



NOTICE TO PROCEED

MR. JERUEL G. SANCHEZ

Attorney-in-Fact

COMPANHIA BRASILEIRA de CARTUCHOS

Av. Humberto de Campos,
3220 - Guapituba, Ribeirao Pires,
Sao Paulo, Brazil

Dear Mr. Sanchez:

In view of the approved Contract Agreement hereto attached, hereby issued is a Notice to Proceed in relation to the Acquisition of 3 Million Pieces each of 7.62mm Case and Bullet and 5 Million Pieces of 7.62mm Primer Components for the Government Arsenal with a corresponding contract price in the amount of **EIGHTY MILLION TWO HUNDRED TEN THOUSAND PESOS (PhP80,210,000.00)**, effective upon receipt.

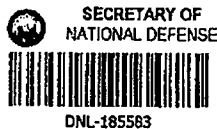
It is assumed that, upon receipt thereof, you shall work within the terms and conditions set forth in the Contract Agreement and strictly conform to the Implementation Schedule.

Please acknowledge receipt and acceptance of this Notice by signing all copies in the space provided below. May we further request that one (1) of the copies of the received Notice be returned to the Department of National Defense.

Very truly yours,

DELFIN N. LORENZANA

Secretary



I acknowledge receipt of this Notice on 25 Sept 2018
Name of the Representative of the Bidder JULIUS SANCHEZ
Authorized Signature [Signature]

KNOW ALL MEN BY THESE PRESENTS:

THIS CONTRACT is entered into, by and between:

The **DEPARTMENT OF NATIONAL DEFENSE - GOVERNMENT ARSENAL (DND-GA)**, a government entity existing in accordance with Philippine Laws, with office address at Lamao, Limay, Bataan, Philippines, represented by its Director, **DANIEL R CASABAR JR.**, hereinafter referred to as the **DND-GA**;

- and -

COMPANHIA BRASILEIRA DE CARTUCHOS (CBC) of Brazil, a duly recognized foreign entity, with business address at Av. Humberto de Campos, 3220 - Guapituba, Ribeirao Pires, SP - Brazil, and represented by its Authorized Representative, **JERUEL G. SANCHEZ** of Firepower Defense Contractors, Inc., hereinafter referred to as the **SUPPLIER**;

WHEREAS, pursuant to DND Acquisition Decision Memorandum No. 2018-002, dated March 5, 2018, there is a need to procure **7.62mm Components** consisting of **3,000,000 pieces Case, 3,000,000 pieces Bullet and 5,000,000 pieces Primer** for the use of the Government Arsenal, with an Approved Budget for the Contract (ABC) of **PHP80,500,000.00**;

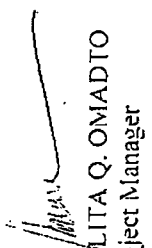
WHEREAS, accordingly, the Department of National Defense Bids and Awards Committee (DND-BAC) undertook an open, public and competitive bidding process on April 17, 2018 in accordance with the Government Procurement Law and its Implementing Rules and Regulations;

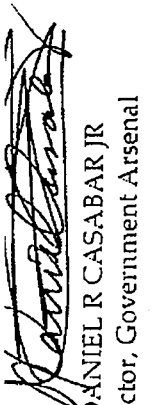
WHEREAS, as consequence of said process, the **SUPPLIER** was finally determined as the Single Calculated and Responsive Bidder for the acquisition of **7.62mm Components** consisting of **3,000,000 pieces Case, 3,000,000 pieces Bullet and 5,000,000 pieces Primer** with the proposed total price of **EIGHTY MILLION TWO HUNDRED TEN THOUSAND (PHP80,210,000.00)**;

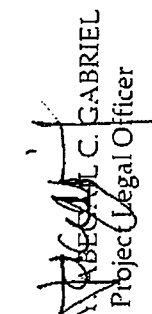
WHEREAS, upon the recommendation of the DND-BAC, the Secretary of National Defense issued a Notice of Award on August 15, 2018 duly conformed by the **SUPPLIER**;

NOW THEREFORE, for and in consideration of the foregoing premises, the parties agree 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:


