

London Universities Purchasing Consortium

Annual Report 2007 - 2008



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Chair's Report



Wendy Surridge

London School of
Hygiene & Tropical
Medicine

This is my first report for the LUPC, having formally taken over the Chairmanship from Frank Dabell in mid-July. I feel privileged to be chairing an organisation in such robust health which is a result of Frank's considerable leadership over the years. In particular much of the success of the LUPC in developing sector-wide collaborative procurement is a result of Frank's tenacity and pragmatism. As we thank Frank for his tremendous efforts, I know that he would want me to acknowledge the hard work and commitment of the LUPC team in attaining this position.

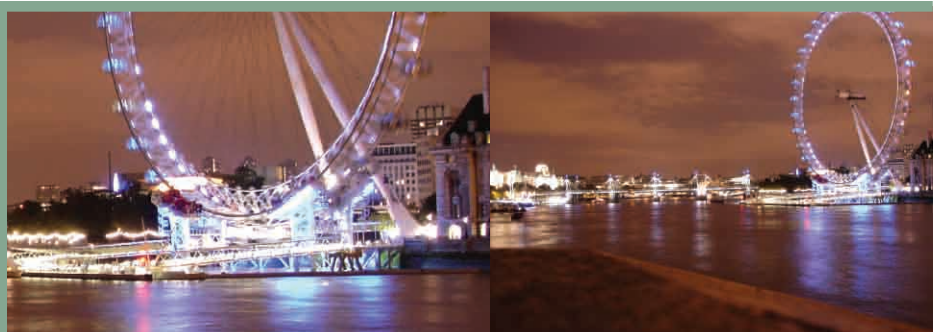
While the Director's Report gives a more in depth account, it is appropriate to recognise the significant role of the LUPC in developing multi-regional and national supply agreements – particularly in the areas of IT and Office Supplies products and services. This should be viewed in the context of the substantial consortium collaboration across the sector which provides many best value agreements for the LUPC membership while minimising duplication of effort in producing them.

All this activity is further testimony to the efforts of the Director John Ritchie and his staff and to members of the consortium's Executive Committee and Commodity and Service Groups. On behalf of the Board, I should like to record our thanks to all of them.

The membership of the LUPC continues to grow in the HE and FE sectors and other related parts of the public sector. For example a number of museums are members as is the Royal Botanical Gardens Kew and the Health Protection Agency. This customer focus is essential to delivering procurement value, a benefit which can only improve through the customer-driven development of agreements from a growing member or customer base.

The importance of securing procurement value and the Government imperative for cross public sector collaboration will continue to be important. One symptom of this is the growing emphasis on regional collaboration in England, represented by the English National Purchasing Consortium, in which the LUPC continues to play a pro-active role.

As Chair of the LUPC I look forward to the challenges in delivering further improvement in the collaborative procurement value provided to each of our member institutions.



Director's Report



John Ritchie

Director
LUPC

“The principal aim must always be to **develop and improve** member procurement value”

This review year (2007/08) has again seen significant improvements in our commercial performance, which in the context of meeting our financial objectives has meant increased benefits in both a quantitative and qualitative sense for all LUPC member institutions.

Our business plan covers the 5-year period from August 2006 to July 2011 and is comprised of 3 documents:

- 1 **A Business Plan Reference document** which incorporates the LUPC approach to maximising member procurement value.
- 2 **A 5 year Business Operating Programme (2006-11)**, which focuses on our Mission Statement and Strategic Aims, and sets out the 5-year agreement and service programme.
- 3 **The Annual Business Plan Monitor (2007-08)**, as a subset of the Business Operating Programme, and which focuses on the annual customer benefits of consortium membership.

This forms a consistent approach to consortium business and reporting our annual performance within this 5-year period.

This business planning process continues to be centred on:

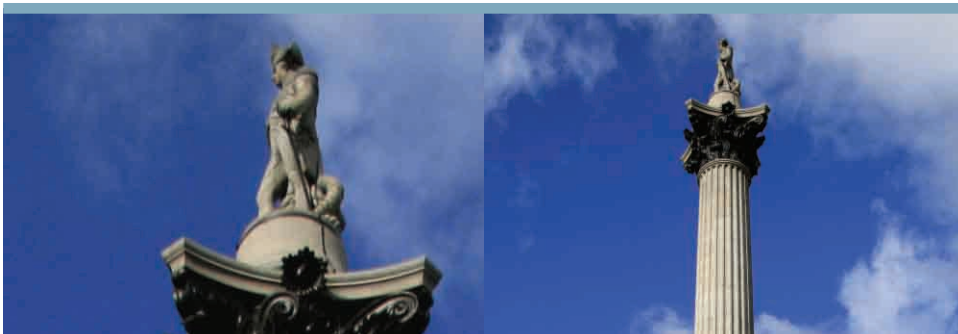
- 1 The LUPC MISSION STATEMENT, which is **“To achieve best value procurement for all member institutions by continually developing a best practice commercial approach to supply chain management.”**

In support of this mission statement our strategic aims are:

- 1 Customer Focus – understanding and meeting service levels through formal and informal contact with our membership.
- 2 Supply Chain Management – the provision of best value supply arrangements for goods, services and added value services.

This core business is directly supported by the remaining strategic aims:

- 1 Benchmarking – principally prices.
- 2 Developing the Role of Procurement – training, networking, events and advice.
- 3 Optimising The Use of Information Systems – principally the provision of consortium supplier spend information by institution and the wealth of information contained on our website. This supplier spend data is now being extended to further refine our approach to managing spend and agreement take up.
- 4 Marketing – the promotion of consortium value to each member institution and the support for our preferred suppliers through the LUPC website, publications and direct customer contact. This is viewed as vital to developing our commercial value across the consortium membership.
- 5 Best Practice – focusing on supplier appraisal and vendor rating guides.



