



INDIAN INSTITUTE OF MATERIALS MANAGEMENT
GRADUATE DIPLOMA IN PUBLIC PROCUREMENT

Dec 2013

Paper No.3
Contract Management

Date: 16.12.2013
Time: 10.00 am to 1.00 pm

Max Marks: 100
Duration: 3 Hours

Instructions:

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

(each question carries 10 marks Total 40 marks)

Q1. State True or False:

- 1.1 The evaluation team must find the supplier that offers the best value to the Government.
- 1.2 In public procurement, the buyer is normally not dominant as to be able to dictate terms to its supplier.
- 1.3 Adequate consideration relates to whether the exchange is a fair bargain.
- 1.4 A fundamental concept involved in contract law is bargain & exchange.
- 1.5 The most important prerequisite for effective negotiations is not through preparation.
- 1.6 The extent of cost analysis will depend on what is being bought.
- 1.7 Price analysis is the process of examining and evaluating an offered price.
- 1.8 If price competition is not effective, then the lowest price is not fair and reasonable.
- 1.9 Monopsony exists when there is only one buyer for the like products of several sellers.
- 1.10 The laws of supply and demand operates perfectly only under conditions of imperfect competition.

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

2.1 TOT	2.3 DSP	2.5 WB	2.7 PWS	2.9 QAP
2.2 BVWG	2.4 IAS	2.6 IBRD	2.8 QCP	2.10 PPTS

Q3. Fill in the blanks.

- 3.1 The bid evaluation criteria must be in the solicitation package.
- 3.2 Building working relationships requires a well defined & management by the rules set up in
- 3.3 Identifying and resolving early can reduce management cost & administrative
- 3.4 Risk transfer is the use of third party to minimize risks.
- 3.5 Risk assessment involves the of occurrence & the extent of

- 3.6 Direct action.....risk, indirect action risks.
- 3.7 The surveillance plan is a document.
- 3.8 The most fundamental traderelate to the reliability of the other
- 3.9 A contract is a written agreement that allocates &between the parties.
- 3.10 The goal of based contract is improvement.

Q4. Match the following:

Column A	Column B
1. Risk	a) is not just that which is fixed by a legislative authority, but has a central religious base.
2. Law	b) is created by communications which flow from the principal to the agent.
3. Power to contract	c) is created by perceived communication which flow from the principal to the third party.
4. Authority to contract	d) is one that is certain, decided and doubtless.
5. Actual authority	e) some portion of the procurement process was not or is not being conducted properly.
6. Apparent authority	f) relates to who is given the power.
7. An unequivocal response of acceptance	g) complaints that arise after award or during execution phase.
8. Force Majeure	h) relates to where power is derived.
9. Bidder complaints/ Protests	i) where an impediment occurs that is beyond the control of parties and prevents performance.
10. Bidder disputes	j) exposure to uncertainty.

PART- B

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

- Q5. What are the evaluation considerations for evaluating suppliers bid? Also explain the benefit/cost trade off process.
- Q6. What are the buyers and sellers obligations under a contract individually and together? Please bring out in detail.
- Q7. What are the similarities and differences in Government and private contracts?. Explain in detail.

Q8. Explain briefly: Any five.

- a) The different legal systems.
- b) Writing the specifications.
- c) Settlement of disputes in works contract.
- d) Public procurement legislation.
- e) Service contracting.
- f) Liquidated damages and penalty clauses
- g) Price and payment conditions in works contracts.

Q9. What are the advantages of performance based contracting methods? Also indicate the relevance of subcontracting and the necessary safeguards.

Q10. Why is public procurement legislation necessary? What are the broad areas that it covers?
What makes a good contract?

Q.11. Explain different aspects of a service contract. What is the monitoring process and the risks associated with that ?
