



**Daffodil**  
*International*  
**University**

**Internship Report on “Procurement Policy of Creative Media Limited  
(CML)”**

**Submitted To:**

**Sayed Farrukh Ahmed**

**Assistant Professor**

**Department of Business Administration**

**Faculty of Business & Entrepreneurship**

**Daffodil International University**

**Submitted By:**

**Tushar Kumar Sarker**

**ID No: 181-12-659**

**Major in Accounting**

**MBA Program**

**Department of Business Administration**

**Daffodil International University**

**Date of Submission: 23 October' 2019**

**Letter of Transmittal**

**Date: 23 October, 2019**

To  
**Sayed Farrukh Ahmed**  
Advisor  
Assistant Professor  
Department of Business Administration  
Daffodil International University Bangladesh

**Subject: Submission of Internship Report on Procurement policy of “Creative Media Limited”.**

Dear Sir,

It is my great delight to submit you my internship report on **Procurement Policy of “Creative Media Limited”**. I have tried my best to complete this report duly following the guidelines provided by you and anxious organization.

I have self-confidence that the internship program has improved both of my useful experience and academic knowledge to a great level. I will be grateful to answer any query that may arise during the assessment of this report. So, I am passionately requesting and hope that you would be kind enough to admit my report and oblige thereby.

**Sincerely Yours,**



**Tushar Kumar Sarker**  
ID No. 181-12-659  
MBA (Major in Accounting)  
Daffodil International University Bangladesh.

## ANNOUNCEMENT

I am **Tushar Kumar Sarker** the student of Masters of Business Administration (MBA) bearing **ID: 181-12-659** major in Accounting from Daffodil International University Bangladesh would like to seriously announce here that an internship report on “**Procurement Policy of Creative Media Limited**” has been accurately prepared by me. While preparing this internship report, I didn't break any copyright act deliberately. I am further declaring that, I did not submit this report anywhere for awarding any degree, diploma or certificate.



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**Name: Tushar Kumar Sarker**  
ID No. 181-12-659  
MBA (Major in Accounting)  
**Daffodil International University, Bangladesh.**

## CERTIFICATE



This is to declare that an internship report on “**Procurement Policy Of Creative Media Limited (CML)**” for fractional performance of the degree of Master of Business Administration (MBA) major in Accounting from the Daffodil International University Bangladesh carried out by **Tushar Kumar Sarker, ID NO: 181-12-659** under my supervision. Under my supervision and direction this paper is being accepted successfully. No part of this paper has been submitted for any degree or recognition before.

I wish him every success in life.

A handwritten signature in black ink that reads "S. Farrukh Ahmed" followed by the date "23.10.19". The signature is written in a cursive style.

**Sayed Farrukh Ahmed**  
Assistant Professor  
Department of Business Administration  
**Daffodil International University, Bangladesh**

## ACKNOWLEDGEMENT

In the procedure of preparing this report's I received authentic support from number of persons whose names are not likely to state in this report but I would memorize them with my genuine gratitude and appreciation.

First of all, I am very much thankful to Almighty God who gave blessings, bravery and capability to get ready this report. I am very much thankful to **Sayed Farrukh Ahmed**, Assistant Professor, Department of Business Administration, Daffodil International University Bangladesh for guiding me to complete my internship program. I am also extremely thankful to him for his learned and productive implication which was of much help to prepare this report on **“Procurement Policy of Creative Media Limited” (CML)**.

Sincere gratitude to all of the wonderful peoples of **Daffodil International University, Bangladesh**. Specially my teachers, classmates and others.



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**Name: Tushar Kumar Sarker**  
ID No. 181-12-659  
MBA (Major in Accounting)  
**Daffodil International University, Bangladesh.**

## **EXECUTIVE SUMMARY**

Internship refers to a combined program in which business schools and business house co-operate. The main objective of such program is to give students on the job experience and the prospect to interpret the academic understanding in real life situation.

Furthermore this internship report is a essential obligation for obtaining Masters of Business Administration (MBA) program. I will suppose to work in Creative Media Limited, House: 43, Road: 16 (New), Dhanmondi, Dhaka and get accurate understanding in a report.

In the first part I will introduced the topic. Then I will discuss about the title of the study, objective of the study, methodology, scope and source of the study.

In the Second part I will try to discuss about Creative Media Limited. This part is primarily focused about Creative Media Limited.

In the third part I will try to present the Procurement Policy of Creative Media Limited.

In the final part I will present recommendations and conclusion.