Director's Report

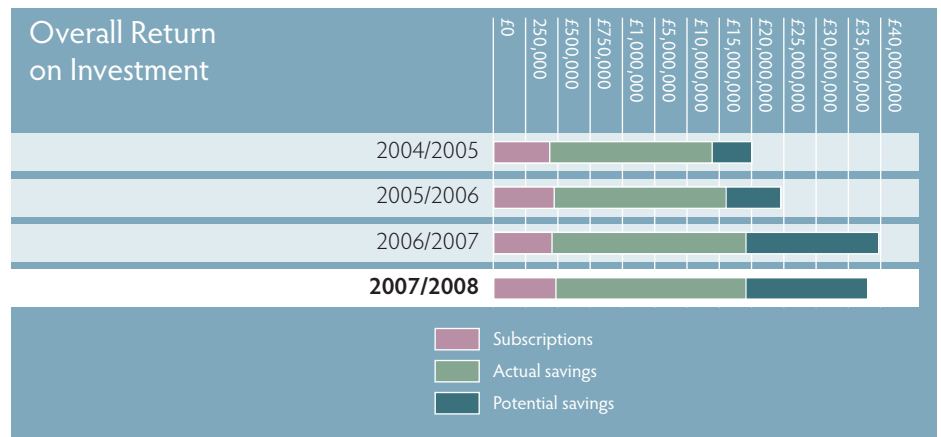
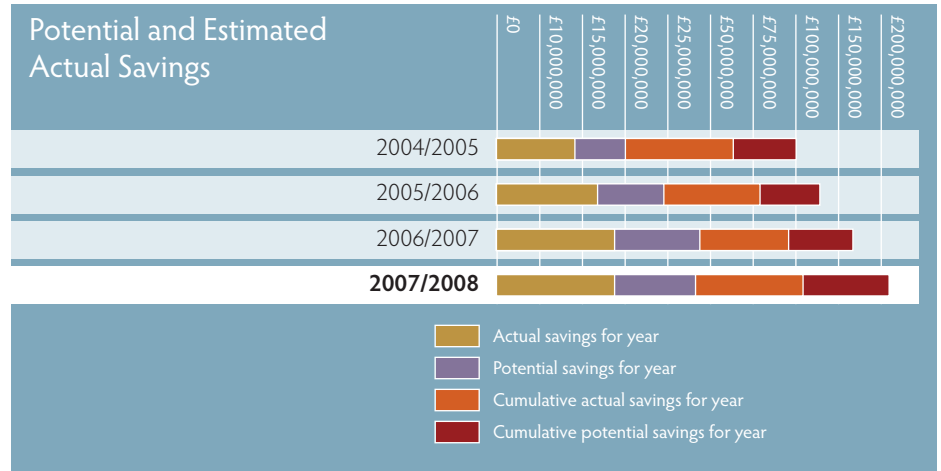


John Ritchie

Director
LUPC

Our business plan is intended to remain flexible to allow us to develop and take advantage of any future opportunities for collaboration and improving member benefits within the public sector as a whole. This in turn reflects the government's continued programme to develop further efficiency savings across the public sector.

As in previous years, while my report will concentrate on our overall performance, highlighting principal areas of work, the remainder of the Annual Report will provide the basis for this performance and future direction to continually add member procurement value.



Director's Report



John Ritchie

Director
LUPC

Consortium Performance

Our commercial performance for 2007/08 has again provided substantial member benefits.

Quantitative Benefits

In 2007/08 the potential savings associated with new or refined agreements were £37.7m and the estimated actual savings (potential savings factored by agreement take up) amounted to £18.6m.

These figures mirror the significant improvement in performance reported in last year's Annual Report. This has meant that the return on member subscription investment has continued to be substantial. In terms of potential savings the return was in excess of 90 in 2007/08. Taking the lower estimated actual savings figure, the return factor was 45 in 2007/08.

In 2007/08 the proportion of the total (potential) non-pay spend influenced by LUPC agreements grew to £244m – a slight increase over 2006/07.

While it's difficult to single out specific commodity or service agreements in this report, the following areas should be noted for contributing particular value to our commercial effectiveness this year:

- **Stationery and Computer Consumables**

This review year has seen this substantial Office Supplies agreement continue to grow as a "one stop shop" supply arrangement.

In the context of cross public sector collaboration this is now being marketed by OGCbs as one of a small number of best value agreements for the general public sector.

- **Information Technology**

The spend on Information Technology continues to be very significant within the sector underlining its importance to our members' core business.

2007/08 has seen the preparation of a tender for both personal computers as well as notebooks as a "one stop shop agreement" to reflect developing supplier markets and

provide even better value to the consortium membership.

In addition there are a number of other IT agreement areas including Apple PCs, Printers and Hardware Maintenance and Disaster Recovery. These are all examples of national agreements which are led by different consortia and all adding significant value to the LUPC membership.

- **Insurance**

Our regional Insurance agreement, which commenced at the beginning of this review year (August 2007), continues to achieve substantial benefits not only for LUPC members but also for a growing number of SUPC members.

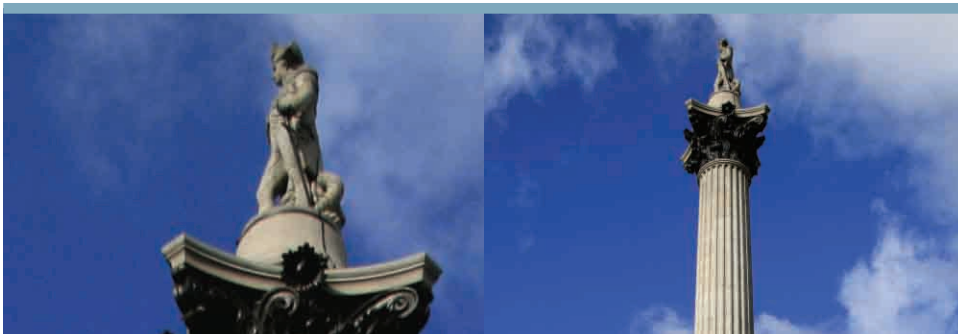
- **Laboratories**

The Laboratory Supplies agreements for Consumables and Equipment continue to grow and provide increasing value to the consortium membership. The Equipment agreement has now been adopted outside the LUPC by the Higher Education Consortium Wales (HEPCW), the Centre for Advanced Procurement for Universities and Colleges (APUC Ltd – Scotland) and at an institutional level the University of Cambridge.

- **Laboratory Gases**

The national Laboratory Gases agreement has been developed during this review year and was awarded in October 2008. This is a major agreement which has been further developed in terms of its functionality to provide increased member value.

Further details of consortium performance are contained in the charts on page 9 and the Commodity and Service Group reports.



Director's Report



John Ritchie

Director
LUPC

Qualitative Benefits

Our added value services continue to be developed and include:

- 1 The provision of annual consortium supplier spend information by institution. It is now intended to augment this data with supplier based agreement usage information as a means of maximising consortium agreement take up and value in conjunction with individual member institutions.
- 2 The provision of specialist advice on the EU Regulations continues to be a popular and important support function to our procurement activities.
- 3 The LUPC training portfolio continues to grow with its focus on procurement, and collaboration continues with the SUPC to share our resources. Working with the LUPC Training Group our future strategy now includes the training resources associated with member institutions such as the London Metropolitan University and other training providers. Our on line booking facilities continue to encourage training course bookings and take up.

