

MODULE II

Introduction to the Module

This course module is intended to equip the trainee with knowledge, skills and attitudes that will enable him/her to effectively carry out purchasing and supply operations in an Organisation. The graduate of this module is expected to operate at supervisory level in an Organisation.

Module Objectives

By the end of the module, the trainee should be able to:

- a) discuss the principles that governs public procurement and finance
- b) describe the role of purchasing and supply management operations
- c) apply cost accounting principles in supply chain management activities
- d) apply quantitative techniques in supply chain management
- e) understand the importance of office administration and management in supply chain management

Entry Requirements

The minimum entry requirement is:

- a) pass in module I of supply chain management
- b) pass in craft supply chain management

Module Units and Time Allocation

Code	Module Units	Hours
14.2.0	Public Procurement and Finance	90
15.2.0	Purchasing Management	90
16.2.0	Supplies Management	80
17.2.0	Cost Accounting	90
18.2.0	Principles and Practice of Marketing	90
19.2.0	Quantitative Techniques	90
20.2.0	Office Administration and Management	80
21.2.0	Business Plan	50
Total		660

14.2.0 PUBLIC PROCUREMENT AND FINANCE

14.2.1 Introduction

This module unit is intended to equip the trainee with the knowledge, skills and attitudes that will enable him/her to procure goods, material, works and services for the public sector, and appreciate how public finance is raised and managed.

14.2.2 General Objectives

By the end of this module unit, the trainee should be able to:

- a) describe the organisation structure of public procurement
- b) apply government legislation and policies relating to public procurement
- c) explain ways in which the government raises and spends funds

14.2.3 Module Unit Summary and Time Allocation

Code	Sub-Module Units	Content	Time (Hours)
14.2.01	Introduction to Public Procurement	<ul style="list-style-type: none">• Definition of public procurement• Scope of public procurement• Purpose of public procurement• Historical development of legal framework of public procurement in Kenya• Organisation of public procurement• Functional relationship between the public procurement and other units in an organisation	4
14.2.02	Bodies Involved in the Regulation of Public Procurement	<ul style="list-style-type: none">• Bodies involved in regulation of public procurement• Functions of the bodies involved in public procurement	4

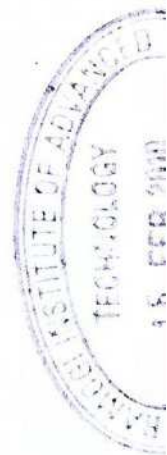
Code	Sub-Module Units	Content	Time (Hours)
14.2.03	Public Procurement Functions	<ul style="list-style-type: none"> • Types of procurement entities • Role and responsibilities of procuring entities • Role of accounting officers in public procurement • Responsibility of users in the public procurement process • Responsibility of tender committee 	10
14.2.04	General Procurement Rules	<ul style="list-style-type: none"> • Meaning of procurement rules • General procurement rules • Importance of general procurement rules 	15
14.2.05	Procurement Methods	<ul style="list-style-type: none"> • Open-tendering methods • Alternative procurement methods 	15
14.2.06	Application of ICT in Public Procurement	<ul style="list-style-type: none"> • Importance of ICT in public procurement • e-procurement process • e-procurement tools • Distinction between Procurement and e-procurement • Security risks and legal issues in e-procurement 	10
14.2.07	Public Finance	<ul style="list-style-type: none"> • Meaning of public finance • Sources of public finance • Application of public finance 	15
14.2.08	Administration and Control of Public Expenditure	<ul style="list-style-type: none"> • Meaning of administration and control • Control of public expenditure by parliament • Exchequer system of control 	15

Code	Sub-Module Units	Content	Time (Hours)
		<ul style="list-style-type: none"> • Statutory offices that supervise implementation of public funds • Budgeting as a tool in control of public finance 	
14.2.09	Emerging Trends and Issues in Public Procurement and Finance	<ul style="list-style-type: none"> • Emerging trends and issues Public Procurement and Finance • Challenges posed by emerging trends and issues in Public Procurement and Finance • Coping with emerging trends and issues in Public Procurement and Finance 	2
Total			90