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# Chapter One

## Introduction



## **1.1 Introduction**

Media plays a significant role in our day to day life. We stay up to date with the news and the things that occur in the world with the help of it. One can know what's happening in the United States of America while he/she lives in Bangladesh. It can make or break the status of a person, organization, political party, etc. Let's find out more about it. Media means the main means of mass communication (broadcasting, publishing, and the Internet) regarded collectively. It has different forms such as print, television, radio, and the internet. The print is the oldest form of it. Whereas, the newest form of it is the internet.

## **1.2 Origin of the Report**

The internship program is a compulsory obligation for the students who wish to be a MBA post graduate. In the internship program, I was friendly to host organization name Creative Media Limited. This report was prepared on my realistic experiences on the day to day corporate activities, theoretical experience and under close direction of my internal support as well as my official supervisor.

## **1.3 Objectives of the Study**

The main objective is to present the procurement policy of Creative Media Limited with satisfying the requirement of MBA program. However, the purpose behind this study is something broader.

Objectives of the study are summarized in the following manner:

- ❖ To present the overview of Creative Media Limited.
- ❖ To analyze the procurement policy of Creative Media Limited.
- ❖ To provide recommendations based on findings on the study.
- ❖ To support organizational goal and objectives.

## **1.5 Methodology**

From my educational background, I have learned different methodology in research process. So in this study I had the opportunity to implicate my educational knowledge in realistic field. I have collected data from many sources:

### **(a) Primary sources:**

- ❖ Doing sensible work in different desks of Creative Media Limited.
- ❖ Study of old files/documents/formats.
- ❖ Face to face discussion with the Manager, Officer and Employees.
- ❖ Direct inspection of Creative Media Limited admin ddivision activities.

**(b) Secondary sources:**

- ❖ Annual Report of Creative Media Limited.
- ❖ Internet is also used as abstract source of information.
- ❖ Website and newsletters are also used as key sources.
- ❖ Various text book.
- ❖ Different reports and articles related to study.
- ❖ Some of my course essentials as related to this report.

**1.5 Limitations of the Report**

**Lack of time:** The time period for preparing this report is very short. I had very short time in my hand to finish this report which is not sufficient to know details about an organization like Creative Media Ltd.

**Other Limitations:** The other limitations are as follows:

- The main restriction of the study is lack of current information, relevant to the study.
- All the explanation and conclusion about the result of the study is based on the analyst own perspective.
- It was very hard to collect data and information from admin and accounts division of Creative Media Limited on the reason of the confidentiality of the information.
- Lack of knowledge in internship report writing.

# Chapter Two

## Introduction Of Creative Media Limited

## **2.1 WHO WE ARE:**

Creative Media Limited is one of most reputed leading advertising agencies in Bangladesh for its innovative creation since 1999. As an innovative firm Creative Media is producing a number of significant Documentaries, Docudramas, TVCs, RVCs etc for various GOs, NGOs, INGOs and research organizations. Creative Media is efficient and experienced in making video documentary as well as communication and social awareness materials maintaining the highest level of quality.

## **2.2 OUR SERVICES:**

As an innovative firm we handle all aspects of advertising process, including Branding, Planning, Designing, Segmenting, Producing, Organizing and Placement. Our company also handles other aspects of marketing communication, such as public relations, marketing research, sales promotion, event organization, idea generation, awareness creation etc.

## **2.3 VISION STATEMENT**

Creative Media Limited is committed to providing our clients with results-oriented media content, public relations, and outstanding customer service and support. We are committed to only providing products and services that benefit our clients. We will maintain a financially strong, growth-oriented company for the protection of our employees and clients.


## **2.4 MISSION STATEMENT**

The mission of Creative Media Limited is to provide results-oriented media development, public relations, deployment strategies and marketing designed to meet our client's objectives by providing robust marketing conceptions and excelling at customer service. We seek to become a strategic extension of client's marketing objectives and exceed their bottom-line results.