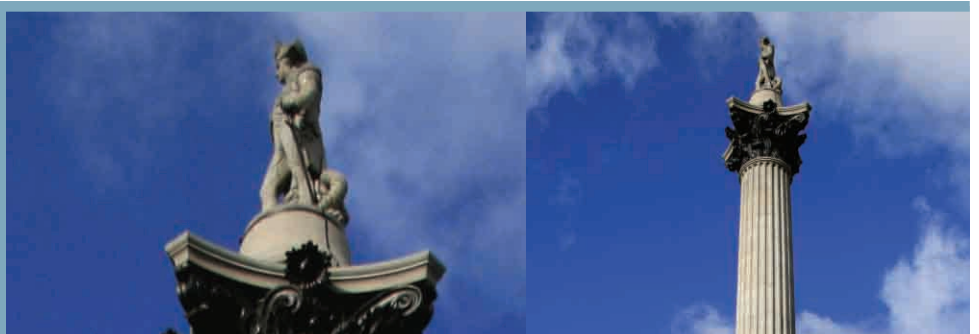
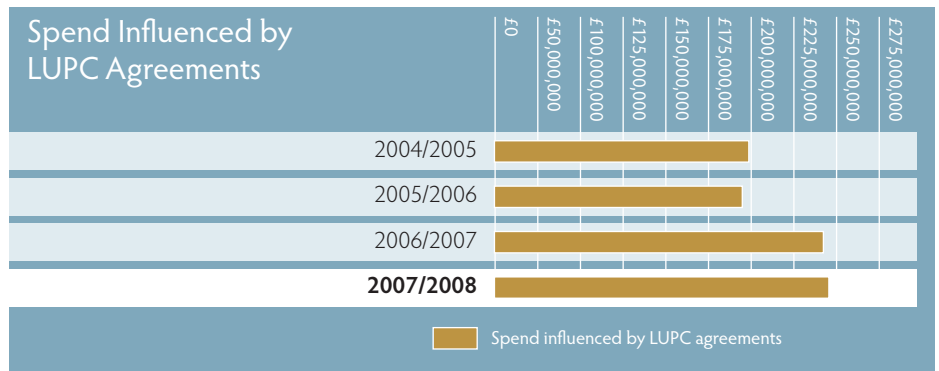
4 Marketing continues to be a significant part of our Business Plan. The LUPC is marketed to the benefit of prospective/actual members as well as the supplier market place.

The appointment of our new Marketing Manager, Charlotte Nasufi, in this review year has provided an innovative and creative approach to marketing our agreements and services.

The Marketing Manager continues to develop and manage a programme of individual member visits to promote the benefits of consortium membership and assist members as appropriate in maximising the procurement value from our agreements and services. Take up and value can be monitored at institutional level depending on the availability of the appropriate spend information.

Our web site continues to expand to provide a wealth of information from agreements to training and other support services. Its design and functionality will be reviewed in the coming year.

Further details are provided elsewhere in this report.



The Wider Public Sector



LUPC Team

L-R: Lavina Gunamal, Darran Whatley, Joyce Kadri, Mike Kilner, Charlotte Nasufi and John Ritchie

“The potential benefits for the LUPC membership by their involvement in this scale of project **are considerable** and perhaps indicative of best value procurement through general public sector collaboration.”

The LUPC continues to collaborate not only with affinity groups within the consortium (for example the Bloomsbury Colleges) and national commodity and service groups but also with other consortia to avoid duplication of effort in providing procurement value in terms of agreements or services to the consortium membership.

As already noted in this report, the government have set efficiency saving targets for the public sector with specific aims for the education sector to meet.

In considering the role of the LUPC, the principal aim must always be to develop and improve member procurement value. There are a number of dimensions which include the English National Purchasing Consortium (ENPC), public sector networks particularly in London and other specialist consortia such as The Energy Consortium (TEC).

The ENPC continues as a virtual consortium comprising of the 4 individual consortia – LUPC, SUPC, NEUPC and NW/UPC. Consistently with Scotland and Wales this represents a regional approach to collaborative procurement for England. The ENPC has continued to consolidate its functional collaboration. An ENPC 5-year programme of agreements and services has been produced and is being maintained. A contracting protocol to commercially establish the positioning or potential aggregation of supply agreements (national to regional levels) is being reviewed and updated. This will ensure that each consortium customer network is involved in this tender development process.

Our reporting lines continue to be focused towards the Higher Education Funding Council for England (HEFCE) who reports to the Department for Innovation, Universities and Skills (DIUS). Typically this is the reporting route for the annual consortia collaborative procurement benefits.

Other parts of the public sector network for the LUPC (and potentially other consortia) continue to include Capital Ambition (the Regional Improvement and Efficiency Partnership for London), the London Contracts and Supplies Group (LCSG – London local authorities), the

Office of Government Commerce (OGC), the Office of Government Commerce Buying Solutions (OGCbS) and within the education sector The Energy Consortium (TEC).

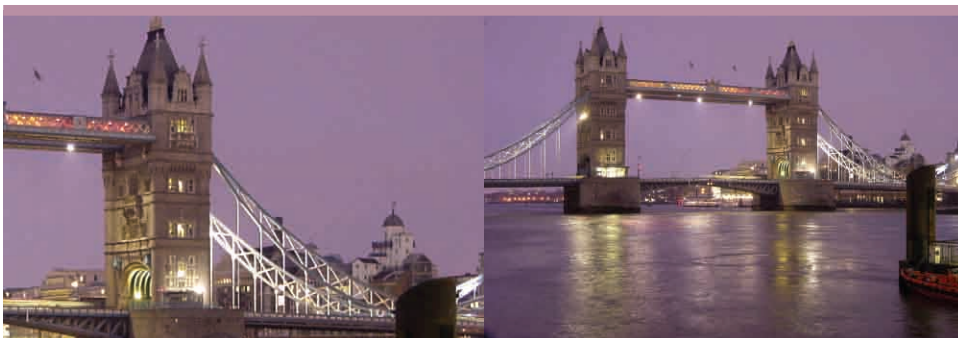
I should mention one major collaborative project which involves many of these networks. Capital Ambition has established an Energy Project Director and team (based in the London Borough of Haringey) to develop a collaborative pan London energy project with the support of OGC (Treasury) involving London's local authorities, the Metropolitan Police, London Fire, Transport for London (TfL), the LUPC and other London based public sector bodies. The overall aim of the project is to provide best value collaborative procurement for energy in London and provide a best practice template for implementation across the sector.

The potential benefits for the LUPC membership by their involvement in this scale of project are considerable and perhaps indicative of best value procurement through general public sector collaboration.

Conclusion

The review year 2007/08 has been another very successful year for the LUPC. I should like to formally conclude my report by thanking the LUPC Central Office, the LUPC Board and Executive Committee and the Commodity and Service Groups for their continued support.