MS. AMELITA Q. OMADTO
Project Manager


DANIEL R CASABAR JR
Director, Government Arsenal


ATTY. BEGGIE L.C. GABRIEL
Project Legal Officer

JERUEL G. SANCHEZ
Atty-in-Fact for CBC

JEREMY G. SANCHEZ
Witness, - CBC

ALFICIAH D. CARREON, CPA
Chief Accountant

- B. Bidding Documents;
- C. Eligibility and Technical Documents;
- D. Financial Proposal;
- E. Technical Specifications;
- F. Schedule of Requirements;
- G. Supplemental Bulletin;
- H. Performance Security; and
- I. Notice of Award

3. Each and every page of the above - mentioned documents shall be signed by the Legal Officer of the Technical Working Group (TWG) of the Project and the **SUPPLIER**.
4. Prior to the shipment of the goods, inspection and tests to confirm the Goods' conformity to the Contract Specifications shall be conducted at the manufacturer's plant site by a four (4)-man inspection/acceptance team for a duration of five (5) days, exclusive of travel time, at no extra cost to the Procuring Entity;
5. In consideration of the payments to be made by the **DND-GA** to the **SUPPLIER** as hereinafter mentioned, the **SUPPLIER** hereby covenants with the **DND-GA** to provide the goods required and the services relevant to its delivery, as well as to remedy defects therein in conformity in all respects with the provisions of the Contract.
6. The **DND-GA** hereby covenants to pay the **SUPPLIER** in consideration of the provision of the goods and services and the remedying defects therein, the Contract Price under the Contract at the time and in the manner prescribed therein.
7. All charges for the opening of Letter of Credit (LC) and / or incidental expenses thereto (i.e., bank commission, documentary stamp, tax, cable, etc.) shall be for the account of the **SUPPLIER**.

IN WITNESS HEREOF, the parties have hereunto caused this Agreement executed in accordance with the laws of the Republic of the Philippines this _____ day of _____ 2018 in _____.

MS. AMELITA Q. OMIADTO
Project Manager

DANIEL R. CASABAR JR.
Director, Government Arsenal

ATTY. BEGGIE C. GABRIEL
Project Legal Officer

JERUEL G. SANCHEZ
Atty-in-Fact for CBC

JEREMY G. SANCHEZ
Witness - CBC

ALFONSO D. CARREON, CPA
Chief Accountant

[Signature]
DIR DANIEL R CASABAR JR

[Signature]
JERUEL G. SANCHEZ

WITNESSED BY:

[Signature]
ATTY. BECAH C. GABRIEL
Project Legal Officer

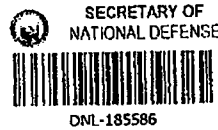
[Signature]
MS. AMELITA Q. OMADTO
Project Manager

MR. JEREMY G. SANCHEZ
Witness for CBC

[Signature]
MS. ALLECIAH D. CARREON, CPA
Chief Accountant
Government Arsenal

APPROVED BY:

[Signature]
DELFIN N. LORENZANA
Secretary
Department of National Defense



ACKNOWLEDGMENT

Republic of the Philippines)
QUEZON CITY) S.S.

Before me personally appeared in QUEZON CITY, Philippines, this _____ day of OCT 02 2018, 2018, the above stated persons with their respective IDs attesting to me that they are the same persons who executed this affidavit and acknowledged that the same are their voluntary and true act and deed.

This instrument consisting of three (3) pages, including the page on which this acknowledgment is written, has been signed by the above-named persons on the left margin of each and every page hereof.

WITNESS MY HAND AND NOTARIAL SEAL on date and place written above.

Doc. No. 147
Page No. 31
Book No. CXXXIV
Series of 2018

[Signature]
Atty. Romana De Castro-Makira
Commission Expires (2016)
Until December 31, 2018
PTR No. 412473C Q.C. 01/03/18
Roll of Atty. No. 40814
IBP OR No. 022714 Q.C. 01/03/18
Rafael Valdez Sr., No. 489 Boni Sampans Ave.,
Boni Sampans Murphy Quezon City 1109
Tel. (02) 8766-1000