## **2.5 OUR SERVICES:**

- **BRAND DEVELOPMENT**
- **TELEVISION COMMERCIAL**
- **RADIO COMMERCIALS**
- **EVENT MANAGEMENT**
- **MARKETING RESEARCH**
- **DESIGNING**
- **PRINTING**
- **PUBLIC RELATION**
- **SOCIAL COMMUNICATION**
- **OUTDOOR CAMPAIGN**
- **INFORMATION TECHNOLOGY SUPPORT**

## 2.6 Corporate information at a Glance

Name of the Company	Creative Media Limited
Stock Code	CML
Type / Origin	Private / Local
Legal Form	A private limited company incorporated in Bangladesh on 01 <sup>st</sup> January 1999 under the companies Act 1994
Commencement of Business	01 <sup>st</sup> January, 1999
Head office	House: 43, Road: 16 (New), Dhanmondi, Dhaka, Bangladesh
Telephone No.	+88-02-912-3677
Fax No.	+88-02-912-7822
Website	<a href="http://new.creativemediabd.com">http://new.creativemediabd.com</a>
SWIFT	CML
E-mail	<a href="mailto:info@creativemediabd.com">info@creativemediabd.com</a>
Chairman	Syed Borhan Kabir
Managing Director	Sharmin Akhter
Auditors	Chairman B.K. Bhattachajee FCA Member Saptam Biswas ACA Member Suman Bhattacharjee
No. of Branches	02
No. of Employees	26
Company Logo	

## **2.7 Board of Director of CML:**

WE'RE A SMALL, FRIENDLY AND TALENTED TEAM. WE CRAFT BEAUTIFUL DIGITAL SOLUTIONS FOR AWESOME CLIENTS ACROSS ALL THE PLATFORM.



**Syed Borhan Kabir  
Chairman**



**Sharmin Akhter  
Managing Director**



**Salman Kabir  
Director**



**Mahbubur Rahman  
General Manager**

Chapter Three  
Procurement Policy  
Of  
Creative Media Limited



# PROCUREMENT POLICIES AND PROCEDURES MANUAL



The Procurement Policies and Procedures Manual of **Creative Media Ltd.** containing page No: 01-20 has been approved by the Management with amended up to date provisions.

**Creative Media Ltd.**

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### **1000 Process for updating the Manual**

- 1001 Creative Media Ltd. shall have the right to modify, amend, replace, revise and/or add any of the provision of this manual in such manner and to such extent, as may deem fit, subject to approval of CML, Management Committee (MC).
- 1002 Any change or modification/amendment, as approved by the MC of CML shall be circulated through inter-office memo/circular under the signature of the Chairman, CML.
- 1003 All the changes / amendments that have been taken place since the date of last revision, with the approval from CML, shall be incorporated in the revised version of the Procurement Policies and Procedures Manual.
- 1004 CML may appoint consultant/consulting firm or form a committee to review and update the manual annually or bi-annually.

### **2000 Conflict of Interest**

- 2001 No employee, officer, any member of his/her immediate family, his/her partner, or an company which employs or is about to employ any of the parties indicated herein has a financial or other interest in the CML shall be selected for an award of contract or purchase order.
- 2002 The officers, employees and agents of CML shall neither solicit nor accept gratuities, favors or anything of monetary value from the vendors or parties.

### **3000 Procurement Principles**

- 3100 The general rule is that procurement shall be as financially favorable as possible. At the same time procurement shall be as appropriate as possible to suit with the requirements of the company.

- 3200 Procurement should be planned in a way that satisfies following principles;
- a. Suitable for intended use;
  - b. Maximizing economy and efficiency;
  - c. Promote competition in the procurement procedure;
  - d. Competitive price;
  - e. Durable as deserved;
  - f. Promoting integrity and fairness and maintaining transparency in the procurement process; and
  - g. The interest of CML.
- 3300 All procurement must provide open and free competition and ensure competitive price for equipments, goods and services, competition in procurement is the primary means to assure that reasonable prices are paid.
- 3400 Procurement function must be separated from accounting and receiving functions. All the procurement of supplies will require a complete accounting and expenses must be substantiated by proper documentation.
- 3500 All purchases must be made by the Manager-Admin/Asst. Manager-Admin/Sr. Admin Officer/Admin Officer as and when responsible who acts upon approved requisitions from the concerned authority. For procurement of any items or goods a Purchase Requisition (PR) and a Purchase Order (PO) must be completed and duly approved by the competent authority as applicable.

#### **4000 Budget and Budgetary Control**

- 4100 CML shall estimate future procurement needs to include in the annual budget. There should be separate budget for inventory/supplies and itemized capital expenditure.
- 4200 All procurement shall be made out of the approved budget.
- 4300 Necessary clearance from Finance Department must be obtained before any approval is accorded for procurement.

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## 5000 Material Requisition System

- 5001 When an item is required by any official, a request in the form of Requisition shall be sent to the responsible procurement in charge with the approval from the concerned competent authority. A Requisition form is shown in Annexure-1. The procurement in charge shall make necessary arrangement to verify whether;
- a. The item is available in the stock
  - b. The item needs to be purchased.
- 5002 If the materials are available in the store, the responsible Admin Personnel shall issue the requested materials. If the requested materials are not available or having minimum stock, the Admin Officer shall prepare a Purchase Requisition (as per Annexure-2) and shall initiate purchase procedures for the required items.