The Commodity Group Managers, Darran Whatley and Mike Kilner, together with the Marketing Manager, Charlotte Nasufi, have provided invaluable professional support. They, together with the Central Office Purchasing Support Officers, Lavina Gunamal and Joyce Kadri have, in accordance with our Mission Statement, worked with our customer member institutions to continually develop procurement value in London.



Focusing on Value for London



Adrian Moody

Corporate Procurement
Manager, London South
Bank University

“In supporting the delivery of value for money the **LUPC is an important resource for any institution** with a finite and hard pressed professional procurement resource”

LUPC in profile

The overall aim of the London Universities Purchasing Consortium continues to be the provision of best value procurement services to its membership within the London area. Year on year our membership has continued to expand and in 2007/08 the total membership is now 64 institutions. The British Museum, The Royal Academy of Music and Heythrop College became the latest members to join the LUPC during this report year.

In the context of providing value beyond the LUPC, a growing number of SUPC institutions joined the LUPC as associate members. For example Brunel, City, Surrey, Bath and Thames Valley universities joined to use the LUPC Insurance agreement. Middlesex University joined to utilise the LUPC Waste Management agreement.

A Diverse Portfolio of Agreements

The LUPC has an aggregated member non pay spend approaching £1 billion. This huge purchasing power enables the LUPC to continually negotiate very competitive supply agreements for goods and services on behalf of the membership.

The LUPC continues to develop and market an extensive portfolio of service and product agreements. These range from Insurance, Office Supplies and Furniture through to Laboratory Supplies, IT and Energy.

The number of agreements has increased year on year since LUPC's inception in August 1996. In the review year two new agreements were introduced the first a Debt Collection service and the second a new Radio Frequency Identification agreement. The introduction of these new agreements has increased the offering to 22 commodity areas within the LUPC portfolio.

Customer Focus

The LUPC's customer driven ethos is further emphasised through customer contact with the Board, Executive Committee and Commodity and Service groups who are responsible for approving and executing our business plan. The LUPC Central Office facilitates the direction, management and operation of the consortium.

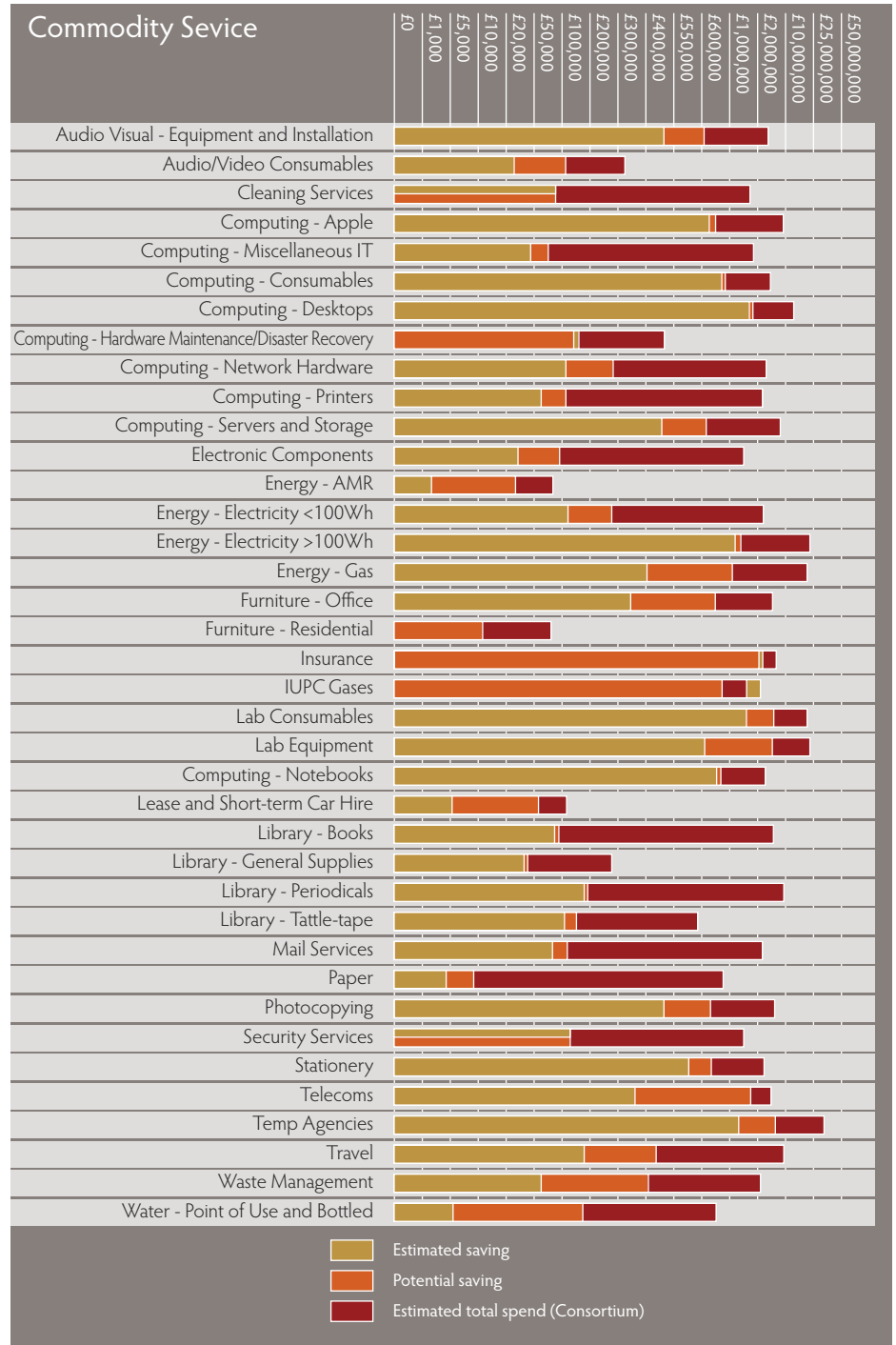


The Year in Review

"The spend on information technology continues to be very significant within the sector underlining its importance to our members' core business."

The Commodity Groups form the basis for developing and managing our agreements. Our thanks go to the staff of member institutions who sit on these groups and dedicate their time and

effort for the mutual benefit of the consortium. A review of the achievements of each LUPC Commodity or Service Group follows.



Commodity and Service Group Reports



Richard Pennington

Senior Buyer,
University of East London

"In times of economic uncertainty it becomes increasingly important for HE institutions to **control their exposure to bad debt**. The new agreement with Incasso offers LUPC members the opportunity to work with **a market leader in debt collection services** at very competitive rates and with KPIs tailored to individual needs."

