PAGES (Including this front page)

SECTION A: FILL-IN QUESTIONS

QUESTION 1 (40 MARKS)

Below are 20 statements. Each has a missing term represented by a blank space. Write down or identify the correct missing word. Each correct answer is equivalent to 2 marks.

- 1.1. A dispute resolution process where an independent third party is appointed to render a swift, temporary judgment is known as _____.
- 1.2. When parties agree in writing to settle disputes privately and outside the courts by referring them to a neutral arbitrator, it is termed _____.
- 1.3. Legal solutions available to aggrieved parties after a contract breach, such as damages or specific performance, are known as _____.
- 1.4. Offering or receiving anything of value to improperly influence another party's actions is known as a _____.
- 1.5. When a false statement is made knowingly or recklessly with intent to deceive, it is referred to as _____.
- 1.6. A legally binding agreement between two or more parties that satisfies all legal elements is a _____.
- 1.7. A contract must involve a clear and definite proposal known as an _____.
- 1.8. For a contract to be valid, all parties must have the legal _____ to enter a contract.
- 1.9. The terms of the contract must be sufficiently _____ so that the obligations of each party can be understood.
- 1.10. If either party lacks _____, such as being a minor or mentally incapacitated, the contract may not be enforceable.
- 1.11. The seller's right that ensures they can offer goods or services to potential buyers is known as the _____.
- 1.12. When a contract grants a party sole rights over being the only purchaser or seller, it is called the _____.
- 1.13. In commercial negotiations, the primary aim is to reach an _____ between the parties.
- 1.14. A party that lacks _____ in a contract may not have the legal ability to enter into a binding agreement.

Using your knowledge of contract management, fill in the missing contract negotiation tactics.

- 1.15. The _____ tactic involves a negotiator claiming they need approval from someone else to make a decision, which can delay or control the negotiation process.
- 1.16. Asking for concessions gradually, in small parts, rather than all at once is known as the _____ tactic.
- 1.17. Repeating your point firmly and consistently, without engaging in arguments, is part of the _____ tactic.

Using your knowledge of contract management, fill in the missing concepts related to buyers' and sellers' bargaining power.

- 1.18. When the product is highly differentiated, the buyer's ability to negotiate price is _____.
- 1.19. When the buyers purchase in low volumes, they typically have _____ influence over sellers.
- 1.20. A buyer who is uneducated about the product is likely to have _____ bargaining strength.

SECTION A: 40 TOTAL MARKS

SECTION B: STRUCTURED QUESTIONS

QUESTION 2 (20 MARKS)

In procurement, a contract is more than just the signed agreement between the procuring entity and the supplier or contractor. It comprises a comprehensive document set that collectively defines both parties' rights, responsibilities, deliverables, and expectations.

2.1 Apart from the contract agreement itself, what other documents should be included in the content of a procurement contract arising from a public procurement process?

(6 Marks)

2.2 Using your knowledge of the relationship spectrum, indicate in the table below the relationships corresponding to the descriptions as provided for under the relationship spectrum?

(14 marks)

Item number	Description	Relationship
1	Parties maintain a formal and distant association characterised by minimal interaction and limited cooperation. (2 marks)	
2.	Involves frequent interactions and collaboration focused on achieving short-term objectives. (2 marks)	
3.	One party exclusively selects and relies on a single supplier or provider for a particular product or service. (2 marks)	
4.	Contracting out specific functions or processes to external vendors or service providers. (2 marks)	
5.	A collaborative relationship between organisations aimed at achieving mutual strategic objectives. (2 marks)	

Item number	Description	Relationship
6.	A close and enduring relationship between parties based on mutual trust, shared values, and common goals. (2 marks)	
7.	Characterised by intense collaboration and integration, often involving shared (2 marks)	

QUESTION 2 (20 MARKS)

The Ministry of Education, Innovation, Youth, Sports, Arts, and Culture in Namibia has signed a one-year contract valued at N\$150 million with EduSupply (Pty) Ltd to supply and deliver essential educational materials to 400 public schools. Items include textbooks, pens, scientific calculators, and teaching aids. The contract includes scheduled deliveries every quarter to ensure smooth curriculum implementation.

In previous contracts, the Ministry faced recurring challenges such as:

- Late deliveries
- Poor quality of materials
- Inadequate communication from suppliers
- Poor contract compliance

These issues delayed curriculum rollouts and led to increased complaints from school principals, citing the desire to return to a system where the Government distributed funds to schools for the supply of educational materials. To address these challenges, the Ministry's Procurement Committee has tasked you as a contract officer with developing a KPI-based supplier performance monitoring framework.

Using the scenario above, answer the following questions:

- a) Identify at least five (5) relevant KPI's that should be included in the procurement contract to monitor EduSupply's performance. For each KPI, you are required to define such KPI clearly in the context of this contract. **(10 Marks)**
- b) For one of the KPI developed above, use the KPI definition process to discuss why you believe the KPI has met the criteria for a SMART KPI? **(10 Marks)**

SECTION B: 40 TOTAL MARKS

SECTION C: STRUCTURED QUESTIONS

QUESTION 5 (20 MARKS)

The Ministry of Health and Social Services in Namibia plans to sign a two-year contract with HealthMed Supplies Ltd, a regional supplier of medical equipment and PPEs (Personal Protective Equipment). The objective is to ensure a stable and consistent supply of high-quality medical goods to all public hospitals and clinics nationwide.

The procurement team, led by the Chief Procurement Officer, is tasked with negotiating the contract terms with HealthMed Supplies Ltd. These negotiations must address several key areas, including price, delivery schedules, quality standards, penalties for non-performance, and dispute resolution.

The Ministry intends to follow the seven standard contract negotiation stages as part of the negotiation process.

Using the scenario above, briefly discuss each of the seven contract negotiation stages. For each stage, explain how the Ministry of Health should negotiate with HealthMed Supplies Ltd to ensure value for money and protection of public interest? **(20 Marks)**

SECTION C: 20 TOTAL MARKS

TOTAL MARKS:100

ALL THE BEST