## 6000 Procurement Procedure

- 6001 The concerned Admin personnel shall observe all the formalities required to procure any item.
- 6002 The responsible Admin Personnel shall make necessary arrangement to ensure value for money of the goods/ assets to be procured (As and where applicable) through collecting quotations and Preparing Comparative statement and getting approval by the procurement committee.
- 6003 The responsible procurement in charge shall get the requisition approved by the competent authority after cross checking the stock and requisition as:
- a. Requisitioned item is an authorized item.
  - b. Adequate Budget is available for the item.
  - c. Entitlement of the user.

- 
- 6004 After Requisition is approved, the responsible Procurement In-charge shall perform necessary formalities, as detailed in the under going paragraphs to procure the materials.
- 6005 After ensuring value for money for the items to be procured either with the evidence of spot quotation or with the approved comparative statement along with signed quotations responsible Admin Personnel shall prepare Purchase Order (PO) and submit the same to the authorized Person as applicable, for signature. After signature the Purchase Order/Work Order it must be submitted to the vendor within the stipulated time. A form of Purchase Order is shown in Annexure- 4 and

#### **7100 Procurement Approval**

The authority of approval of procurement decisions is illustrated below. This shall be strictly followed by CML.

- 7101 Purchase transactions up to Tk. 15,000; Purchase up to Taka 15,000.00 (Under one purchase order) does not require competitive bid or from suppliers. These can be purchased from the open market or from the enlisted suppliers or from the open market though spot verification.
- 7102 Purchase transactions between Tk. 15,001 to Tk. 25,000: Procurement In-Charge shall collect 3 (Three) quotations from the suppliers for the items to be purchased, whether enlisted or not and award the contract to the bidder offered lowest price.

In case of emergency Procurement In-Charge may also purchase these items directly from the enlisted suppliers without obtaining formal quotations. When suppliers are not enlisted spot quotations shall be evaluated by Manager-Admin and Director Operation shall approve the purchase decisions.

7103 Purchase transactions between Tk. 25,001 to Tk. 200,000: Procurement In-Charge shall ask the enlisted suppliers/concerned suppliers to submit quotations either in closed envelope/through email. If suppliers are not enlisted for particular item(s), quotations from the bona-fide suppliers may be invited. At least 3 (three) quotations must be collected from the suppliers either in closed envelop/through email. Responsible member of procurement committee for these items shall open the envelopes/email, sign the quotations in each page and send the same to the Procurement In-Charge for preparation of comparative statement.

For the above mentioned amount members of the purchase committee shall be as follows and signatures of at least three signatory is must for the purchase and price with vendor shall be approved by the Chairman/Director-Operation.

Purchase Committee Members:

- a. Chairman
- b. Director Operation/Any authorized Director
- c. Manager-Admin
- d. Concerned Department Head

7104 Purchase transactions between Tk. 200,001 to Tk. 10,00,000 Procurement In-Charge shall ask the enlisted suppliers to submit quotations in sealed envelope. If suppliers are not enlisted for particular item(s), quotations from the other bona-fide suppliers may be invited. At least 3 (Three) quotations/bids must be there to evaluate the bids/quotations.

The envelopes containing quotations shall be opened in presence of at least two Purchase Committee Members, who shall sign each page of all the quotations. Procurement In-Charge shall prepare a comparative statement and present to the Purchase Committee Members to evaluate the quotations.

For the above mentioned amount members of the purchase committee will be as follows and signatures of two signatory including Chairman is must for the purchase. Vendor as per offered price shall be approved by the Chairman/Managing Director.

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**Purchase Committee Members:**

- a. Chairman
- b. Managing Director
- c. Director
- e. Director Operation
- f. Concerned Department Head

7105 Purchase transactions Over Taka 10,00,000 (Ten Lac), Where total estimated cost of budgeted procurement is found to be more than Tk. 10,00,000 sealed quotations shall be initiated through press tender. The envelopes containing quotations shall be opened in presence of at least 3 (three) Purchase Committee Members, who shall sign each page of all the quotations. Asst. Manager-Admin/Admin Officer shall prepare a comparative statement and present to the Purchase Committee Members to evaluate the bids.