LUPC members are able to use a growing number of agreements which have been tendered in accordance with the EU Directives. The suppliers appointed provide a range of commodities and services.

These agreements are subject to supplier reviews and benchmarking which are designed to measure and continually improve service and quality.

Advertising

The current Advertising agreement which covers the education sector from primary to higher education is now into its second year.

As usual further information is available through the LUPC web site.

Audio Visual:

Equipment and Installations

The continued growth and success of this agreement has met the requirements of the LUPC membership and provided a significant increase in procurement value.

Supplier reviews were held in October 2007 and May / June 2008. Discussion areas included the growth of the agreement, members' issues and marketing opportunities.

An end-user questionnaire seeking the views of members and suppliers on the agreement was carried out in spring 2008. This determined that a high percentage of customers were satisfied with the agreement and supplier performance, and all users agreed to the agreement being extended to May 2009.

Consumables

The re-tender for this product category started in summer 2007, was awarded during November 2007 and the agreement began on 1st January 2008. The LUPC contributed to the creation of the core product list and service specification, and subsequent overall evaluation to arrive at the final agreement.

The agreement has already proved a success in terms of take up with some 90 % growth when compared with the previous year.

Business Travel

This has proved to be a transitional year for our preferred supplier Key Travel with additional resources being employed to develop and improve their structure and service capability to now extend to account managers, marketing, information systems and airline relationship management.

An agreement and supplier questionnaire was conducted to seek views on supplier service, pricing, supplier capabilities and a possible agreement extension.

Several supplier reviews and commodity group meetings were held to discuss service and performance, member issues, agreement direction and account management activities.

The agreement with Key Travel has now been extended for a further year which means that the current agreement ends on 31st December 2009. Consideration is being given to the options after this date which include re-tendering or adopting other available agreements (for example OGC Buying Solutions).

Others pressures for members, bookers, travellers and airlines include financial and commercial pressure due to the economic environment and changes in legislation such as the Corporate Manslaughter Act.

Cleaning and Security Services

After a lengthy joint-tendering process through 2008 that included Security Services, two companies have been awarded the LUPC's Cleaning framework agreement, Ocean Contract Cleaning and ISS. The two frameworks eventually commenced on the 1st September and October 2008 respectively and included cost modelling based on a number of operative wage structures including the full Living Wage for London originally set out by Ken Livingstone and his policy team. It had been anticipated that the Cleaning and Security Services would also be awarded on a one stop shop basis, however, there was no one company sufficiently qualified to run both elements to the required standards set within the tender evaluation.



Commodity and Service Group Reports



Simon Button

Purchasing Manager
(interim), School of
Oriental & African Studies

"Tendering our requirements collaboratively through the LUPC gave us **access to a vast range of expertise and experience**, and allowed us to rate suppliers to a level of detail which we would never have been able to achieve on our own."

The award of the **Security Services Agreement** went to London-based CIS following a close-fought tender evaluation process and the contract commenced on the 1st October 2008. The LUPC would like to formally thank everyone involved in the evaluation process and the many hours of work collectively put in. Additional mention should go to Simon Button and Gary Calderwood at SOAS, Anthony Tyrrell at IOE, Stephen Allison at LSHTM and Elizabeth Whitehead at Birkbeck.

Computing:

It has again been a dynamic and progressive year in the tendering of collaborative ICT agreements within the sector. Work on the renewal of the LUPC-led **national agreements for Desktop PCs and Portable PCs** began towards the end of the reporting year and institutions should be in receipt of draft contract documentation to consider near the time of this publication in late November. A third lot for a one stop shop has been included and the agreement is due to commence on 1st August 2009.

The new **national Networking Equipment agreement**, which is being led by the NEUPC, is a further agreement in progress for letting in early 2009. The agreement is running on a 2+1+1 year basis and has been split into three lots:

- Lot 1 – Supply of Equipment Only
- Lot 2 – Supply and Maintenance of Equipment
- Lot 3 – Consultancy for Convergent Solutions.

As anticipated previously, a number of national level renewals were successfully undertaken and awarded over the previous 12 months. The **Server and Storage framework agreement** continues to grow and includes a number of familiar manufacturers and sales partners and covers a wide range of machines and solutions.

ITRAP (formally Minor IT hardware) was completed in early 2008 and was awarded to five companies, Primo IT, Insight Direct UK, European Electronique, XMA and Lanway. The framework was awarded on a cost-plus arrangement and included negotiated service-related terms.

Thirdly, the four-year **Hardware Maintenance and Disaster Recovery agreement** was jointly re-tendered with a resulting award made to Calyx UK Ltd, ComputerLand and Xenon for IT Hardware Maintenance and to SunGard Availability Services & ICM Business Continuity for Disaster Recovery. The equipment covered under this agreement includes all brands of desktop and portable computers including Apple Macs; desktop inkjet, impact and laser printers; colour laser printers; large networked workgroup printers; file servers; scanners; all accessories and peripherals including monitors.

The LUPC continues to either lead or actively support a number of other related national agreements in the sector including **Office Supplies, Apple PCs and Printers**.

Debt Collection

On the 1st February 2008 a new agreement for Collection Agency Services was awarded to Incasso. This agreement was developed in conjunction with London Metropolitan University and the University of East London to include the provision and administration of a tracing service and debt collection service (both in the UK & overseas) with the overall aim of collecting unpaid tuition fees, rents and other commercial debts. Other services include legal recoveries and process serving.

An introductory meeting for interested institutions was held on the 12th March 2008 which included a short presentation on the services Incasso offer and a demonstration of their management information extranet. Following the success of the introductory meeting, a similar event was organised in April. This agreement is gradually growing with more institutions signing up and referring work to Incasso. The University of the West of England have recently joined LUPC as an associate member to utilise this agreement.



Commodity and Service Group Reports

Electronics

There have been significant efforts made by the long-time incumbent supplier, Onecall, over the last 12 months in listening to its customer's needs and this has led to the development and delivery of an exemplarily upgraded website with a number of enhanced features.

2008 saw the agreement go through a formal tender renewal process with a resulting award made to Onecall, SJ Electronics, RS Components and H-Squared across one or more of the six agreement categories.

Energy

The LUPC Energy Commodity Group and The Energy Consortium (TEC) continue to work together to achieve best value energy supply agreements for LUPC members.

Several LUPC Energy Commodity Group meetings have been held over the last year, with discussion areas including future strategy and contracting options for members, market changes, current contracting requirements and other utilities issues.

As mentioned earlier in this report, the LUPC are involved in a pan London energy procurement project, being supported by OGC (Treasury).

Furniture:

Office

The LUPC has supported the membership by advising on further competition where appropriate to maximise the use of this agreement.

