

PURCHASE ORDER

GOVERNMENT ARSENAL

Entity Name

Supplier: <input checked="" type="checkbox"/> POONGSAN CORPORATION	P. O. No.: 2020-01-010
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> <input checked="" type="checkbox"/> <u>Yung Sung Industrial Philippines Inc.</u> <u>E1901 B PSE Center, Exchange Road,</u> <u>Ortigas Complex, Pasig City</u>	Mode of Procurement: <input checked="" type="checkbox"/> <u>Public Bidding</u>

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

Place of Delivery: <input checked="" type="checkbox"/> <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: <input checked="" type="checkbox"/> <u>Within one hundred fifty (150) calendar days</u> <u>from the receipt of Notice to Proceed (NTP)</u>	Payment Term: <input checked="" type="checkbox"/> <u>Letter of Credit (LC)</u>

Stock/ Property No.	Unit	Description	Qty	Unit Cost	Amount
	pc	5.56mm M193 Bullet 1. WORKMANSHIP Metal Defect - the finished bullet shall be free of dent, perforation, scratch, split bullet jacket, missing cannellure, scaly metal, crooked point, blunt point and other defects which will render it unsuitable for the purpose intended. Foreign Matter - the finished bullet shall be free of corrosion, stains, discoloration, dirt and smears of lacquer. Cleaning methods used shall not be injurious to any part, nor shall the parts be contaminated by any cleaning agent. 2. VISUAL AND DIMENSIONAL INSPECTION CRITERIA Sample size and acceptance inspection criteria for Visual and Dimensional Inspection shall be in accordance with ANSI/ASQ Z1.4-2003 using Double Sampling Plan (Normal) and General Inspection Level II. Acceptance Quality Limit (AQL): Major Defect for Visual, Gaging & Weight – 0.25% Minor Defect for Visual – 1.5% Table and classification of visual defects shall be in accordance with MIL-STD-636 (Visual Inspection Procedures for Small Arms Ammunition Through Cal. 50) 3. Gaging & Weighing Use drawing No. AC 201 as reference for dimension and weight 4. Stripping The jacket of the bullet or any part thereof, shall not separate from the slug when the cartridge is fired.	6,500,000	P 5.09 P	33,085,000.00

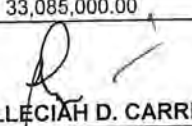
Stock/ Property No.	Unit	Description	Qty	Unit Cost	Amount
		<p>5. Accuracy The average of the mean radii of all targets of the sample cartridges, fired at 200 yards, shall not exceed 2.0 inches (50.8mm).</p> <p>6. Manufacturing Requirement The cartridge bullet shall be manufactured by a single manufacturer only within one (1) year from date of award, with the manufacturing date indicated on the packaging.</p> <p style="text-align: center;">*****nothing follows*****</p> <p>BASIS: Case and Bullet Division REF: PR No. 2019-11-372; APP 2020, Page 2, IV-A.3 PURPOSE: For assembly of 5.56mm M193 Ammo</p> <p>TERMS OF PAYMENT: The terms of payment shall be as follows: ✓ Payment of ninety-five percent (95%) 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. ✓ 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.</p>			

(Total Amount in Words) THIRTY THREE MILLION EIGHTY FIVE THOUSAND PESOS only P 33,085,000.00

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: 
MA. CRISTINA B. ESPERITU
 Atty-In-Fact
 Poongsan Corporation
30 JAN 2020
 Date

Very truly yours, 
DANIEL R. CASABAR JR
 Director

Fund Cluster: 101101
 Funds Available: PHP 33,085,000.00

MS. ALLECIAH D. CARREON, CPA
 Chief Accountant

ORS/BURS No.: 02-101101-2020-01-0051
 Date of the ORS/BURS: 27 JAN 2020
 Amount: PHP 33,085,000.00