A Purchase Committee meeting shall be arranged jointly to evaluate the bids/quotations and to select the supplier for the purchase transaction over taka 10,00,000 (Ten Lac Taka). After evaluation of bids, Purchase Committee shall forward all the papers with specific recommendation to the Managing Director/Chairman for final approval.

However for high value branded items (Generator, computers, motor vehicles, air conditioners, overhead/multi-media projectors, etc) can be purchased from the approved dealers/showrooms of the respective items after obtaining quotations and price negotiations, instead of press tender.

For the above mentioned amount members of the purchase committee will be as follows, Treasurer is must for the purchase. Vendor with offered price shall be selected and comparative bid statement shall be approved by the Managing Director/Chairman.

**Purchase Committee Members:**

- a. Chairman
- b. Managing Director
- c. Director Operation
- d. Manager Admin
- e. Concern Department Head

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All purchase decisions over Tk. 10,00,000 (Ten Lac Taka) shall be jointly approved by the Managing Director and Chairman.

Purchase Order shall be issued to the selected vendor/ supplier.

- 7106 CML may engage outside consultant or technical expert to take their services that will verify and certify the technical items purchased by CML where there are no in-house technical personnel. As for example, to certify the computer or related equipment, CML may engage outside expert to verify and certify the items as per specification and purchase order.

## 8200 Bidding Procedure

- 8201 When written request for proposals or invitations to bid is involved, the Manager Admin must ensure that the following procedures are strictly applied:
- i) The final date, hour and place for submission of bids/proposals and the required period of validity of bids should be clearly specified in the invitation to bid document. The Bids must be circulated through press tender.
  - ii) Unless otherwise stated, bids must be submitted in sealed envelopes and shall be kept un-opened until the time of formal opening.
  - iii) Bid response containing price/cost more than taka- 10,000 (Ten Thousand) are not admissible via facsimile or e-mail, although facsimile communications are permissible in issuing information to bidders and in the clarification of queries. Formal Bid submissions must be made in the sealed envelope clearly marked "SEALED BID" in order to avoid the envelope being opened prior to the stipulated date.
  - iv) Bids should be opened in presence of witnesses and wherever possible bidders should be allowed to be present during opening of bids.
  - v) The name of the bidder and the total quoted amount should be read loudly and recorded in a pro-formatted paper/document. Care should be taken to announce and record any discounts that may be contained in the bid document.



- vi) Employees and bidders present at the time of opening the bid should sign the document wherein bid information is recorded.
- vii) Bids received after the time as stipulated in the letter of invitation/tender notice should not be considered and should be returned unopened to the bidders. Any waiver of this condition must be fully justified in writing by the competent authority.
- viii) The final evaluation of proposals or bids in the form of Comparative Statement along with specific recommendation by the Finance Manager or procurement committee as applicable shall be submitted to the Managing Director for approval.

### **8300 Requirements for creative services and specialized skills**

- 8301 In certain cases special requirements, for the procurement of goods and services may need to be evaluated not solely by price, but other equally important criteria as well. Examples of this may include requests for creative field or discipline. In such cases, it is necessary to clearly define appropriate bid evaluation criteria other than price in advance before releasing the invitation to prospective bidders. In all such cases the bid invitation will be in the form of a "Request for Proposal" (REP).
- 8302 Wherever possible, an approximate percentage of weight should be assigned to each of the criteria's in order to indicate their overall significance within the decision-making process. The evaluation criteria identified in the REP may include, but are not limited to, the following factors:
- a. Price (within range);
  - b. Experience on relevant issues;
  - c. Familiarity with CML;
  - d. Understanding of the work;
  - e. Track record with other companies;
  - f. Professional standing and reputation (e.g. membership in professional associations and /or affiliation with international firm/company);
  - g. Strength of the firm/company and proven experience in the areas for which REP is issued.
  - h. Initiative and likely contribution beyond specific mandate;
  - i. Quality and experience of the proposed team members.
- 8303 Besides above, quoted price plays an important role as a determinant in the award of such business. Clearly, a prospective bidder may choose to propose a more or less costly product or service depending upon his/her perception of the actual requirements. In order to assist respondents to determine the appropriate quality of service or complexity of design and extent of resources and/or money they should invest in responding to the REP, it is essential to include an indication of the available budget along with the specification.

8304 This financial guidance should not be included as a specific figure but the provision of a budget range may be provided. A budget range will discourage bidders from submitting an identical price, and therefore encourages competition and potential cost savings; similarly, it is prudent at the higher end of the budget range to retain a realistic margin in order to ensure flexibility in finalizing the exact range of services that are to be provided by the successful bidder.