Tight controls have meant unchanged pricing for the first 22 months of this agreement. However pressures in respect of commodities such as steel and a shortage in FSC accredited timber, together with the contracted suppliers having high environmental standards, has meant a slight increase in prices which came into effect in May 2008.

LUPC members have significantly increased their take-up of this agreement by some 400% when compared to the previous year.

Residential

This new agreement began on 1st March 2008, and was awarded to 8 suppliers for various product and service areas.

The take-up so far from LUPC members has however been slow.

Hotels

Although the LUPC have a framework agreement in place for Travel Management Company Services with Key Travel, there is no specific provision for hotel bookings. We are therefore promoting the OGC Buying Solutions Hotel Services framework agreement. There are 3 providers under this framework agreement – Expotel Hotel Reservations Ltd, Hogg Robinson (Travel) Ltd and Carlson Wagonlit Travel Ltd. This agreement commenced on the 1st June 2008 and provides competitively priced hotel accommodation sourcing and booking services within the UK and overseas, as well as hotel vetting, booking confirmation and room amendment, cancellation and refund processing services.

One of the main benefits of this Hotel agreement is that commission is returned to the institution on commissionable hotels and monthly management information is provided.

Institutions are currently making their own selection in accordance with the EU competition rules on which provider they wish to utilise.

The LUPC continue to promote their local supplier agreements with the Grange hotels group and Goodenough Club.

Insurance

After several years in position, Malcolm Aldridge from Imperial College stepped down as chairman of the group with Ken Cridland from City University elected in his place. The LUPC would like to formally record their thanks to Malcolm for his many years of valuable service as Chair of the group.

In a generally stable year, LUPC brokers Aon concluded an OJEU exercise for terrorism covers on behalf of a number of members.



Commodity and Service Group Reports



David Cadman

Procurement Officer,
School of Pharmacy,
University of London

"The LUPC Laboratory Equipment and Consumables agreement sets a **new standard** in both the detailed analysis that underpins the core lists, and the **comprehensive choice** of pack sizes, options and accessories available within the product ranges. Robust management of the contract, plus its **scope and competitive pricing**, ensure it is a **first choice resource** for The School of Pharmacy scientists in the pursuit of value for money and compliance."

New members joining for the 2008 renewal include London South Bank University and St. Georges, University of London from the LUPC and the universities of Southampton, Portsmouth, Essex, Buckingham and Roehampton from the SUPC. 2009 should see the return of the annual Insurance seminar.

Laboratories:

Consumables

The agreement was awarded in February 2008 to Thermo Fisher Scientific, VWR International, Scientific Laboratory Supplies and Sigma Aldrich.

This review year saw this agreement grow consistently. The overall spend has grown by some 26% year on year while price reductions have been negotiated and product choice and core lists have been expanded.

Equipment

This agreement was new to the LUPC and commenced in June 2007 and has grown rapidly. This growth has not only been within the LUPC but is also due to others outside the consortium adopting the agreement, including the Higher Education Consortium Wales (HEPCW) and the Centre for Advanced Procurement for Universities and Colleges (APUC Ltd – Scotland).

The LUPC Commodity Group has continued to monitor and develop the agreements during the year covering typically key performance indicators, agreement developments and any customer issues.

Laboratory – National Gases

The tender process for the new IUPC Laboratory Gases agreement took place throughout 2007 and 2008. After a complex evaluation that spanned several categories of both gas and equipment, BOC, Air Liquide, Air Products, CK Gases, Green Gases and Cryoservice all emerged successful across one or more of the eleven agreement categories. The contract commenced on the 1st October 2008 and continues to offer significant savings to LUPC members. An agreement Buyers' Guide, pricing sheets and other contract details have been circulated across the consortium.

Library:

Security

The tender for Radio Frequency Identification (RFID) and associated products was issued in August 2007 with an October 2007 return date. The agreement was awarded to three companies, 3M, D-Tech and Intellident and the implementation meetings (including marketing strategy) were held in January 2008.

Several procurement projects have been completed and installations scheduled. There is also interest in this agreement from institutions outside the LUPC membership.

Books

The e-books systems presentation was held in May 2008 and generated a good response from member institutions.

A national joint tendering /agreement approach has been started with regional procurement and library consortia. Key aspects of the specification include e-books, English language monographs, English language standing orders, European language materials, retail supply, out of print supply and audio visual materials.

Periodicals

The agreement suppliers have continued to expand and extend their services. More resources are now dedicated to publisher relationship management to improve the effectiveness of the supply chain.

Special Arts

This agreement continues to grow and meet the service needs of the LUPC membership.

General Supplies

As a result of promoting this agreement it has continued to grow throughout the review year. A vendor rating exercise was carried out with the results being discussed by the Commodity Group and distributed to all the preferred suppliers.



Commodity and Service Group Reports



David Johnson

Senior Procurement
Manager, University of
Liverpool

“The **tremendous savings** the national IUPC gases and electronics agreements bring to the sector cannot be underestimated. Not only the financial savings that the discounts attract but also the **time saved by individual institutions** who without the national agreements would have to complete their own EU tenders.”

Regular reviews have taken place with all of the agreement suppliers for security, books, special arts, general supplies and periodicals. These agreements have also been continually marketed within the LUPC membership.

Postal Services

The National Postal Distribution and Supplies Working Party (NPD&SWP) continues to meet twice a year to actively manage and promote best value from a number of agreements within general mail services including Same Day Courier, UK & Overseas Parcels, International Mail, Dangerous Goods (DG) and Franking Machines.

The group continues to actively negotiate the best deals for the sector and has made significant effort in avoiding additional charges arising from rising fuel costs. Institutions are starting to successfully pilot domestic mail services within the deregulated market with the likes of UK Mail using downstream access for 2nd class mail based on zonal pricing (one rate for all) and consolidated volumes. UK Mail can take “clean” (typed) and “dirty” (hand-written) un-franked mail. The group also continues to promote the significant savings to be made by using C5/DL envelopes.

Printing Copying and Multi-Functional Devices

The LUPC continues to support and contribute to the management of this successful agreement.

The LUPC is a key member of this OGCbs Category Strategy Team and represents the HE/FE sector in this commodity area. A key objective in this group is to consider and develop a pan government collaborative procurement approach.

Printing Copy Control Systems

The LUPC manages this aspect of the National Working Party (NWP) agreement. The supplier reviews carried out during the year were reported back to this group.

The LUPC commodity group meets regularly to review and consider the national suppliers service levels, members' issues, marketing issues and the development of future initiatives.

Purchasing Cards

The Government Purchasing Card (GPC) scheme continues to be marketed within the membership with increasing success and with the active support of OGCbs. In April 2008 the GPC re-tender project plan was developed with the LUPC representing the HE/FE sector generally. The new agreement is due to be awarded in 2010 and will include increased functionality to provide further value for LUPC members.

