

PURCHASE ORDER
GOVERNMENT ARSENAL
 Entity Name

Supplier:	HOLISTIC MARKETING SERVICES COMMUNICATION FIRM CORP. (JOINT VENTURE PARTNERSHIP with BUD ENTERPRISE CO., LTD.)	P. O. No.:	2019-05-131
Represented by:	HOLISTIC / MS. CHERRY PIE BARABAD	Date:	30 MAY 2019
TIN:	0451 Brgy. Tiaong, Guiguinto, Bulacan	Mode of Procurement :	Public Bidding
	007-366-166-000		

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

Place of Delivery:	<u>Government Arsenal, Lamao, Limay, Bataan</u>	Delivery Term:	<u>DAP Camp General Antonio Luna, Lamao, Limay, Bataan</u>
Date of Delivery:	<u>Within one hundred twenty (120) calendar days from the receipt of Notice to Proceed (NTP)</u>	Payment Term:	<u></u>

Stock/ Property No.	Unit	Description	Qty	Unit Cost	Amount
	pc	<p>Lot III - 5.56mm M27 Links</p> <p>A. MATERIAL</p> <p>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 (0.6096 ± 0.0254mm thick).</p> <p>B. WORKMANSHIP</p> <p>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.</p> <p>C. VISUAL AND DIMENSIONAL INSPECTION CRITERIA</p> <p>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 Limit (AQL) for Major and Minor defects shall be 0.4% and 1.5% respectively.</p> <p>Quality conformance examination for defects shall be based on Military Specifications Link, Cartridge, Metallic Belt, 5.56mm M27 (MIL-L-63532C).</p> <p>D. PHOSPHATE COATING</p> <p>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 10.2mg minimum.</p>	9,000,000	P 2.90	P 26,100,000.00

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		<p>E. DIMENSIONAL PROPERTIES Use Drawing No. AC07-15 for reference.</p> <p>F. CHEMICAL COMPOSITION The links shall comply with the chemical composition specified for Carbon Steel Strip, UNS No. G10500/G10550 or equivalent.</p> <p>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.</p> <p>G. SNAP-ON ASSEMBLY The maximum force needed to snap together a link and a cartridge shall be no greater than 45 pounds.</p> <p>H. DISASSEMBLY TORQUE The torque required to separate a link from a cartridge in a belt shall be more than 6 inch pounds but less than 14 inch pounds.</p> <p>I. BELT STRENGTH A belt consisting of six (6) links and five (5) dummy cartridges (M232) shall be capable of withstanding a tensile load of 33 pounds without separation for a minimum of 30 seconds.</p> <p>J. DYNAMIC REQUIREMENT A belt consisting of 101 links and 100 dummy cartridges (M232) shall withstand a free drop of one end of the belt. The links shall not partially nor fully separate in any area of the belt other than the ten (10) links from the free end.</p> <p>K. CARTRIDGE STRIPPING The force required to completely strip a dummy cartridge (M232) from a link using a centrally applied load (without impact) shall be not less 5.5 pounds not more than 16 pounds. Links shall assemble and disassemble without scratching or removing metal (shaving) from the cartridge cases.</p> <p>L. ASSEMBLEABILITY AND FREE HINGE When assembled into a 200 round belt with dummy cartridges (M232), the links shall hinge without binding, grabbing or freezing.</p> <p>M. DECARBURIZATION The links shall comply with the decarburization requirement of 0.02032mm maximum.</p> <p>Note: The supplier must submit the Certificate of Analysis.</p> <p>N. FUNCTIONING The links shall be capable of being assembled with approved 5.56mm M855 ball and M856 tracer cartridges and function in any or all of: M249, FN Minimi Machine Gun and K3 without malfunctioning, cracking, breaking or separating. A lot shall consist of links manufactured from the same materials, conditions and facilities.</p> <p>O. HARDNESS The hardness of the links shall be 70-74 HRA.</p>			

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		<p>P. 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).</p> <p>Q. 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 manufacture in the packaging.</p> <p style="text-align: center;">***** nothing follows *****</p> <p>BASIS: Cartridge Assembly and Packaging Division REF: PR No. 2018-09-268, APP 2019, Page 2, item D-I-B PURPOSE: For assembly of 5.56mm Linked Ammunition TERMS OF PAYMENT: The terms of payment shall be as follows:</p> <p>A. For Foreign manufacturer or supplier: Payment of ninety five percent (95%) for each 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) 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 or upon submission of an equivalent Special Bank Guarantee. In both instance, upon presentation of the Certificate of Final Acceptance Inspection and 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.</p> <p>B. For local manufacturer or supplier: Payment of ninety five percent (95%) for each delivery shall be made thru Check / Disbursement Voucher (DV) or Domestic Letter of Credit (LC) after delivery and acceptance at the Government Arsenal and presentation of Certificate of Acceptance Inspection. 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.</p>			

(Total Amount in Words) TWENTY SIX MILLION ONE HUNDRED THOUSAND PESOS only P 26,100,000.00

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:

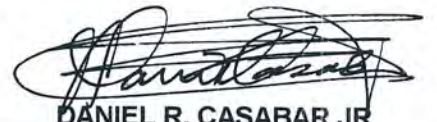
Very truly yours,

MS. CHERRY PIE BARABAD

Signature over Printed Name

19 JUN 2019

Date


DANIEL R. CASABAR JR

Director

Fund Cluster: 101101
Funds Available: PHP 26,100,000.00

ORS/BURS No.: 02-101101-2019-06-0845
Date of the ORS/BURS: June 17, 2019
Amount: PHP 26,100,000.00

MS. ALLECIAH D. CARREON, CPA

Chief Accountant