



INDIAN INSTITUTE OF MATERIALS MANAGEMENT
GRADUATE DIPLOMA IN PUBLIC PROCUREMENT
Paper No.5
Negotiations and Supplier Management

Dec 2013

Date: 16.12.2013
 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 If you have been awarded the contract, well done! If not, then you need to find out why?
- 1.2 Negotiations can occur on technical performance, schedule & cost.
- 1.3 Pre-qualification objectives is not to limit bidding to a few interested & capable suppliers.
- 1.4 Use of industry and International standard's help stream line the procurement process.
- 1.5 Any approvals that do not add value should be eliminated.
- 1.6 UNICTRAL has established rules & models for governing many aspects of International trades including disputes.
- 1.7 Arbitration is the submission of a dispute to one or more impartial persons for a decision.
- 1.8 Elements of a preparation phase do not involve setting your negotiation objectives and developing your strategy.
- 1.9 Critical items are characterized by low annual expenditure and low risk.
- 1.10 Bottleneck items are characterized by high annual usage and low risk factors.

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

2.1 RFID	2.3 CISG	2.5 SWOT	2.7 ITT	2.9 WIPO
2.2 WBS	2.4 AAA	2.6 LCIA	2.8 ILO	2.10 USP

Q3. Fill in the blanks.

- a) Different types of product and services requires different strategies.
- b) Approvals should add to the procurement process, not just processing time & cost.
- c) Make sure that the value of change is than the cost of making it.
- d) The duration of most activities is on the level of resources assigned to them.
- e) An internal will help to keep the negotiation team on track.
- f) Deciding on the team members and their roles is a key matter in
- g) Body language isn't always clear, especially when are intercultural.
- h) The separation of duties reduces thefor unethical practices.
- i) Win-Win aims at finding that meet the objectives & interest of both sides.
- j) The path comprises all activities that will result in delays to the project schedule.

Q4. Match the columns:

- | | |
|---------------------------------|--|
| 1.Negotiation Zone | a) often possible to obtain before the project is formally under contract. |
| 2.Procurement & supply strategy | b) to validate the buyers contracting plan. |
| 3.Negotiations can occur | c) is to understand the objectives of the proposed contract. |
| 4.Start Work Order | d) follows a sequence of activities where each step builds on the previous step and provides a basis of the next step. |
| 5.Pre-qualification objective | e) the range within which the chances for an agreement are located. |
| 6.Analysing a bid opportunity | f) on the legal provisions, & terms and conditions. |
| 7.Contracting process | g) should specify that the appearance of impropriety is just as damaging as the actual violation is. |
| 8.Ethical training | h) seems to be the favoured method of ADR. |
| 9.Binding arbitration | i) should focus on minimizing overall costs and supply risks. |
| 10.UNCITRAL | j) provides an agreement for the use of binding arbitration. |

PART- B

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

- Q5. Streamlining the procurement practices is one of the key strategies for reforming the procurement process. Explain.
- Q6. Why is negotiation an important aspect of procurement process? Also explain the significance of price and cost analysis in the negotiation process.
- Q7. Why is contract administration and review important? Explain how it assists in effective procurement.
- Q8. Write Short Notes on any five :**
- a) Importance of training of procurement personnel.
 - b) E-Commerce.
 - c) Consultancy contracts.
 - d) SWOT Analysis
 - e) Managing quality
 - f) Contract Review Meetings.
 - g) Monitoring the procurement process.

- Q9. What are bidder complaints and disputes? What needs to be done to reduce them? What is the mechanism that is built into the contract to address them?
- Q10. Explain the solicitation process. What are the important aspects in the solicitation package? Explain in detail.
- Q.11. Explain the role of ethics and transparency in Public Procurement systems. Give examples
