Contract Agreement

THIS AGREEMENT made this _____ day of __________ between
GOVERNMENT ARSENAL, Camp General Antonio Luna, Limay, Bataan of the Philippines (hereinafter called “the Entity”) of the one part and GECAR MACHINE SOLUTIONS, INC. of Mindanao Rattan Compound, P. Burgos St. Alang-Alang, Mandaue City, Cebu (hereinafter called “the Supplier”) of the other part:

WHEREAS the Entity invited Bids for certain goods and ancillary services, viz., Procurement of 50,000 kg Lead Wire for Cal .45, IB Nr. GA-BAC-2019DP-19 and has accepted a Bid by the Supplier for the supply of those goods and services in the sum of TEN MILLION THREE HUNDRED THOUSAND PESOS (PhP10,300,000.00) only (hereinafter called “the Contract Price”).

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.

2. The following documents shall be deemed to form and be read and construed as part of this Agreement, viz.:
   (a) Bid Form and the Price Schedule submitted by the Bidder;
   (b) Schedule of Requirements;
   (c) Technical Specifications;
   (d) General Conditions of Contract;
   (e) Special Conditions of Contract; and
   (f) Entity’s Notification of Award

3. In consideration of the payments to be made by the Entity to the Supplier as hereinafter mentioned, the Supplier hereby covenants with the Entity to provide the goods and services and to remedy defects therein in conformity in all respects with the provisions of the Contract.

4. The Entity hereby covenants to pay the Supplier in consideration of the provision of the goods and services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the contract at the time and in the manner prescribed by the contract.

IN WITNESS whereof the parties thereto have caused this Agreement to be executed in accordance with the laws of the Republic of the Philippines on the day and year first before written.

Signed, sealed, delivered by:

[Signature]
DANIEL R CASABAR JR
Director
Government Arsenal

[Signature]
MR. HILARIO E. LLANZA
Sales Consultant
Gecar Machine Solutions, Inc.
SIGNED IN THE PRESENCE OF:

MS. AVELINA C. ALIANGAN
Superintendent
Planning & Logistics Division

MR. GEORGE T. LAO
General Manager
Gecar Machine Solutions, Inc.

ATTY. ABEGAIL C. GABRIEL
Arsenal Legal Officer

MS. ALLECIAH D. CARREON
Chief Accountant

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES
CITY OF BALANGA, BATAAN ) s.s.

BEFORE ME, a Notary Public for and in Balanga City, Bataan, Philippines, on this
day of ___________ 2019 personally appeared:

Valid Identification Card No.

DANIEL R. CASABAR JR TIN 120-449-129
MR. HILARION E. LLANZA Driver's License N01-03-000153
MR. GEORGE T. LAO UMID ID No. CRN-0111-358-9874-6
MS. AVELINA C. ALIANGAN TIN 112-799-761
ATTY. ABEGAIL C. GABRIEL TIN 406-648-758
MS. ALLECIAH D. CARREON TIN 432-710-749

known to me and to me known to be the same persons who executed the foregoing instrument
and acknowledged to me that the same is their free and voluntary deed.

WITNESS MY HAND AND SEAL on the date and place above written:

Doc. No. 180
Page No. 321
Book No. X
Series of 2019

FLAVIANO T. AGUANTA
NOTARY PUBLIC
UNTIL DECEMBER 31, 2019
PRN. NO. 4671747/1-16-19
IBP D.R. 070232/1-18-19
NOTICE TO PROCEED

21 OCT 2019
(Date)

MR. HILARION E. LLANZA
Sales Consultant
GECAR MACHINE SOLUTIONS, INC.
Mindanao Rattan Compound, P. Burgos St. Alang-Alang,
Mandaue City, Cebu

Dear Mr. Llanza:

The attached Contract Agreement having been approved, notice is hereby given to GECAR MACHINE SOLUTIONS, INC. that work may commence for the supply and delivery of 50,000 kg Lead Wire for Cal .45, under ITB # GA-BAC-2019DP-19 for the Government Arsenal, DND upon receipt of this notice provided that the specification will be strictly complied with during delivery.

Upon receipt of this notice, you are responsible for performing the services under the terms and conditions of the Agreement and in accordance with the Implementation Schedule.

Please acknowledge receipt and acceptance of this notice by signing both copies in the space provided below. Keep one copy and return the other to the Arsenal, DND.

Very truly yours,

[Signature]
DANIEL R CASABAR JR
Director

I acknowledge receipt of this Notice on 21 OCT 2019
Name of the Representative of the Bidder
Authorized Signature

[Signature]
PURCHASE ORDER

GOVERNMENT ARSENAL

GECAR MACHINE SOLUTIONS, INC

Unit # 11 G/F The Green Strip S.E Jayme St.,
Zone Sikwa Paknaan, Mandaue City, Cebu
402-688-122-000

P. O. No.: 2019-10-211
Date: October 15, 2019
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 sixty (60) 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>Lead Wire for Cal .45</td>
<td>50,000</td>
<td>P 206.00</td>
<td>P 10,300,000.00</td>
</tr>
</tbody>
</table>

A. Dimension:
1. Diameter of wire, mm : 0.8 ±0.15
2. Coil inside diameter, mm : 360 ±0.0
3. Weight per coil, kg : 25 approx.

B. Chemical Composition:
1. % Antimony (Sb) : 1.75 ±0.75
2. % Antimony + Lead (Sb+Pb), min : 99.2

C. Workmanship:
The material shall be clean and of uniform composition and shall be free from segregations, dross, oxides, blow holes, hard spots, foreign material and other injurious defects.

D. Packing:
D.1 Marking Requirements
D.1.1 The outer packing must be clearly marked on the sides as follows:
   - Name of Procuring Entity
   - Name of the Supplier
   - Contract Description
   - Final Destination
   - Lot and Box Number
   - Gross Weight
   - Net Weight
   - Any Special lifting instructions
   - Any Special handling instructions
   - Any relevant HAZCHEM Classifications
E. Manufacturing Requirements:
The Lead wire shall be manufactured within One (1) year from the date of award by a single manufacturer only, with the manufacturing date on the packaging.

**** nothing follows ****

BASIS: Case and Bullet Division
REF: PR No. 2019-08-164, APP 2019, Page 2, Item D-I-B.

TERMS OF PAYMENT:
The terms of payment shall be as follows:
Payment of ninety-five percent (95%) upon delivery shall be made thru Check/Disbursement Voucher (DV) after delivery and acceptance at the Government Arsenal.
The remaining five percent (5%) shall be retained to cover warranty obligations, to be released after three (3) months or upon submission of an equivalent special bank guarantee.

(Total Amount in Words) TEN MILLION THREE HUNDRED THOUSAND PESOS only

P 10,300,000.00

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.

Conforme: MR. HILARION E. LLANZA
Signature over Printed Name

21 OCT 2019
Date

Very truly yours,
DANIEL R. CASABAR JR.
Director

Fund Cluster: 101101
Funds Available: PHP 10,300,000.00

OR/SBRS No.: 02-101101-2019-10-44
Date of the OR/SBRS: Oct. 17, 2019
Amount: PHP 10,300,000.00

MS. ALLECTIAH D. CARREON, CPA
Chief Accountant