14.2.01	INTRODUCTION TO PUBLIC PROCUREMENT	ii) relate the public procurement department function with other units in an organisation.
	Theory	
14.2.01T	<i>Specific Objectives</i> By the end of the sub-module unit, the trainee should be able to: <ol style="list-style-type: none"> a) define the term public procurement b) explain the scope of public procurement c) outline the purpose of public procurement d) explain the historical development of legal framework of public procurement in Kenya e) describe the Organisation of public procurement f) discuss the relationship between the public procurement function and other units an organisation. 	<i>Content</i> 14.2.01T1 Definition of public procurement 14.2.01T2 Scope of public procurement 14.2.01T3 Purpose of public procurement 14.2.01T4 Historical development of legal framework of public procurement in Kenya 14.2.01T5 Organisation of public procurement 14.2.01T6 Relationship between public procurement functions and other units <ul style="list-style-type: none"> - Finance - Marketing - Technical - Human resources - Warehousing
14.2.01C	Competence The trainee should have the ability to: <ol style="list-style-type: none"> i) design an Organisation structure of a procurement unit 	Practice <i>Specific Objective</i> By the end of the sub-module unit, the trainee should be able to illustrate the Organisational structure of a procurement department



14.2.01P1	<p><i>Content</i> Illustration on the organisation structure for a public procurement department</p>	<p>b) explain the functions of the various bodies involved in the regulation of public procurement.</p>
	<p><i>Suggested Teaching/Learning Activities</i></p> <ul style="list-style-type: none"> - Explanation - Note-taking - Observation - Case-study 	<p>14.2.02C Competence The trainee should have the ability to relate the role of the various bodies in the regulation of public procurement</p>
	<p><i>Suggested Teaching/Learning Resources</i></p> <ul style="list-style-type: none"> - Public procurement and disposal Act, 2005 - Text books - Chalk-board 	<p>14.2.02T1 <i>Content</i> Bodies involved in the regulation of public procurement</p> <ul style="list-style-type: none"> - Public Procurement Oversight Authority (PPOA) - Public Procurement Oversight Advisory Board (PPOA-B) - Public Procurement Administration Review Board (PPARB) - Directorate of Public Procurement
	<p><i>Suggested Evaluation Methods</i></p> <ul style="list-style-type: none"> - Assignments - Oral tests - Examination 	<p>14.2.02T2 Functions of bodies involved in the regulation of Public Procurement</p>
14.2.02	<p>BODIES INVOLVED IN THE REGULATION OF PUBLIC PROCUREMENT</p>	
	<p>Theory</p>	<p>Practice</p>
14.2.02T	<p><i>Specific Objectives</i> By the end of the sub-module unit, the trainee should be able to:</p> <p>a) discuss the bodies involved in the regulation of public procurement</p>	<p>14.2.02P <i>Specific Objective</i> By the end of the sub-module unit, the trainee should be able to identify various bodies involved in the regulation of public procurement.</p>



14.2 02P1	<p><i>Content</i> Identification of bodies involved in the regulation of public procurement</p> <p><i>Suggested Teaching/Learning Activities</i></p> <ul style="list-style-type: none"> - Discussion - Note-taking - Observation <p><i>Suggested Teaching/Learning Resources</i></p> <ul style="list-style-type: none"> - Public procurement and disposal Act, 2005 - Text books - Chalk-board <p><i>Suggested Evaluation Methods</i></p> <ul style="list-style-type: none"> - Oral tests - Assignments - Sit-in CATs 	<p>c) explain the role of accounting officer in public procurement</p> <p>d) discuss the responsibility of users in public procurement</p> <p>e) discuss the responsibilities of the tender committee in public procurement.</p>
	<p>14.2.03C</p> <p><i>Competence</i> The trainee should have the ability to co-ordinate public procurement activities</p>	
	<p>14.2.03T1</p> <p>14.2.03T2</p> <p>14.2.03T3</p> <p>14.2.03T4</p> <p>14.2.03T5</p>	<p><i>Content</i> Types of procuring entities Role and responsibilities of procuring entities Role of accounting officer Responsibility of users in public procurement Responsibilities of the tender committee in public procurement</p>
14.2.03	<p>PUBLIC PROCUREMENT FUNCTIONS</p> <p>Theory</p>	
14.2 03T	<p><i>Specific Objectives</i> By the end of the sub-module unit, the trainee should be able to:</p> <ul style="list-style-type: none"> a) explain different types of procurement entities b) explain the role and responsibilities of procuring entities in public procurement 	<p>Practice</p> <p><i>Specific Objective</i> By the end of the sub-module unit, the trainee should be able to come up with tender committee in their institution/government institutions</p>

