



NOTICE TO PROCEED

JUN 07 2019

MR. KI SUK HAHN

Authorized Representative
POONGSAN CORPORATION
E1901B PSE Center, Exchange Rd.
Ortigas Complex, Pasig City

Dear Mr. Hahn:

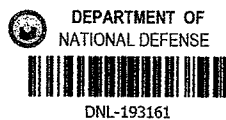
In view of the approved Contract Agreement hereto attached, hereby issued is a Notice to Proceed in relation to Procurement of 2,051 Metric Tons of Metallic Raw Materials for the Government Arsenal with a corresponding contract price in the amount of **SEVEN HUNDRED FORTY MILLION EIGHT HUNDRED ELEVEN THOUSAND FOUR HUNDRED TWELVE PESOS (PhP740,811,412.00)**, 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 Jun 10, 2019
Name of the Representative of the Bidder KI SUK HAHN
Authorized Signature [Handwritten Signature]

CONTRACT AGREEMENT

Supply and Delivery of 2,051MT Metallic Raw Materials

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 -

POONGSAN CORPORATION, a duly recognized foreign entity, with business address at Poongsan Building, 23, Chungjeong-ro, Seodaemun-gu, Seoul, 03737, Korea, represented by its **Attorney-In-Fact, MR. KI SUK HAHN** of Yung Sung Industrial Philippines, Inc., with office address at E1901B PSE Center, Exchange Road, Ortigas Center, Pasig City, Philippines hereinafter referred to as the **SUPPLIER**;

WHEREAS, pursuant to approved Multi-Year Obligational Authority (MYOA)#MYOA-BMB-D-18-0000019 for FY 2018 issued on March 26, 2018 and DND Acquisition Decision Memorandum No. 2018-026, dated 29 August 2018, there is a need to procure through public bidding the **three (3) years requirement of Metallic Raw Materials** with a total quantity of **2,051 metric tons** for the use of the Government Arsenal, with a total Approved Budget for the Contract (ABC) of **PHP957,584,127.00**, as follows:

	CY 2019 (669MT)	CY 2020 (682MT)	CY 2021 (700MT)	Total (2,051 MT)
Brass Strip for Case, 5.56mm	375MT	384MT	395MT	1,154MT
Brass Strip for Case, Cal 45	23MT	21MT	21MT	65MT
Brass Strip for Case, 7.62mm	200MT	185MT	175MT	560MT
Brass Strip for Primer Cup, 5.56mm	16MT	10MT	14MT	40MT
Brass Strip for Primer Cup, Cal 45	3MT	-	2MT	5MT
Brass Strip for Primer Cup, 7.62mm	2MT	4MT	5MT	11MT
Brass Strip for Primer Anvil, 5.56mm	8MT	6MT	7MT	21MT

MS AMELITA Q OMADTO
Project Manager

MR KI SUK HAHN
Attorney - in-Fact, Poongsan Corp.

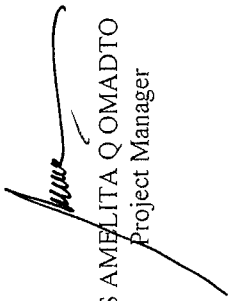
DANIEL R CASABAR JR
Director, Government Arsenal

MR. KI SUK HAHN
NARVA CRISTINA ESTERITO
Witness, Poongsan Corp.

ATTY. ABECHE C. ABRIEL
Project Legal Officer

MS ALLECIAH D CARREON
Chief Accountant

Brass Strip for Primer Anvil, Cal 45/7.62mm	2MT	2MT	2MT	6MT
Commercial Bronze. For Bullet Jacket, 5.56mm	40MT	70MT	72MT	182MT
Commercial Bronze. For Bullet Jacket, Cal 45	-	-	7MT	7MT
Total ABC	309,807,540.00	319,101,767.00	328,674,820.00	957,584,127.00


MS AMELITA Q OMADTO
 Project Manager

WHEREAS, accordingly, the Department of National Defense Bids and Awards Committee (DND-BAC) undertook an open, public and competitive bidding process on October 18, 2018, in accordance with the Government Procurement Law and its Implementing Rules and Regulations;