Stationery and Paper

The LUPC continues to manage and lead the National Working Party for Computer and Stationery Supplies (NWPCSS). Two meetings a year were held with the preferred suppliers to review the agreement generally and consider new initiatives and proposals for business growth to continually add value to this national agreement. The NWPCSS members have an opportunity to discuss members' issues in terms of particularly service levels. Two further meetings a year were held to focus on strategy and service levels.

The LUPC is a member of the OGCbs Category Strategy Team on behalf of the NWPCSS. Several meetings have been held to agree and update strategy. A pan government tender plan has been developed by a cross section of public sector organisations with the LUPC providing a significant contribution in respect of the requirements of the HE/FE sector.

An LUPC paper supply review has been completed and has concluded that an existing OGCbs agreement meets the needs of the LUPC membership.



Commodity and Service Group Reports

As part of the pan government collaborative procurement agenda the Office Supplies agreement has been enabled and promoted by the OGCbs as an agreement which can be used by the public sector generally. With some success already in the local authority area, others have expressed an interest in this high value supply arrangement.

The agreement will be promoted through publications issued by the OGCbs.

Telecommunications – Land Tariffs-national

The Government's Director of Telecomms frameworks identified several including voice network infrastructure including dark fibre, hardware including wireless and ISP services. There are 12 lots in total with 37 suppliers awarded. The Mobile Telecomms framework is currently being tendered with an award expected in early 2009.

Discussions continue on the potential for a single-supplier agreement for LUPC institutions with additional collaboration on data networks with the London Metropolitan Network (LMN).

Temporary Staff Agencies

This agreement was developed by the SUPC in conjunction with the LUPC and commenced based on the managing agent principle in November 2005.

The agreement involves 3 suppliers:

1. Adecco UK Ltd
2. Hays Specialist Recruitment and
3. Blue Arrow Ltd

The established joint LUPC/SUPC agreement management group has developed the agreement in conjunction with the three preferred suppliers throughout the review year. The agreement is due to expire in 2009 and the need now is to consider how best to replace it whether it be by a new tender or the adoption of another available agreement.

Vehicle Hire

The LUPC continue to support and contribute to this agreement which was developed and awarded within the review year.

Waste Management

This agreement has continued to grow at a steady rate. The LUPC membership requirements will be reviewed in the new year in preparation of a re-scope and re-tender.

Water – Point of Use and Bottled

The LUPC continue to support this agreement.



Added Value for our Customers



Lesley Young

Information Resource
Manager, Institute of
Advanced Legal Studies

"The Institute of Advanced Legal Studies Library has been closely involved with the Library Commodity Group of the LUPC for many years and has **gained enormously** from the increase in the number of library-specific agreements which have been negotiated. In addition to the **obvious financial benefits** of these agreements, we also value greatly the collaborative aspect of the group and the opportunities to compare experiences and **explore solutions** with fellow librarians and with procurement experts."

OGCbuying.solutions (Buying Solutions)

2007/08 has again seen significant developments in our relationship with Buying Solutions which is an executive agency of the Office of Government Commerce in the Treasury.

To develop the government's initiative to achieve further efficiency savings through cross public sector collaboration Buying Solutions, in conjunction with other public sector bodies have established a number of Collaborative Category Boards (and their supporting structures).

The purpose of these groups is to lead and manage the agreement development process over a number of commodity or service categories as determined by the Strategic Stakeholders Forum (SSF). Our involvement now permits us to plan our agreement portfolio while reviewing and identifying any planned Buying Solutions agreements that we (and potentially any other consortia) could utilise without undertaking separate tender processes. It also means, crucially for any future agreement take up in the sector, that we are directly involved and can incorporate our requirements in the appropriate Buying Solutions tender process. To date a number of agreement areas have been identified including Office Supplies (including printing and copying) and Payment Cards, which will be developed in conjunction with, and with the agreement of, the appropriate LUPC Commodity or Service Groups.

In a separate initiative a Collaborative Marketing Agreement has been agreed and implemented with the LUPC (as well as a number of other purchasing consortia) to focus on marketing specific Buying Solutions agreements which are considered to be of best value to the LUPC membership and do not overlap with our own portfolio of agreements.

Expenditure Analysis

Yet again, thank you to all our members who invested their time and effort into providing the LUPC Central Office with their supplier spend financial information for 2007/08.

The consortium uses this information to enable us to look at potential new agreement areas, spend leakage, and update members on their potential and actual savings. Our intention in the future is to develop this collation of spend data to provide institutions with an annual institutional procurement report including graphs indicating their actual and potential savings year on year.

As usual this information is available to all member institutions who supplied their financial supplier spend through a password protected area of the LUPC website.

CuPID

Since 1 August 2007 Procureweb has been funded by JISC. The aim of their current five year funding plan is to develop Procureweb further and to provide effective management and support towards the provision of this service to the procurement community.

The Central Universities Purchasing Information Database (CuPID) continues to provide each LUPC member with the appropriate information on all our endorsed national, interregional and regional (consortium) agreements as well as allowing each institution to add local level agreements and contracts. CuPID is continuously being developed to ensure ease of access and the provision of up to date data. Procureweb is also currently developing a standardised guide for all contract managers to use when inputting data into CuPID. This will help ensure consistency of data entered.



Added Value for our Customers

Focus Groups and Sustainability

London Universities Environmental Group

The Bloomsbury Environmental Group has grown beyond its original geographical roots. With its membership now available to London institutions generally, the group's name has been changed to the London Universities Environmental Group. The group has now become more established and sees a clear role for itself to contribute to achieving sustainable development in the Education sector in the London area and in particular in contributing to achieving HEFCE's vision which the group shares:

"Our vision is that, within the next 10 years, the Higher Education sector will be recognised as a major contributor to society's efforts to achieve sustainability – through the skills and knowledge that its graduates learn and put into practice, and through its own strategies and operations" – Higher Education Funding Council for England (HEFCE), 2005

The group aims to do this by:

- a) Promoting the principles and practices of sustainable development within Higher and Further Education institutions via support to its members on a range of issues specified in the Terms of Reference.
- b) Identifying and sharing information from members and relevant partners to support the group's aims, including the potential for collaboration with relevant partners, potential funding and events of interest.
- c) Raising and maintaining awareness of the potential for London based institutions to contribute to sustainable development.

A diary of events is also available through the London School of Economics environmental website.

