

PURCHASE ORDER
GOVERNMENT ARSENAL
 Entity Name

Supplier: POONGSAN CORPORATION	P. O. No.: 2017-12-426
Address: <u>Poongsan Bldg. 23, Chungjeong-ro, Seodaemun-gu, Seoul, 120-837, Korea</u>	Date: <u>29 DEC 2017</u>
TIN: <u>241-664-140-000</u>	Mode of Procurement: <u>Public Bidding</u>

Gentlemen:
 Please furnish this Office the following articles subject to the terms and conditions contained herein:

Place of Delivery: <u>Arsenal, DND, Limay, Bataan</u>	Delivery Term: <u>DAP-Government Arsenal, Limay, Bataan</u>
Date of Delivery: <u>Within two hundred ten (210) calendar days from the receipt of Notice to Proceed (NTP)</u>	Payment Term: <u>Letter of Credit (LC)</u>

Stock/ Property No.	Unit	Description	Qty	Unit Cost	Amount
		One (1) Lot Steel Core and Jacket Cup for 5.56mm M855 Bullet			
	pc	1. STEEL CORE for 5.56mm M855 Bullet Drawing No. CBA110SC-00 A. Material The Steel Core shall be made from KS-D-3592, SWRCH 45K or JIS-G-3539, SWCH 45K B. Workmanship The requirements for workmanship are as specified on the applicable drawings and on the following: a. Metal Defects - The core shall be free of teats, cracks, chips, mutilations, defective points, tool marks, excessive corner break, no corner break, burrs, steps and other injurious defects which would interfere with the purpose for which the steel cores are intended. b. Foreign Matter - The core shall be free of oil, grease, rust, dirt, scale, chips and grit. C. Chemical Composition % C : 0.42 - 0.48 % Si : 0.10 - 0.35 % Mn : 0.60 - 0.90 % P : 0.03 max. % S : 0.035 max. Note: The Supplier shall submit the Certificate of Chemical Analysis and material code confirmation (KS-D-3592, SWRCH 45K or JIS-G-3539, SWCH 45K) used in the manufacture of the steel core during Pre-delivery Inspection.	3,400,000	1.45	4,930,000.00

Stock/ Property No.	Unit	Description	Qty	Unit Cost	Amount
		<p>D. Weight, Hardness and Dimensional Properties The steel core shall comply with the requirements embodied in drawing no. CBA-110SC-00.</p> <p>E. Manufacturing Requirement The steel core shall be manufactured by a single manufacturer only, within one (1) year from date of award with the manufacturing date indicated in the packaging.</p>			
pc		<p>2. JACKET CUP for 5.56mm M855 Bullet (Annealed) Drawing No. CBA110BJa-01</p> <p>A. Material The Jacket Cup shall be made from Copper Alloy No. 22000, Annealed, Specs MIL-C-21768.</p> <p>B. Workmanship The cup shall be uniform in quality and shall be free from metal defects, foreign matter and other injurious defects, which would interfere with the purpose for which the cups are intended.</p> <p>1. Metal Defects, - The cups shall be free of laminations, slivers, blisters, laps, cracks, scales, scratches, dents, bent, sidewalls, wrinkles, V'd and wire edges.</p> <p>2. Foreign Matter, -The cups shall be free of oil, grease, dirt, grit, acid, oxidation, stains, red spots and chips.</p> <p>C. Chemical Composition</p> <p>% Cu : 90 + / - 1.0 % Pb : 0.05 max. % Fe : 0.05 max. Total Elements other than Cu and Zn : 0.13 max. % Zn : remainder</p> <p>D. Weight, Grain Size, Hardness and Dimensional Properties The Jacket Cup shall comply with the requirements embodied in Drawing No. CBA110BJa-01</p> <p>E. Manufacturing Requirement The jacket cup shall be manufactured by a single manufacturer only, within one (1) year from date of award with the manufacturing date indicated on the packaging.</p> <p>***** nothing follows *****</p> <p>BASIS: Case and Bullet Division PURPOSE: For assembly of 5.56mm M855 Bullets REF: PR No. 2017-10-304, APP 2017 Savings page 1, item D-I-B</p>	3,400,000	P 3.396	P 11,546,400.00

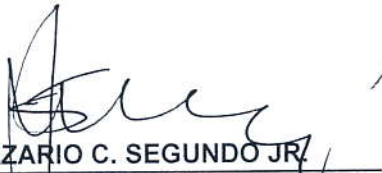
Stock/ Property No.	Unit	Description	Qty	Unit Cost	Amount
		<p>PAYMENT TERM: Payment of ninety nine percent (99%) shall be made thru: a) Modified Disbursement Scheme (MDS) Checks or Direct Payment Scheme via bank debit system through issuance of Advice to Debit Account (ADA) of Supplier (DBM Circular 2013-16 dated December 23, 2013) after delivery and acceptance at the Government Arsenal; or b) Letter of Credit (LC) after delivery and presentation of Shipping Documents, Pre-delivery Inspection (PDI) Report duly signed by the Inspection Acceptance Committee and written advice of payment duly signed by the Director, Government Arsenal.</p> <p>The remaining one percent (1%) shall be retained to cover warranty obligations, to be released after three (3) months from final acceptance or upon submission of an equivalent special bank guarantee, and for LC upon written advice of payment duly signed by the Director, Government Arsenal.</p> <p>All charges for the opening of LC and / or Incidental expenses thereto (i.e. bank commission, documentary stamp, tax, cable, etc.) shall be for the account of the supplier.</p>			

(Total Amount in Words) SIXTEEN MILLION FOUR HUNDRED SEVENTY SIX THOUSAND FOUR HUNDRED PESOS only

P 16,476,400.00

In case of failure to make the full delivery within the time specified above, a penalty of one-tenth (1/10) of one percent for every day of delay shall be imposed on the undelivered item/s.

Very truly yours,



MR. NAZARIO C. SEGUNDO JR.
 Atty-In-Fact for Poongsan Corporation
 Signature over Printed Name of Supplier

JAN 29 2018
 Date

Conforme:



DANIEL R CASABAR JR.

Signature over Printed Name of Authorized Official

Director

Designation

Fund Cluster: _____

Funds Available: _____

MS. EIZEL JANE G. PEREZ

Signature over Printed Name of Chief Accountant / Head of Accounting Division/Unit

ORS/BURS No.: D2-101109-2017-12-2985

Date of the ORS/BURS: DEC 28, 2017

Amount: P 16,476,400.00