



JUN 03 2019

NOTICE TO PROCEED

MR. JERUEL G. SANCHEZ

Attorney-in-Fact

Rheinmetall Denel Munitions (Pty.) Ltd.

Reeb Road, Firgrove, 7130,

South Africa

Dear Mr. Sanchez:

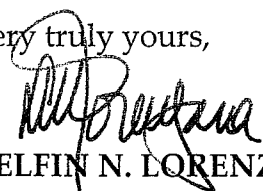
In view of the approved Contract Agreement hereto attached, hereby issued is a Notice to Proceed in relation to the supply and delivery of 187 Metric Tons of Propellant Powder with a corresponding total contract price in the amount of **TWO HUNDRED FOURTEEN MILLION TWENTY TWO THOUSAND EIGHT HUNDRED ELEVEN PESOS (PhP214,022,811.00)** for the Government Arsenal, effective upon receipt, breakdown as follows:

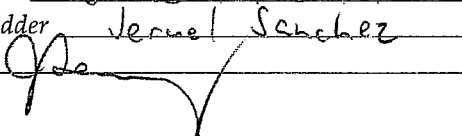
	CY 2019 (61 MT)	CY 2020 (62MT)	CY 2021 (64 MT)
<b>TOTAL</b>	69,239,941.00	71,320,150.00	73,462,720.00

It is assumed that, upon receipt hereof, 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 both 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 June 13, 2019  
Name of the Representative of the Bidder Jeruel Sanchez  
Authorized Signature 

# CONTRACT AGREEMENT

## Supply and Delivery of 187MT Propellant Powder

**KNOW ALL MEN BY THESE PRESENTS:**

THIS CONTRACT is entered into, by and between:

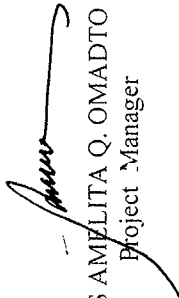
The **DEPARTMENT OF NATIONAL DEFENSE - GOVERNMENT ARSENAL (DND-GA)**, a government entity existing in accordance with Philippine Laws, with office address at Lamao, Limay, Bataan, Philippines, represented by its Director, **DANIEL R CASABAR JR.**, hereinafter referred to as the **DND-GA**;

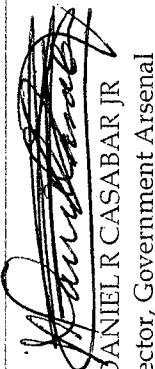
- and -

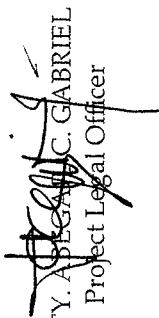
**RHEINMETALL DENEL MUNITION (PTY) LTD. (RDM)**, a duly recognized foreign entity, with business address at Reeb Road, Firgrove, 7130, Republic of South Africa, and represented by its Attorney-in-Fact, **MR. JERUEL G. SANCHEZ** of Firepower Defense Contractors, Inc., with office address at Rm. C-305 Lopez Building, Session Road, Baguio 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. 2018-027 dated August 29, 2018, there is a need to procure through public bidding the **three (3) years requirement of Propellant Powder** with a total quantity of **187 metric tons** for the use of the Government Arsenal, with a total Approved Budget for the Contract (ABC) of **PHP214,322,914.00**, as follows;


	CY 2019 (61MT)	CY 2020 (62MT)	CY 2021 (64MT)	Total (187 MT)
Propellant Powder, 5.56mm, M855	39MT	40MT	21MT	100
Propellant Powder, 5.56mm, M193	17MT	17MT	15MT	49
Propellant Powder, 5.56mm, Cal 45	-	1MT	1MT	2
Propellant Powder, 9mm	5MT	2MT	2MT	9
Propellant Powder, 7.62mm	-	2MT	25MT	27
<b>Total ABC</b>	<b>69,339,970.00</b>	<b>71,420,169.00</b>	<b>73,562,775.00</b>	<b>214,322,914.00</b>

  
MS AMPLITA Q. OMADTO  
Project Manager

  
DANIEL R CASABAR JR  
Director, Government Arsenal

  
ATTY. ALEGRE C. GABRIEL  
Project Legal Officer

  
JERUEL G. SANCHEZ  
Attorney - in-Fact, RDM

  
JULIOD C SANCHEZ  
Witness, RDM

  
ALLICIAH D CARREON  
Chief Accountant

**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 consequence of said process, the **SUPPLIER** was finally determined as the Single Calculated and Responsive Bidder for the acquisition of **187 metric tons Propellant Powder** with the proposed total price of **TWO HUNDRED FOURTEEN MILLION TWENTY TWO THOUSAND EIGHT HUNDRED ELEVEN PESOS (PHP214,022,811.00)**, to wit;

	CY 2019 (61MT)	CY 2020 (62MT)	CY 2021 (64MT)
<b>Total Bid (PhP)</b>	69,239,941.00	71,320,150.00	73,462,720.00

**WHEREAS**, upon recommendation of the **DND-BAC**, the Secretary of National Defense issued a Notice of Award dated January 21, 2019 duly conformed by the **SUPPLIER**;

**WHEREAS**, for **CY 2019**, the **SUPPLIER** shall deliver the Propellant Powder, **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; ar d
  - I. Notice of Award

JEROME G. SANCHEZ,  
Attorney - in - Fact, RDM

JULIUS C SANCHEZ  
Witness, RDM

ALLECIAN D. CARREON  
Chief Accountant

MS. AMELITA Q. OMADTO  
Project Manager

DANIEL R CASABAR JR  
Director, Government Arsenal

ATTY ABEGAIL C. GABRIEL  
Project Legal Officer

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 \_\_\_\_\_.

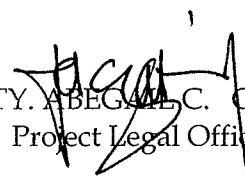
DEPARTMENT OF NATIONAL DEFENSE  
GOVERNMENT ARSENAL

  
DANIEL R. CASABAR JR  
Director


RHEINMETALL DENEL MUNITION,  
PTY. LTD. (RDM)

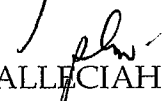
  
JERUEL G. SANCHEZ  
Attorney-In-Fact

WITNESSED BY:

  
ATTY. ABEGAIL C. GABRIEL  
Project Legal Officer

  
MS. AMELITA Q. OMADTO  
Project Manager

  
MR. JULIUS C. SANCHEZ  
Witness for Rheinmetall Denel  
Munition, PTY. Ltd. (RDM)

  
MS. ALLECIAH D. CARREON  
Chief Accountant  
Government Arsenal

APPROVED BY:

  
HON. DELFIN N. LORENZANA  
SECRETARY



**ACKNOWLEDGMENT**

Republic of the Philippines )  
Quezon City ) S.S.

Before me personally appeared in \_\_\_\_\_  
Philippines, this \_\_\_\_\_ day of 13 JUN 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.

Notary Public

Doc. No. 155  
Page No. 31  
Book No. VIII  
Series of 2019

ATTY. JOSH FLORE CRISOLOGO  
NOTARY PUBLIC  
Commission No. NP-075 (Expires Dec. 31, 2019)  
PTR No. 7574913/ Jan. 23, 2019 / Q.C.  
MCLE Compliance No. V-0009072  
IBP Lifetime No. LRN-03638/ Q.C.  
Attorney Roll No. 49482  
Tin No. 111-979-403  
Add: No. 31 Commonwealth Ave. Q.C.