NOTICE TO PROCEED

28 DEC 2018
(Date)

MR. RONALD T. BERNARDO
Operations Manager
TECHLINE, INC.
100 North Science Ave., Laguna Technopark,
Bíñan, Laguna

Dear Mr. Bernardo,

The attached Contract Agreement having been approved, notice is hereby given to
TECHLINE, INC. that work may commence for the Preventive Maintenance of
five (5) LI Fabrication Equipment, under ITB # GA-BAC-2018-IA-18 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,

DANIEL R CASABAR JR
Director

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

[Signature]

JANUARY 7, 2019
[Signature]
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 TECHLINE, INC., of 100 North Science Ave.,
Laguna Technopark, Biñan, Laguna (hereinafter called “the Supplier”) of the other part:

WHEREAS: the Entity invited Bids for certain goods and ancillary services, viz.,
Preventive Maintenance of five (5) LI Fabrication Equipment, IB Nr. GA BAC 2018-IA-18
and has accepted a Bid by the Supplier for the supply of those goods and services in the sum of
ONE MILLION THREE HUNDRED EIGHTY FOUR THOUSAND TWO HUNDRED FORTY
PESOS (PhP1,384,240.00) 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;
(f) Entity’s Notification of Award; and
(g) Supplemental Bulletin

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:

______________________________
DANIEL R CASABAR JR
Director
Government Arsenal

______________________________
MR. RONALD T. BERNARDO
Operations Manager
Techline, Inc.
ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES
CITY OF BALANGA, BATAAN

BEFORE ME, a Notary Public for and in Balanga City, Bataan, Philippines, on this

day of __________ 2018 personally appeared:

DANIEL R. CASABAR JR
MR. RONALD T. BERNARDO
MS. LENEY U. RAEUBER
MS. ROWEENA G. BASA
ATTY. ABEGAIL C. GABRIEL
MS. ALLECIAH D. CARREON

Valid Identification Card No.

TIN 120-449-129
Driver's License No. N25-97-02579
Passport No. ECO810067
TIN 196-041-509
TIN 406-648-758
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:

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Page No. 1
Book No. XXXI
Series of 2018

ATTY. JULIET SANGALANG-SALADA
NOTARY PUBLIC
FOR AND IN THE PROVINCE OF BATAAN
Natural Commission No. M-10-12-1
Until December 31, 2018
3rd Floor Chowking Bldg., Balanga City
ROLL NO.: 03-497
BPP License No.: 1030-399, BATAAN
PTR No. 201306-0001-18, Balanga City
TECHLINE, INC.
100 North Science Avenue
Laguna Technopark
Biñan, Laguna

Sir:

PLEASE FURNISH OR CAUSE TO BE FURNISHED the Preventive Maintenance of the following Fabrication Equipment for the Account and Official use of the Government Arsenal:

1. EDM Die Sink (Oscar Max, Maxsee and Roboform) – 1 Lot

PhP 517,500.00

Scope of Work:

a. Perform detailed maintenance program as per machine manufacturer and provide preventive maintenance checklist during project implementation

b. Checking of the following:
   - machine level and Axis Reference positions
   - lubrication levels
   - lube tank and air lubricators
   - oil filter element
   - oil temperature
   - cooling fans running and clean its cabinet
   - axis drives and I/O
   - C-axis system
   - clamp and unclamp and orientation
   - axis and spindle drive
   - check in front and behind LCD
   - motor fans

c. Checking and cleaning of the following:
   - oil cooler filter and fins
   - condenser
   - fan fins
   - oil temperature display and proper operation

d. Draining, cleaning of suction filter and wipe out lube unit suction and in line

e. Inspection of the following:
   - ATC, shuttle in/out, tool holder, alignment, positioning and sensors
   - Electrical connections in cabinet, power supply voltage cables and shielding
   - Servo motors, battery voltage, incoming power, transformer taps set to incoming volts, servo motor to ground/ phase to phase and x, y, z and c-axis xyzc-axis backlash of ball screws and covers for proper function
   - Hoses with crack and/or oil leaks
   - In/out fan motor, electrical cabinet and AVR unit
f. Loose but functional machine parts and electrical wiring be soldered and secured without additional cost