WHEREAS, as a consequence of said process, the **SUPPLIER** was finally determined as the Lowest Calculated and Responsive Bidder for the acquisition of **2,051 metric tons Metallic Raw Materials** with the proposed total price of **SEVEN HUNDRED FORTY MILLION EIGHT HUNDRED ELEVEN THOUSAND FOUR HUNDRED TWELVE PESOS (PhP740,811,412.00)**;


WHEREAS, upon recommendation of the **DND-BAC**, the Secretary of National Defense issued a Notice of Award dated January 11, 2019 duly conformed by the **SUPPLIER**;


WHEREAS, for **CY 2019**, the **SUPPLIER** shall deliver the Metallic Raw Materials, **DAP at the Government Arsenal, Limay, Bataan, Philippines** within one hundred twenty (120) calendar days from the date of receipt of Notice to Proceed (NTP), while for **CY 2020 and 2021**, delivery shall **not be later than March 31 of each year**;

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

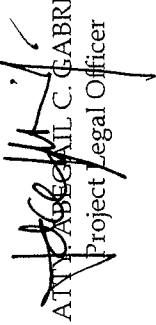
1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.
2. The following documents shall be deemed to form and be read and construed as part of this Agreement:
 - A. Invitation to Bid;
 - B. Bidding Documents;
 - C. Eligibility & Technical Requirements;
 - D. Financial Proposal;
 - E. Technical Specifications;
 - F. Schedule of Requirements;
 - G. Supplemental Bid Bulletin;
 - H. Performance Security; and


MR KI SUK HAHN
 Attorney - in - Fact, Poongsan Corp.


MARIA CRISTINA ESPIRITU
 Witness, Poongsan Corp.


MS ALLECIAH D CARREON
 Chief, Accountant



DANIEL R CASABAR JR
 Director, Government Arsenal


ANNY ABEL C. GABRIEL
 Project Legal Officer


- 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** or his duly authorized representative.
4. In consideration of the payments to be made by **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.
5. 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 provisions of the Contract at the time and in the manner prescribed by the contract.
6. 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**.

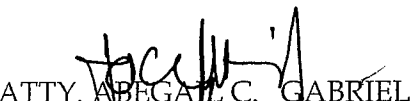
IN WITNESS HEREOF, the parties have hereunto caused this Agreement executed in accordance with the laws of the Republic of the Philippines this _____ day of _____ 2019 in _____.

DEPARTMENT OF NATIONAL DEFENSE
GOVERNMENT ARSENAL


DANIEL R CASABAR JR
Director

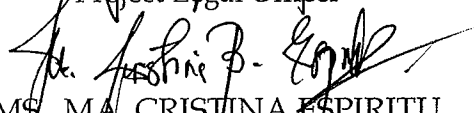
POONGSAN CORPORATION



MR KI SUK HAHN
Atty-In-Fact


ATTY. ABEGAIL C. GABRIEL
Project Legal Officer

WITNESSED BY:

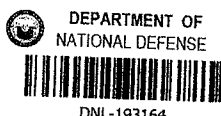

MS AMELITA Q. OMADTO
Project Manager


MS. MA. CRISTINA ESPIRITU
Witness for Poongsan Corp.


MS. ALLECIAH D. CARREON
Chief Accountant
Government Arsenal

APPROVED BY:


HON. DELFIN N. LORENZANA
SECRETARY



DNL-193164

ACKNOWLEDGMENT

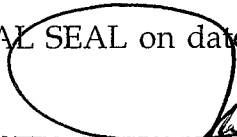
Republic of the Philippines)
MANILA) S.S.

Before me personally appeared in MANILA, Philippines, this day of JUN 10 2019, 2019, 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 four (4) 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. 443
Page No. 90
Book No. V
Series of 2019


ATTY. JOSEPH IVAN CALALANG
Notary Public
NOTARY PUBLIC-MANILA
PTR NO. 8336007-MANILA
IBP NO. 1006906 LIFETIME
BAR ROLL NO. 64499
NOTARY COMMISSION VALID TO DEC. 31, 2020
ESPAÑA TOWER, MANILA