14.2.03P2	<p><i>Content</i> Discussion of tender committee in their institution/government institutions</p> <p><i>Suggested Teaching/Learning Activities</i> - Explanation - Note-taking - Observation</p> <p><i>Suggested Teaching/Learning Resources</i> - Public procurement and disposal Act, 2005 - Text books - Chalk-board</p> <p><i>Suggested Evaluation Methods</i> - Assignments - Oral tests</p>	14.2.04C	<p>c) explain the importance of general procurement rules.</p> <p>Competence The trainee should have the ability to: i) interpret general procurement rules ii) apply general procurement rules iii) prepare tender documents.</p>
14.2.04	<p>GENERAL PROCUREMENT RULES</p> <p>Theory</p>	14.2.04T1 14.2.04T2 14.2.04T3	<p><i>Content</i> Meaning of general procurement rules General Procurement rules - PPDA, 2005 - PPDR, 2006 Importance of general procurement rules</p>
14.2.04T	<p><i>Specific Objectives</i> By the end of the sub-module unit, the trainee should be able to: a) explain the meaning of procurement rules b) describe the general procurement rules</p>	14.2.04P 14.2.04P1	<p>Practice</p> <p><i>Specific Objective</i> By the end of the sub-module unit, the trainee should be able to come up with a list of the general public procurement rules applicable to specific procurement</p> <p><i>Content</i> General public procurement rules</p>

	<i>Suggested Teaching/Learning Activities</i>		<i>Content</i>
	<ul style="list-style-type: none"> - Lecture - Discussion - Explanation - Note-taking 	14.2.05J1	<ul style="list-style-type: none"> - Open tendering method - Importance open tender method - Procedure of open tendering/Bidding Process - Circumstances when open tendering method is used - Advantages and disadvantages open tender method
	<p><i>Suggested Teaching/Learning Resources</i></p> <ul style="list-style-type: none"> - Public Procurement and Disposal Act, 2005 - Public Procurement Disposal Regulations, 2006 - Text books - Chalk-board 	14.2.05T2	<ul style="list-style-type: none"> - Alternative procurement Methods - The Public Procurement Threshold Matrix - Restricted procurement - Direct procurement - Request for proposal - Request for quotations - Low-value Procurement - Specially permitted procurement procedure - Concession /public private partnership - Design composition
	<p><i>Suggested Evaluation Methods</i></p> <ul style="list-style-type: none"> - Assignments - Examinations 		
14.2.05	PROCUREMENT METHODS		
	Theory		
14.2.05T	<p><i>Specific Objectives</i></p> <p>By the end of the sub-module unit, the trainee should be able to:</p> <ul style="list-style-type: none"> a) discuss the open tendering method b) discuss alternative procurement methods 	14.2.05P	<p><i>Specific Objective</i></p> <p>By the end of the sub-module unit, the trainee should be able to classify procurement methods</p>
14.2.05C	<p>Competence</p> <p>The trainee should have the ability to use appropriate methods of procurement</p>	14.2.05P1	<p><i>Content</i></p> <p>Procurement methods</p>

	<p><i>Suggested Teaching/Learning Activities</i></p> <ul style="list-style-type: none"> - Lecture - Discussion - Explanation - Note-taking - Observation - Case-study 		<p>d) explain the security risks and legal issues in the application of e-procurement and how to mitigate them.</p>
	<p><i>Suggested Teaching/Learning Resources</i></p> <ul style="list-style-type: none"> - Text books - Chalk-board 	14.2.06C	<p>Competence</p> <p>The trainee should have the ability to:</p> <ul style="list-style-type: none"> i) make enquiries through the internet ii) evaluate quotations through the internet iii) undertake negotiations through the internet iv) procure through the internet v) use e-procurement tools
14.2.06	<p>APPLICATION OF ICT IN PUBLIC PROCUREMENT</p>		
14.2.06T	<p><i>Specific Objectives</i></p> <p>By the end of the sub-module unit, the trainee should be able to:</p>		
	<p>a) explain the importance of information communication technology in public procurement</p>	14.2.06T1	<p><i>Content</i></p> <p>Importance of ICT in public procurement</p>
	<p>b) describe e-procurement process</p>	14.2.06T2	<p>e-procurement process</p>
	<p>c) distinguish between traditional procurement and e-procurement</p>	14.2.06T3	<p>Distinction between traditional procurement and e-procurement</p>
		14.2.06T4	<p>Security and legal issues in e-procurement</p>

