PURCHASE ORDER

GOVERNMENT ARSENAL

Entity Name

GECAR MACHINE SOLUTIONS, INC.  
JOINT VENTURE with POB of Croatia

P. O. No.: 2019-06-154

Date: 26 JUN 2019

Mode of Procurement: Public Bidding

No. 17 Mars Street, Congressional Subd. II, 
Tandang Sora, Quezon City

TIN: 402-688-122-000

Gentlemen:

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

Place of Delivery: Government Arsenal, Lamas, Limay, Bataan

Delivery Term: DAP Camp General Antonio Luna, 

Date of Delivery: Within one hundred fifty (150) calendar days 

Payment Term: 

from the receipt of Notice to Proceed (NTP)

<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>pc</td>
<td></td>
<td>Lot II - 7.62mm M13 Metallic Links</td>
<td>3,000,000</td>
<td>Php 3.06</td>
<td>Php 9,180,000.00</td>
</tr>
</tbody>
</table>

A. MATERIAL

The links shall be made from Carbon Steel Strip, UNS No. G10500/G10550 or equivalent, Cold-Rolled Spheroidized Annealed in accordance with ASTM-A 684 (0.8128 +/- 0.0381).

B. WORKMANSHIP

The links shall not exhibit poor materials and processing such as seams, laps, laminations, cracks, sharp edges, nicks, burrs, deformations and missing operations which may affect serviceability, functioning, operation, appearance or safety.

C. VISUAL AND DIMENSIONAL

Defects shall be into major and minor defects, Minor defects have two (2): 1.5% and 2.5% AQL (Acceptance Quality Limit) while major defects have four (4): 0.40%, 0.25%, 0.65% and 1.5%, depending on the type of defect appearing on Links.

Note: Quality conformance examination for defects shall be based on Military Specifications Link, Cartridge, Metallic Belt, 7.62mm, M13 (MIL-L-45403D).

D. PHOSPHATE COATING

The coating shall be evenly deposited, and shall have a uniform crystalline texture with a pattern not readily visible to the unaided eye and shall not produce any evidence of etching or intergranular attack of the base metal. Coatings shall be gray to black, and shall not have a mottled appearance. They shall be free of white stains (due to dried phosphating solution), rust, fingerprints, scratches and worn or bare spots. The weight of the phosphate coating shall be 11mg minimum.

E. DIMENSIONAL PROPERTIES

Use Drawing No. GC7-14b for reference.
F. CHEMICAL COMPOSITION
The links shall comply with the chemical composition specified for carbon steel strip, UNS No. G10500/G10550 or equivalent.

Note: As reference, the supplier/manufacturer is required to furnish the Government Arsenal with the grade and corresponding Certificate of Chemical Analysis of the carbon steel strip used in the manufacture of the links.

G. BELT STRENGTH
A belt consisting of six (6) links and five (5) 7.62mm, NATO approved dummy cartridges shall be capable of withstanding a tensile load of 55 pounds (25 kg) without separation for a minimum of 30 seconds.

H. DYNAMIC REQUIREMENT
A belt consisting of 101 links and 100 7.62mm, NATO approved dummy cartridges shall withstand a free drop of one end of the belt. Full and partial separation of the links from the cartridges shall not be more than 10 links from the free end.

I. CARTRIDGE STRIPPING
The force required to strip a NATO approved cartridge case from a link using a centrally applied load without impact shall not be less than 0.5 pounds and not more than 18 pounds. Links shall assemble and disassemble without shaving resulting in removal of the metal from the cartridge case.

J. DECARBURIZATION
The links shall comply with the decarburization requirement of 0.001 inch (0.0254 mm) maximum.

Note: The supplier must submit the Certificate of Analysis.

K. FUNCTIONING
The links shall be capable of being assembled with approved 7.62mm, NATO cartridges and 7.62mm, NATO tracer cartridges and function in any or all of: M60, M240 Machine Gun without malfunctioning, cracking, breaking or separating. A lot shall consist of links manufactured from the same materials, conditions and facilities.

L. HARDNESS
The hardness of the links shall be 70~74 HRA.

M. ACCELERATED CORROSION RESISTANCE
The links when subjected to a salt spray test shall show no evidence of corrosion in accordance to detailed specifications Phosphate Coating, Heavy Manganese or Zinc Base (MIL-DTL-16232G) and Standard Practice for Operating Salt Spray (FOG) Apparatus (ASTM B117).

N. MANUFACTURING REQUIREMENT
The links must be manufactured by a single manufacturer only within one (1) year from the date of award indicating the date of manufacturing in the packaging.

**** nothing follows ****
**BASIS:** Cartridge Assembly and Packaging Division  
**REF:** PR No. 2019-02-043, Continuing Appropriations CY 2018  
Page 1, D-I-B  

**PURPOSE:** For assembly of 7.62mm Links Ammunition  

**PAYMENT TERM:**  
The terms of payment shall be as follows:  

**A. For Foreign manufacturer or supplier:**  
• Payment of ninety five percent (95%) upon delivery shall be made thru Letter of Credit (LC) after delivery at the Government Arsenal and upon presentation of Certificate of Acceptance Inspection (Pre-delivery inspection) issued at manufacturer's plant site, shipping documents and Advice of Payment duly signed by the Director, GA.  

The remaining five percent (5%) shall be retained to cover warranty obligations, to be released after three (3) months upon presentation of the Certificate of Final Acceptance Inspection and Advice of Payment duly signed by the Director, Government Arsenal or upon submission of an equivalent special bank guarantee.  

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.  

**B. For local manufacturer or supplier:**  
• Payment of ninety-five percent (95%) upon delivery shall be made thru Check / Disbursement Voucher (DV) after delivery and acceptance at the Government Arsenal and presentation of Certificate of Acceptance Inspection (Pre-delivery inspection) issued at the manufacturer's plant site.  

The remaining five percent (5%) shall be retained to cover warranty obligations, to be released only after three (3) months or upon submission of an equivalent special bank guarantee.

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**Conforme:**  

**For: Helga**  

**MR. GEORGE T. LAO**  

Signature over Printed Name  

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**Date:**  
11 JUL 2019

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**Very truly yours,**  

**DANIEL R. CASABAR JR**  

Director

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**Fund Cluster:**  
101101  

**Funds Available:**  
PHP 9,180,000.00

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**ORS/BURS No.:**  
02-101101-2019-07  

**Date of the ORS/BURS:**  
31 August 2019

**Amount:**  
PHP 9,180,000.00

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**MS. ALLECIAH D. CARREON, CPA**  

Chief Accountant

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**Total Amount in Words:** NINE MILLION ONE HUNDRED EIGHTY THOUSAND PESOS only  

**Amount:** PHP 9,180,000.00

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