8305 In inviting proposals and bids for complex creative services, prospective bidders may incur costs in responding the request, which may restrict the number of responses received and therefore reduce competition. In such cases fees of design and formats may be paid by CML to offset costs incurred by the unsuccessful bidders. This is only to be offered in exceptional circumstances, and the payment of a fee must be determined in advance of the release of invitation to bid. The Purchase Committee, in consultation with the requesting unit, will determine the fee payable.

#### **8400 Purchase Committee**

8401 Purchase committee of CML shall be formed with the following officials having approval of in the Advisory Committee Meeting (Management & Finance), which may be changed annually to include some other officials to replace the existing members:

- a. Chairman
- b. Managing Director
- d. Director
- e. Director Operation
- f. Concerned Department Head

8402 At least 3 (three) members must be present in person in the purchase committee meeting to fill the quorum.

- 
- 8403 Purchase Committee need not necessarily pick the supplier quoting lowest price. Factors such as reliability, quality and timely delivery should also be considered and noted at the time of selection. Such exceptions must be noted and explained.
- 8404 Finance Manager will review all the procurement procedures before finally placing the Purchase Order.
- 8405 The Managing Director and or Chairman must approve all the decisions of the Purchase Committee, as applicable.
- 8406 The Management Committee must approve the recommendation of the Chairman, wherever applicable.

#### 8500 **Enlistment of Suppliers/ Vendors**

- 8501 CML shall prepare a complete list of supplies, stationery, equipment, etc. with detailed specification and shall be made available to the interested suppliers/ vendors to facilitate them to understand the need and quote price. This list must be provided to the interested supplier at the time of inviting the suppliers for enlistment.
- 8502 Suppliers can be invited for enlistment with CML once in a year or once in every two years for office supplies, printing & stationery and office equipment.
- 8503 The procurement committee will decide the criteria for enlistment.
- 8504 Security Deposit (refundable) @ 10% or more should be taken from the enlisted suppliers, in case of procurement over Taka 10,00,000 (Ten Lac).
- 8505 Direct purchase from the manufacturer is an established acceptable practice and no quotations or comparison is necessary, where there is only one source of supply.
- 8506 The purchase committee may conduct Market Survey on quarterly or half-yearly intervals to verify the rates of enlisted vendors.

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## 8600 Exceptions

No quotation is required for purchases or materials if there is only a single manufacturer or sole distributor/ agent. This fact must be noted in the records and approval must be taken from the Chairman.

## 9000 Purchase Order

- 9001 After the requisition is approved and vendor is selected. Procurement **In-Charge shall prepare Purchase Order and place the same to Chairman/Managing-Director/Manager-Admin (As and where applicable), for signature and execution.**
- 9002 No purchase order shall be issued unless the purchase requisition is correctly completed, approved and signed by authorized signatories.
- 9003 Purchase of items up to Tk.25,000 is not subject to the issuance of a formal purchase order (PO). The Procurement In-Charge or his nominated person within the organization shall purchase item from the enlisted suppliers.
- 9004 If no enlistment is there for any particular item(s) CML may decide to purchase the item from open market by taking sport quotations.
- 9005 Purchase Orders are controlled and issued by the Procurement In-Charge and no other individual is authorized to hold or issue a PO. The PO is a legally binding contract and must therefore be carefully drawn up.
- 9006 A proto-type Purchase Order is shown in Annuxure-4 and standard terms and condition of the purchase order in Annexure-5.

## 9100 Contents of Purchase Order (PO)

As the Purchase Order has legal implications, care must betake to avoid situation which might involve controversy at a later stage. The following points should be taken into consideration while placing an order.

- 9101 The price quotation, specification and order basic data, based on which an order is to be placed, must be carefully studied.

- 9102 Before issuing the PO. Procurement In-Charge must complete details of the item(s) is going to be ordered. In case of any doubt he/she should seek clarification from the vendor.
- 9103 Whether price is competitive and of a quality which is suitable for intended use or the operation for which it is required.
- 9104 The supplier must have his own shop/ establishment.
- 9105 Ensure that there is no pending dispute with the party to whom the order is being placed.
- 9106 The purchase order should be drafted carefully to ensure that items and conditions of the quotations received from vendor and subsequent negotiation are carefully spelt out to avoid problem at later stage.
- 9107 When CML is getting material of proprietary nature, order should be placed on settled terms in advance.
- 9108 Review the terms and conditions indicated in the order with regard to the price. VAT, AIT, packing, forwarding, duties, insurance and customs charges, etc.
- 9109 Terms of delivery, mode of transportation date and place of delivery.
- 9110 Warranty after sales service and maintenance support and
- 9111 If special packing is required that must be mentioned in the PO.
- 9112 The form of PO is illustrated in Annexure- 4
- 9113 The purchase order will incorporate the company's terms and conditions as applicable to the circumstances of purchase, which is illustrated in Annexure- 5.