g. Perform general cleaning of machine

2. EDM Wire Cut (AGIE Charmiles) Cut 20P – 1 unit
   PhP195,000.00
   Scope of Work:
   a. Perform detailed maintenance program as per machine manufacturer and provide preventive maintenance checklist during project implementation
   b. Conduct ocular inspection of visually accessible parts and components
   c. Inspection of way covers and mating slide way for proper operation and lubrication
   d. Checking of the following: all hoses, lubrication lines for cracking, oil filter on control box, oil filters and clean out residue at bottom of filter
   e. Perform functional test and check for potential defects
   f. List down replacement of potential defective parts
   g. Lubricate the components when necessary and applicable
   h. Loose but functional machine parts and electrical wiring be soldered and secured without additional cost
   i. Perform general cleaning of machine

3. EDM Drill, Ocean-OCT3525ZA – 1 unit
   PhP112,500.00
   Scope of Work:
   a. Perform detailed maintenance program as per machine manufacturer and provide preventive maintenance checklist during project implementation
   b. Conduct ocular inspection of visually accessible parts/ components
   c. Inspection of way covers and mating slide way for proper operation and lubrication
   d. Checking of the following:
      - all hoses and lubrication lines for cracking
      - oil filters and clean out residue at bottom of filter
   e. Perform functional test and check for potential defects
   f. List down replacement of potential defective parts
   g. Lubricate the components when necessary and applicable
   h. Loose but functional machine parts and electrical wiring be soldered and secured without additional cost
   i. Perform general cleaning of machine to include electrical cabinets and machine parts

4. CNC Milling Machine (Finetech SMV 610 H3L) – 1 unit
   PhP165,000.00
   Scope of Work:
   a. Perform detailed maintenance program as per machine manufacturer and provide preventive maintenance checklist during project implementation
TECHLINE, INC.

b. Checking, troubleshooting and evaluation of the following:
   - electrical and electronic system
   - fault and errors of the control system

c. Checking and cleaning of the following:
   - spindle cone and lubrication
   - spindle drawbar
   - automatic tool charger and tool pot for alignment and clean and grease roller
   - active and passive machine components
   - support bearing ball nut for x, y and z axis
   - linear guide for x, y and z axis
   - coolant tank

d. Loose but functional machine parts and electrical wiring be soldered and secured without additional cost

e. Accuracy check and machine leveling

f. Perform general cleaning of machine

5. Vacuum Furnace (TAV TPF – 30/30/45 HP) – 1 unit

Scope of Work:

A. Furnace Interior and Exterior
   a. Perform detailed maintenance program as per machine manufacturer and provide preventive maintenance checklist during project implementation
   b. Checking of the following:
      - all safety interlocks to ensure they are functioning
      - deterioration of thermocouples
   c. Inspect hot zone ceramic insulators for any deposits that could cause an unwanted drain of power to ground that would affect the heating schedule
   d. Clean the chamber of all foreign matter. Depending on the rate dirt accumulation, clean the furnace
      - Brush or blow dirt out with clean, dry air
      - Wipe inner chamber surfaces using a lint free cloth dampened with suitable solvent
      - On furnaces with an epoxy coating on the inside of the chamber and bottom head, use denature isopropyl or butyl alcohol for cleaning
   e. Remove dirt and dust from the front of the control cabinet and clean all glass

B. Transformers
   a. Checking of the following:
      - transformer and power terminal connections for tightness
      - electrical connections to power feed through bars for tightness
   b. Inspection of the following:
      - all lines, fittings and connections of backfill gases from point of origin to backfill valve assemblies at the furnace
      - belt tensions on all pumps

