PURCHASE ORDER

GOVERNMENT ARSENAL

Supplier: Avesco Marketing Corporation
Address: 810 Aurora Boulevard corner Yale Street
         Cubao, Quezon City
TIN: 000-400-152-000

P. O. No.: 2018-06-148
Date: June 26, 2018
Mode of Procurement: Public Bidding

Gentlemen:

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

Place of Delivery: Government Arsenal, Lamao, Limay, Bataan
Date of Delivery: Within one hundred eighty (180) calendar days from the receipt of Notice to Proceed (NTP)

Delivery Term: DAP Camp General Antonio Luna
Lamao, Limay, Bataan
Payment Term:

<table>
<thead>
<tr>
<th>Stock/Property No.</th>
<th>Unit</th>
<th>Description</th>
<th>Qty</th>
<th>Unit Cost</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>kg</td>
<td></td>
<td>One (1) lot 7.62mm CARBON STEEL STRIP</td>
<td>35,000</td>
<td>P 159.98</td>
<td>P 5,599,300.00</td>
</tr>
</tbody>
</table>

A. MATERIAL

The steel strip shall be free from imperfection such as lamination, segregation and surface defects consistent with good mill commercial practice.

B. DIMENSIONAL, PHYSICAL AND MECHANICAL PROPERTIES

1. Thickness, mm : 0.813 ± 0.025
2. Width, mm : 31.5 ± 0.25
3. Straightness in 2m, mm : 4 max.
4. Coil inside diameter, mm : 320 - 400
5. Coil outside diameter, mm : 756 max.
    (for reference only)
6. Coil weight, kg : 80 max.
    (for reference only)
7. Hardness, HV/HRB, max. : 173 / 85.5
8. Tensile strength, kg/mm² : 45.70 min.
9. Elongation, % : 20 min.

C. CHEMICAL COMPOSITION

1. Carbon, % : 0.47 - 0.56
2. Silicon, % : 0.15 - 0.30
3. Manganese, % : 0.60 - 0.90
4. Phosphorus, % : 0.04 max.
5. Sulfur, % : 0.05 max.
D. PACKING

D.1 Marking Requirements
   The outer packing must be clearly marked on the sides as follows:
   - Name of the Procuring Entity
   - Name of the Supplier
   - Contract Description
   - Final Destination
   - Gross Weight
   - Net Weight
   - Any special lifting instructions
   - Any special handling instructions
   - Any relevant HAZCHEM classifications

D.2 Minimum Inner Packing Requirements
   D.2.1 Each coil must be properly wrapped by a heavy duty plastic / sack / wax-coated paper and separated by a corrugated fiber board to avoid damage or scratches.
   D.2.2 It must be placed in a wooden crate with a maximum of eighteen (18) coils per crate.

E. MANUFACTURING REQUIREMENT

The carbon steel strip shall be manufactured by a single manufacturer only within one (1) year from the date of award, with the manufacturing date indicated on the packaging.

***** nothing follows *****

BASIS: Cartridge Assembly and Packaging Division
REF: PR No. 2017-12-374, APP 2018, Page 1, item D-I-B
PURPOSE: For fabrication of 7.62mm Metallic Links

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 duly signed by the Director, Government Arsenal.
The remaining one percent (1%) shall be retained to cover warranty obligations, to be released after three (3) months or upon submission of an equivalent special bank guarantee, and for LC upon written advice of payment duly signed by the Director, Government Arsenal.

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.

(Total Amount in Words) FIVE MILLION FIVE HUNDRED NINETY NINE THOUSAND THREE HUNDRED PESOS only

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.

Conforme:

MR. THOMAS D. FERRER  
Signature over Printed Name  
July 1, 2018

Very truly yours,

DANIEL R. CASABAR JR  
Director

Fund Cluster: 101101

Funds Available: PHP 5,599,300.00

ORS/BURS No.: 02-101101-2018-06-\__  
Date of the ORS/BURS: \__  
Amount: PHP 5,599,300.00  

MS. ALLECIAH D. CARREON, CPA  
Chief Accountant