#### **9200 Distribution of PO**

Purchase Order shall be prepared 4 (four) copies, which shall be distributed to the following parties/ departments:

--	Original	-	Supplier
--	Copy	-	Finance Department
--	Copy	-	Procurement Department
--	Copy	-	Stores Department

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**10000 Goods Receiving Procedure**

- 10001 The receiving functions must not be held by Procurement In-Charge or anybody involved with purchasing functions. It must be totally independent from the Procurement Department.
- 10002 Documentation on receipt of goods must be prepared at the time the merchandise is received and in presence of vendor's representative.
- 10003 The vendor or supplier of the goods/ materials ordered shall deliver the ordered materials to the Store In-Charge or authorized person in this regard.
- 10004 The Store In-Charge shall inspect the supplied goods to ensure the delivered goods are as per specification as provided in the Purchase Order. Afterwards, the Store In-Charge shall enter all the items in the Stock Register to update the records.
- 10005 On being satisfied the Store In-Charge shall sign the Invoice/ Delivery note and use GRN Seal (Goods Receive Notes) and supplier's invoice as a matter of certificate for payment.
- 10006 When goods are received, those shall be checked with the relevant purchase order by the receiving official and record date of receipt and remarks, if any, on the Invoice / Delivery Note and invoice.
- 10007 The receiving and inspection functions provide formal evidence of good receipts to justify payment of invoices and establish the authority for posting entries in the books of accounts. Accordingly, all goods received shall be inspected promptly to ensure the quantity and quality and those acquisitions are in accordance with the terms and specifications of the purchase order.

**11000 Settlement of Invoices**

- 11001 On receipt of Invoice/Delivery Note and invoice with certification for payment by Store In-Charge the Account Executive shall check and verify the suppliers' invoice and forward the same to the finance department for payment against supply of goods.
- 11002 The responsibility of Store In-Charge is to certify that the goods received are as per the specification contained in the PO.

- 11003 The responsibility of the approving authority is to approve payment against obligations accompanied by appropriate supporting documents and is in conformity with existing policy, regulation.
- 11004 The Finance Manager shall verify the payment documents and certify the payment.
- 11005 The Finance Department shall ensure following actions before making any payment:
- a. Check the comment of the Store In-Charge;
  - b. Check the quantity of the supplied items;
  - c. Price / Rate of supplied item;
  - d. Prepare payment voucher;
  - e. Attach approved requisition form, Quotations, Purchase Order, Invoice /Delivery Note with payment voucher.

#### 11100 **Payment**

- 11101 On being satisfied the Finance Department will release the payment according to the payment terms.
- 11102 Cash purchases must be avoided with the exceptions of emergency purchases. However, if conditions are such that cash purchases are necessary from time to time that should be fully substantiated and justified. Two persons must alternate periodically, in order to maintain an efficient control over all cash purchases.
- 11103 Invoice payment over Taka 15,000 must be made by Account Payee Cheque. If it is not possible to purchase through Account Payee Cheque, then concerned person will obtain waiver from the competent authority and bearer cheque may be issued in exceptional cases with proper justification.

11200 **Disposal of Fixed Asset:**

11201 The company shall dispose of disposable assets declared and duly approved by the Management Committee in the management meeting and a committee shall be formed for disposal of assets as and when required. The committee shall approve the list and offered price of the assets to be disposed.

Fund acquired through disposal of assets shall be received and deposited to the organization's bank account immediate after disposal/ as on agreement with any other parties.

11300 **Loss of Assets:**

11301 Assets lost by any employee shall be noticed to the management in the prescribed form (Annexure-6).

11302 An enquiry committee shall be formed immediate after submission of asset loss notice to indentify the cause of losses. Any measures for loss of assets shall be taken on the basis of the recommendation of enquiry committee.



<b>CREATIVE MEDIA LIMITED</b>					
<b>Requisition Form</b>					
Name of the Requestor:				Submission Date:	
Designation:				Delivery required Date:	
SI #	Description/ Specifications	Quantity Required(pcs)	Unit Price (Tk)	Total Price (Tk)	Head of Accounts
	<b>Total Amount</b>				
Remarks:					
Requested by		Justified by Finance Department		Approved By	
Signature		Date:		Chairman/Managing Director/Director/Manager	
				Date :	



Creative Media Ltd.

