



**TRANSPARENCY
INTERNATIONAL-PAKISTAN**

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25th January, 2017

TL17/2501/2A

Chief Secretary,
Govt. of Punjab,
Civil Secretariat, Punjab,
Lahore.

**Sub: Complaint Regarding Fraudulent Practices of VPL Pakistan and Loss of
Public Ex- Chequer in the Tender for Pre-Delivery Inspection of Two Vandel Trash
Compactors at Montde Marsan, France.**

Dear Sir,

Transparency International Pakistan has received a complaint regarding 'Fraudulent Practices of VPL Pakistan and Loss of Public Ex- Chequer in the Tender of 'Pre-Delivery Inspection of Two Vandel Trash Compactors at Montde Marsan, France' (Copy Enclosed).

The complainant has alleged that;

1. A company VPL Ltd., who were awarded a contract in 2015 for supply of landfill trash compactor for model QS330 with 365HP tried to cheat Lahore Waste Management Company, and supplied lower horsepower machine of 335 HP, thus trying to defraud LWMC.
2. One of the inspectors who conducted the pre-shipment inspection 10-08-2015, being an honest Officer rejected the machine, and based on that report show case was given to VPL (Annexure A).
3. Now some officials of LWMC are trying to obtain the same machine which was rejected in 2015.
4. There has been no action by Commissioner Lahore or LWMC against the fraud of this company.

Chief Secretary, Punjab is requested to kindly examine the complaint, and investigation maybe carried out, and if the complaint is found correct, later action against those who are responsible for this alleged illegal act.

Transparency International Pakistan is striving for across the board application of Rule of Law, which is the only way to stop corruption.

With Regards,

Sohail Muzaffar
Chairman

Copies forwarded for the information with request to take action under their mandate to:

1. Chief Minister, Government of Punjab, Lahore
2. Director General, NAB, Lahore.
3. Registrar, Lahore High Court, Lahore.
4. Managing Director, Punjab PRA, Lahore.



**LAHORE WASTE
MANAGEMENT COMPANY**
Company Established under Section 42 of Companies
Ordinance 1984



Letter No: LWMC/GMP/1807
Date: July 16, 2015

To,

M/s VPL Limited,
49-C, Jail Road,
Lahore.
Fax No. 04237599934

Subject: PRE-DELIVERY INSPECTION OF TWO VANDEL TRASH
COMPACTORS AT MONTDE MARSAN, FRANCE.

It is informed that pre-delivery inspection of Two Vandal Trash Compactors has been carried out at Montde Marsan, France by the pre-inspection team of LWMC as per agreed terms and conditions.

During inspection of two trash compactors it has been observed that the following specifications offered by you are not complied with:-

Sr. No.	Description	Specifications Required by LWMC	Specifications Offered by M/s VPL	Difference of Specifications
1	Engine	Tier 3, 6-cylinder turbocharged diesel engine with electronic injection control producing at least 350 HP	Tier 3, 6-cylinder turbocharged diesel engine with electronic injection control producing at least 365 HP @ 2100 RPM	Tier 3A and 6 cylinder specs to be certified by M/s VPL. Engine found 335 HP instead of 365 HP @ 2100 RPM which is also below specifications.
2	Paint	Chassis and cabin, after cleansed off of rust and oil via sanding, shall be painted with anti-corrosive primer; and then painted with the final layer oven paint with a colour (requested by Buyer) and dried by ovening.	Chassis and cabin, after cleansed off of rust and oil via sanding, shall be painted with anti-corrosive primer; and then painted with the final layer of yellow colour.	Paint quality compromised in certain areas of the compactor including the bottom panel, rear axle and wheel drums. Overall paint quality also not rated as good. Anti-corrosive primer and paint certificates to be provided by M/s VPL.

LAHORE



**LAHORE WASTE
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In the light of the signed contract between M/s. LWMC and M/s VPL, we request you to ensure delivery of the machinery of same specifications within agreed time.

With best regards,

General Manager (P&C)
Lahore Waste Management Company

CC:-

1. Managing Director, LWMC
2. Company Secretary, LWMC
3. Chief Financial Officer, LWMC
4. Sr. Manager (Workshop), LWMC



LAHORE WASTE
MANAGEMENT COMPANY
Company Established under Section 42 of Companies
Ordinance 1984



Letter No: LWMC/GMP/1877
Date: July 27, 2015

To,

M/s VPL Limited,
49-C, Jail Road,
Lahore.
Fax No. 04237599934

Subject: PRE-DELIVERY INSPECTION OF TWO VANDEL TRASH
COMPACTORS AT MONT DE MARSAN, FRANCE.

Reference: Your Letter No.CE/ISB/LET-0070-2015 dated 23rd July, 2015 regarding
justification against Pre-Delivery Inspection of Two Vandel Trash Compactors.

It is regretfully stated that your reply regarding query at Sr. No.1 is not satisfactory. LWMC approved the model QS330 of VANDEL Landfill Trash Compactor on the basis of given specifications by M/s VPL Limited and as mentioned in bidding documents. As far as the model QS330 is concerned, the given specification (i.e. Tier 3, 6-cylinder turbocharged diesel engine with electronic injection control producing at least 365 HP @ 2100 RPM) is required to be adhered.

LWMC cannot compromise on specifications mentioned in bid documents and also quoted by M/s VPL Limited. It is therefore, requested that LWMC will receive machines only which comply with the specifications mentioned in the bidding documents, otherwise LWMC reserves the right to proceed as per conditions of the contract.

General Manager (P&C)
Lahore Waste Management Company

CC:-

1. Managing Director, LWMC
2. Company Secretary, LWMC
3. Chief Financial Officer, LWMC
4. Sr. Manager (Workshop), LWMC



LAHORE WASTE MANAGEMENT COMPANY

Company Established under Section 42 of Companies Ordinance 1984



However, M/s VPL was once again informed vide letter No. LWMC/GMP/1877 dated 27th July, 2015 (Annexure "B") that there can be no compromise on specifications at this stage and they were warned to supply the same approved specification machine positively, as per contract agreement. Copy of letter is annexed herewith.

We assure that LWMC shall always maintain transparency in procurement & follow the conditions of the contract.

General Manager (P & C)
Lahore Waste Management Company



Annex B

CC to:

1. Chief Minister Cell.
2. Chairman, LWMC.
3. Board of Directors, LWMC.
4. Secretary Local Government, Lahore.
5. District Coordination Officer, Lahore.
6. Managing Director, LWMC.
7. Managing Director, PPRA.
8. Company Secretary, LWMC.