	<i>Practice</i>			b) explain the sources of public finance c) explain the application of public finance
14.2.06P	<i>Specific Objective</i> By the end of the sub-module unit, the trainee should be able to discuss the process of e-procurement methods	14.4.07C		
14.2.06P1	<i>Content</i> Group discussion on e-procurement process			Competence The trainee should have the ability to relate the sources and application of public funds in Kenya
	<i>Suggested Teaching/Learning Activities</i>	14.2.07T1		<i>Content</i> Meaning of Public Finance
	- Explanation - Note-taking - Observation	14.2.07T2		Sources of public finance - Taxes - Grants - Loans
	<i>Suggested Teaching/Learning Resources</i>	14.2.07T3		- Appropriation-in-Aids - Rent - Fees - Fines and forfeitures Application of Public Finance
	- Computer/ internet - LCD - Flipcharts - whiteboard - Markers' pen			Practice
	<i>Suggested Evaluation Methods</i>	14.2.07P		<i>Specific Objective</i> By the end of the sub-module unit, the trainee should be able to list sources of public finance in Kenya
14.2.07	PUBLIC FINANCE			
	Theory			
14.2.07T	<i>Specific Objectives</i> By the end of the sub-module unit, the trainee should be able to: a) explain the meaning of public finance	14.2.07P1		<i>Content</i> Sources of public finance

	<p><i>Suggested Teaching/Learning Activities</i></p> <ul style="list-style-type: none"> - Explanation - Note-taking - Observation 		<ul style="list-style-type: none"> d) describe statutory offices which supervise implementation of public funds e) discuss budgeting as a tool in control of public funds.
	<p><i>Suggested Teaching/Learning Resources</i></p> <ul style="list-style-type: none"> - Public procurement and disposal Act, 2005 - Text books - Chalk-board 	14.2.08C	<p>Competence</p> <p>The trainee should have the ability to interpret financial regulations in relation to public procurement</p>
	<p><i>Suggested Evaluation Methods</i></p> <ul style="list-style-type: none"> - Assignments - Examination 	14.2.08T1	<p><i>Content</i></p> <p>Meaning of terms</p> <ul style="list-style-type: none"> - Administration - Control
14.2.08	<p>ADMINISTRATION AND CONTROL OF PUBLIC EXPENDITURE</p>	14.2.08T2	Control of public expenditure by parliament
		14.2.08T3	The exchequer system of control
		14.2.08T4	Statutory offices that supervise use of public funds
	<p>Theory</p>		<ul style="list-style-type: none"> - Efficiency and Monitoring unit - Controller and Auditor General
14.2.08T	<p><i>Specific Objectives</i></p> <p>By the end of the sub-module unit, the trainee should be able to:</p>		
	<p>a) explain the meaning of administration and control of public expenditure</p>	14.2.08T5	<p>Budgeting as a tool in the control of public funds</p> <ul style="list-style-type: none"> - Estimates - Votes
	<p>b) explain control of public expenditure by parliament</p>		
	<p>c) explain the exchequer system of control</p>		

14.2.08P	<p>Practice</p> <p><i>Specific Objective</i> By the end of the sub-module unit, the trainee should be able to identify statutory offices that supervise implementation of public funds</p>	14.2.09	<p>EMERGING TRENDS AND ISSUES IN PUBLIC PROCUREMENT AND FINANCE</p>
14.2.08P1	<p>Statutory offices that supervise use of public funds</p> <p><i>Suggested Teaching/Learning Activities</i></p> <ul style="list-style-type: none"> - Lecture - Discussion - Explanation - Note-taking 	14.2.09T	<p>Theory</p> <p><i>Specific Objectives</i> By the end of the sub-module unit, the trainee should be able to:</p> <ol style="list-style-type: none"> a) identify emerging trend and issues in public procurement and finance b) discuss challenges posed by the emerging trends and issues c) discuss the approaches of managing challenges posed by the emerging trends and issues.
	<p><i>Suggested Teaching/Learning Resources</i></p> <ul style="list-style-type: none"> - Public procurement and disposal Act, 2005 - Text books - Chalk-board 	14.2.09C	<p>Competence The trainee should have the ability to cope with emerging trends and issues in public procurement and finance.</p>
	<p><i>Suggested Evaluation Methods</i></p> <ul style="list-style-type: none"> - Quizzes - Assignments - Examination 	14.2.09T1	<p><i>Content</i> Emerging trends and issues in public procurement and finance</p>



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14.2.09T2	Challenges posed by emerging trends and issues	<i>Suggested Teaching/Learning Activities</i>
14.2.09T3	Management of challenges posed by emerging trends and issues	- Lecture - Case studies - Class presentations - Demonstrations
	Practice	
14.2.09P	<i>Specific Objective</i> By the end of the sub-module unit, the trainee should be able to identify emerging issues and trends in public procurement and finance.	<i>Suggested Teaching/Learning Resources</i> - Text books - Chalk-board - Training manual - Flip charts - Felt pens
14.2.09P1	<i>Content</i> Emerging issues and trends in public procurement and finance	<i>Suggested Evaluation Methods</i> - Assignments - Examination - Term papers