C. Control Cabinet
   a. Remove any dust and or dirt from the control cabinets
   b. Inspect the secondary power cables for wear and heat deterioration

D. Water and pneumatic lines
   a. Examine individual water lines to ensure there is no blockage or sediment build up in circuits, concentrating on smaller hoses (VRT, power feed through, diffusion p/p, convection motor water lines)
b. Inspect pneumatic lines for leaks

c. Verify the regulator/ lubricator/ filter near the pneumatic bank is working properly

E. Voltage and Amperage

a. Obtain voltage and amperage readings of the diffusion pumps heater feeds

b. Take voltage and amperage readings of the gas blower at operating pressure to make sure amperage draw is not above motor rating

c. Take voltage output readings of the Power Control Unit manual for further information as feed from the programmer at different output percentage. Adjust if necessary. Refer to the PCU manufacturers

F. Valves and Pressure Switches

a. Test all pressure switches for proper operation. Adjust if necessary

b. Lubricate any valves that have grease or oil cup by filling the cup with grease/oil from the pump it is sealing and turning it over until grease/oil comes out on the other side of the block

c. Utilize diffusion pump oil to lubricate the pump shaft seal however, older diffusion pumps may require grease for lubrication

d. Utilize booster pump oil to lubricate booster pump shaft seal

e. Loose but functional machine parts and electrical wiring be soldered and secured without additional cost

f. Perform general cleaning of machine

Other Conditions:

1. The Preventive maintenance shall be conducted only during office hours, Monday – Friday.

2. Services shall be on a quarterly basis. The Government Arsenal, however, reserves the right to request services/s other than the quarterly services when the need arises, especially when problems occur necessitating further maintenance check-ups without extra cost upon receipt of formal notices of claimed machine defects, malfunctions or misbehaviour.

3. Maintenance services rendered after the one (1) year contract period should have a warranty obligation of three (3) months, in any case of recurrence of same problem within the warranty period is considered BACK JOB and rework should be done free of charge.

TOTAL COST of LABOR and MATERIALS  PhP1,384,240.00

----------------------------- nothing follows -----------------------------

BASIS: Fabrication Section, Engineering Division

REF: PR No. 2018-08-257, APP 2018, Page 1-B (Repair and Maintenance of Equipment)

DELIVERY TERM: DAP Camp General Antonio Luna, Lamao, Limay, Bataan

COMPLETION PERIOD: Quarterly Visit within one (1) year from the receipt of Notice to Proceed (NTP)

PROJECT REFERENCE NO.: GA-BAC-2018-IA-18

MODE OF PROCUREMENT: Public Bidding
TERM OF PAYMENT:

The terms of payment shall be as follows:
Quarterly Payment 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 subject to the submission of the following:

- After submission of preventive maintenance report signed by Chief, Fabrication Section, Engineering Division; and
- Inspection and Acceptance Report duly signed by the Arsenal Acceptance Committee

b) Letter of Credit (LC) after delivery and presentation of Inspection Acceptance Report (IAR) duly signed by the Inspection Acceptance Committee and written advice of payment duly signed by the Director, Government Arsenal.

The remaining five percent (5%) shall be retained to cover warranty obligations, to be released after three (3) months after the completion of the project 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.

RECOMMENDED:

MS. ROWEENA G. BASA, CPA
Superintendent
Planning & Logistics Division

APPROVED:

DANIEL R. CASABAR JR.
Director

ALLOTMENT AVAILABLE

RA______FUND______DOA No.______
FUNCTION____OBJECT CLASS
OBLIGATION No. 02-101010-2010 (2-288)
AMOUNT ______1,284,240.00____

MS. ALLEGIAH D. CARREON, CPA
Chief Accountant/Comptroller

Received and accepted JOB ORDER subject to terms and conditions

By: MR. RONALD T. BERNARDO
Printed Name and Signature

Date: ______1/07/2009____

THIS IS AN IMPORTANT PAPER AND WILL CAUSE DEALER INCONVENIENCE IF LOST