

**PURCHASE ORDER**  
**GOVERNMENT ARSENAL**

Entity Name

Supplier: <u>POONGSAN CORPORATION</u>	P. O. No.: 2020-01-009	<u>2020-01-009</u>
Address: <u>Poongsan Building, 23, Chungjeong-ro,</u> <u>Seodaemun-gu, Seoul, Korea</u>	Date: <u>January 16, 2020</u>	
Represented by: <u>Ms. Ma. Cristina B. Espiritu</u> <u>Atty-In-Fact</u> <u>Yung Sung Industrial Philippines Inc.</u> <u>E1901 B PSE Center, Exchange Road,</u> <u>Ortigas Complex, Pasig City</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>Government Arsenal, Limay, Bataan, Philippines</u>	Delivery Term: <u>DAP, Camp General Antonio Luna,</u> <u>Lamao, Limay, Bataan, Philippines</u>
Date of Delivery: <u>Within one hundred fifty (150) calendar days</u> <u>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
	pc	<p><b>5.56mm Case</b></p> <p><b>1. Workmanship</b> The case shall be free from defects such as round head, dent, split case, perforated case, draw scratch, scratch, bevelled underside of head, scaly metal, no chamfer on head, wrinkle, and other defects which will render it unsuitable for the purpose intended. The case shall be free from corrosion, stains, discolorations, dirt, and smears of lacquer.</p> <p><b>2. Gaging / Hardness / Marking (Head stamp)</b> Use Drawing No. AC-102-06 as reference for dimension and hardness only, but the head stamp shall be as indicated in the drawing.</p> <p><b>3. Residual Stress</b> The cartridge case shall not split when subjected to a one percent (1%) Mercurous Nitrate Solution for 15 minutes.</p> <p><b>4. Function and Casualty Test</b> The cartridge case shall function without casualty (Reference for Firing Defects shall be based on MIL-C-9963F)</p> <p><b>5. Visual and Dimensional Inspection Criteria</b> Sampling plan shall be in accordance with ANSI/ASQ Z1.4-2003 using a Double Sampling Plan (Normal) and General Inspection Level II. The Acceptance Quality Level (AQL) for Major and Minor defects shall be 0.01%, 0.25% and 1.5% respectively. Table and Classification of visual defects shall be in accordance with MIL-STD-636 (Visual Inspection Procedures for Small Arms Ammunition through Cal .50).</p>	6,500,000	P 7.24	P 47,060,000.00

Stock/ Property No.	Unit	Description	Qty	Unit Cost	Amount
		<p>6. The cartridge case shall be manufactured within one (1) year from date of award by a single manufacturer only, with the manufacturing date indicated in the packaging.</p> <p style="text-align: center;">*****nothing follows*****</p> <p><b>BASIS:</b> Case and Bullet Division</p> <p><b>REF:</b> PR No. 2019-09-186, APP 2020, Page 2, Item IV-A.3</p> <p><b>PURPOSE:</b> For assembly of 5.56mm M193 Ammo</p> <p><b>TERM OF PAYMENT:</b></p> <p>The terms of payment shall be as follows:</p> <p>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, Government Arsenal.</p> <p>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.</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>			

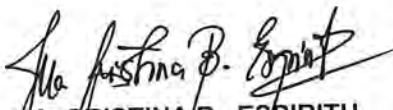
(Total Amount in Words) FORTY SEVEN MILLION SIXTY THOUSAND PESOS only


P 47,060,000.00

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:

Very truly yours,

  
**M.A. CRISTINA B. ESPIRITU**

  
**DANIEL R. CASABAR JR**

Atty-In-Fact

Director

Poongsan Corporation

30 JAN 2020

Date

Fund Cluster: 101101  
 Funds Available: P47,060,000.00

ORS/BURS No.: 02-101101-2020-0022  
 Date of the ORS/BURS: 27 JAN 2020

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

Amount: PHP 47,060,000.00