Purchase Order/ Work Order (PO)

No.

Date: .....

M/S .....  
.....  
.....

Reference to your quotation submitted on ..... and subsequent approval of comparative bid statement you are requested to supply the following item(s) as per following specification. Please submit your Invoice/Bill along with Delivery Note / Invoice to the office of the undersigned for payment.

Sl No	Description of goods/service	Specification	Qty.	Unit price	Total amount Taka	Remarks
<b>Taka in word:</b>						

Terms and Conditions:

- |   |                                    |
|---|------------------------------------|
| 1. Date of Delivery:                      | 2. Place of Delivery:              |
| 3. Cost of Delivery:                      | 4. Terms of Payment:               |
| 5. VAT deduction:@gov.rules               | 6. AIT deduction: @ gov.rules      |
| 7. Packing:                               | 8. Warranty/Guarantee:             |
| 9. Quality:                               | 10. Prior approval of sample/proof |
| 11. Termination of order before delivery: | 12. Penalty                        |

\_\_\_\_\_  
Authorized Signatory  
(With name, position and date)

Accepted
Signature of Supplier

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## Creative Media Ltd.

### Standard Terms and Conditions of Purchase

1. Creative Media Ltd. accepts no liability for orders unless they are issued on our printed forms/stationery and are accepted by the supplier on the same document. We reserve the right to cancel orders not accepted within five working days.
2. Our PO number must be quoted on all invoices, delivery notes and any other communications thereto.
3. A statement of contents or packing list must be sent with the goods along with a delivery note to us on the day the goods are dispatched.
4. No amendments or additions to this order are permissible unless confirmed by us in writing.
5. Unless otherwise agreed, payment will be made within 30 days from the date of receiving the goods.
6. We reserve the right to inspect and/or test the goods either before or after dispatch from your premises. Such inspection or test does not relieve you of any liability or responsibility not does it imply acceptance of the goods.
7. All goods supplied by you must be adequately protected and marked in accordance with our instructions. Any loss, damage or deterioration resulting from non-compliance shall be made good forthwith by you free of charge.
8. In case of failure by you to deliver or to complete delivery within the specified time or times, or to comply with the conditions hereof or in the event of repeated deliveries of defective goods, we reserve the right to cancel in whole or in part and to purchase similar goods elsewhere charging any additional cost so instructed to you.
9. You will be responsible for making good free of charge with all possible defects arising from defective design, materials or workmanship or from any negligence or other improper act or omission, which may develop in the goods you have supplied.
10. Any materials supplied by us to you as sample, shall be clearly marked as being our property and shall be returned to us on demand.
11. Any contract to which these conditions shall apply shall be deemed to be made in Bangladesh and construct in accordance with the law of Bangladesh.

# Chapter Four

## Findings, Recommendations & Conclusion

#### **4.1 Findings:**

- ❖ The preliminary step in a procurement process is recognizing the need for a product. In Creative Media Limited (CML) the requirement and availability of the product have not been analyzed properly.
- ❖ In making purchase requisition, the double checking process has not been ensured properly.
- ❖ There is lack of appropriate procurement policy in CML.
- ❖ VAT & Tax is properly deposited to government collection account from every procurement.
- ❖ CML have some enlisted vendors, When they make any procurement, CML issued a work order including price, terms and conditions and complete the procurement.
- ❖ CML Maintains the “Good Receive Note” in delivery Challan when they receive the goods from suppliers.

#### **4.2 Recommendations:**

The problem of Creative Media Limited can be solved to certain extent. The following suggestion may be made in order to solve the problem.

- ❖ They need to establish the policy as early as possible.
- ❖ They need to implement the policy strictly in the time of any procurement.
- ❖ They need to maintain all the terms and conditions mentioned in the procurement policy.

#### **4.3 Conclusion:**

Creative Media Limited is one of the established private organizations in the country. It is one of the front line media house due to its specialized and sophisticated services rendered to its customers. In order to remain competitive in the market it constantly looks for ways and means to improve productivity. Use of information technology remains its mainstay. It is playing a crucial role in human resource development and in creating new employment opportunities. It is also undertaking various welfare activities for the betterment of the society.

The reliability of the customers on CML is increased promptly day by day. In CML all the staffs are performing sincerely serving the customers untiringly. CML keeps itself busy to serve the society, to improve the lifestyle of the people, to develop the business environment.