London Remade

The consultation with London Remade continues and as a signatory to the Mayor of London's Green Procurement Code. The LUPC have engaged with London Remade to assist in

"greening" our supply chain. The LUPC have provided data on our green and sustainable products and services purchased over the last year to form part of the annual progress review which allows us to measure our environmental performance within procurement. Based on the results of this data and subsequent audit the LUPC have been nominated for an award in the category of "Engaging Suppliers".

A recent article in the LUPC newsletter highlighted the benefits to both members and suppliers of signing up to the Green Procurement Code. Collaboration with London Remade will continue to focus on specific agreements and reducing environmental impacts through embedding sustainable procurement processes. The Green Procurement Code also encourages the use of recycled content, energy and water saving products and measures.

National Sustainable Procurement Group

The recent drive by the UK Government and its constituent departments has given fresh impetus to public sector procurement colleagues in establishing best practice and embedding sustainable procurement into purchasing strategies. The Sustainable Procurement Group (SPG) aims to act as one of the conduits through which colleagues will be able to pursue their sustainability objectives.

The group's emphasis is aimed at wider sustainable procurement rather than the initial concentration on corporate social responsibility issues that face the procurement professional, an approach that was wholly appropriate given legislative challenges in particular. The main recent activity of the SPG has been to review some existing guidance and to identify and provide further guidance as part of the toolkit suite. Recent updates have included the CSR questionnaire, to incorporate the sections on WEEE and ROHS, with some slight changes in the equality questions. In addition, we have updated the commodity coding risk analysis. All of the toolkit documents can be accessed via the AUPO website.



Communication



Charlotte Nasufi

LUPC Marketing Manager

"The review of the LUPC marketing strategy has highlighted areas where the LUPC can **improve and continually develop the service** it offers as well as increasing the awareness of these services."

In line with our 5-year business plan the LUPC continually strives to improve its services to its member institutions through various methods of marketing and communication. The review of the LUPC marketing strategy has highlighted areas where the LUPC can improve and continually develop the service it offers as well as increasing the awareness of these services.

This has been another busy year and there have been a number of significant improvements which have enabled us to communicate with our member institutions more effectively.

Website

The LUPC website continues to be the most widely used communication medium in terms of delivering the LUPC message to the membership. It provides a wealth of information ranging from our business plan and agreement portfolio to member institution information and useful links within and outside the public sector.

The newsletter and Annual Report together with the meeting minutes for the LUPC Board, Executive Committee and Commodity and Service Groups are available on line as are the quarterly Executive Committee commodity group reports to provide regular updates of each product or service area.

The aim is now to further develop the appearance and functionality of the LUPC website with a re-design during the coming year.

Newsletter

The newsletter is produced on a quarterly basis and distributed to both members and preferred suppliers in January, April, July and October. It is also available for download from the LUPC website. This year has seen a re-design which provides a consistent image with our Annual Report.

This marketing tool is key to informing the readership of any new developments including new training courses, renewal of supply agreements, new preferred suppliers and new LUPC members in addition to numerous other areas of general interest.

The newsletter contains various articles which differ from issue to issue and are aimed at being informative and assist in promoting the LUPC newsletter as a key promotional tool within the LUPC's marketing arsenal.

Special Events

The main event of the year was the LUPC AGM and Social Event which took place in December 2007 at the Kingsway Hall Hotel, Covent Garden and ran very smoothly. A prize draw took place during the Social Event with gifts kindly donated by a large number of our preferred suppliers. The Social Event was yet again viewed by members and suppliers alike as an excellent forum for forming and developing solid working relationships.

This year the LUPC have hosted a number of seminars including a Shared Services Roadshow, in conjunction with In-Tend, as well as an e-books and Prenax seminar. An Insurance seminar will take place in 2009.

LUPC are also pleased to be hosting COUP 2009 which is the leading national purchasing event in the Higher Education sector's calendar. COUP 2009 will be held on Monday 7th, Tuesday 8th and Wednesday 9th September 2009 at Royal Holloway, University of London. The conference will provide delegates with the opportunity to update their knowledge and skills, and debate purchasing's latest topics and issues.

Regular Contact

The LUPC continually strives to develop and improve the communication channels between the consortium Central Office and its members. This regular contact needs to be maintained between all member institutions however large or small they may be to ensure that our core business aims are achieved. This is undertaken through face-to-face meetings as well as the LUPC newsletter and regular e-mail updates detailing all agreements and other consortium business.



LUPC Training Working Party

The main purpose of the LUPC Training Group, which consists of representatives from various LUPC member institutions, is to act in an advisory capacity to assist in the development of the LUPC portfolio of training courses and related support services. The success of the review year courses are highlighted in the "short course programme" section.

The group met in October 2008 to review and update the current LUPC training strategy and course portfolio to ensure that we are continuously delivering an added value service that meets our members requirements.

It was agreed that the LUPC would promote the London Metropolitan University's CIPS level 2 qualification training programme. Although the Introductory Certificate is a standalone qualification, the syllabus covers the broad principles of purchasing, with the emphasis on its practical aspects and would therefore be applicable to the majority of full or part time buyers. The certificate has been validated by the Qualifications and Curriculum Authority at Level 2 against the National Qualifications Framework.

A joint approach will also be sought with the ENPC to provide preferential training rates with existing service providers such as BIP and Achilles as opposed to running individual LUPC courses.

The NVQ program with NWUPC continues to be promoted as an alternative route to a formal examination based CIPS qualification.

Short Course Programme

A total of 9 courses were offered to LUPC members including all the regular courses that run year on year, for example the Introduction to Purchasing and the EC Directives.

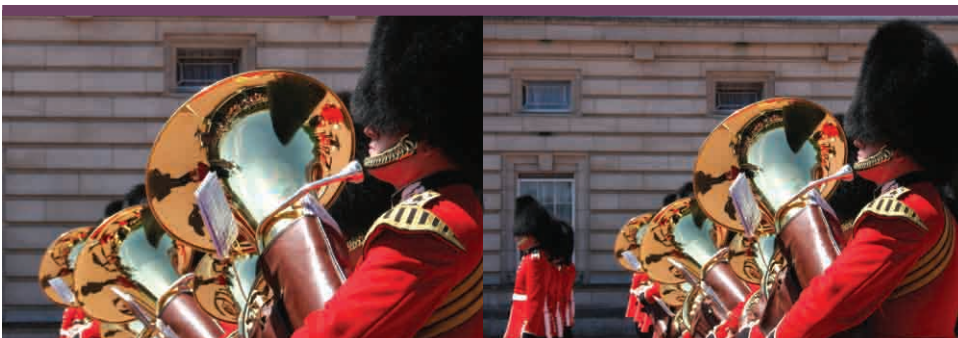
The training partnership between LUPC and SUPC continues to develop with both sets of courses being offered to the consortia members. Both sets of members are now able to book the LUPC courses online via the LUPC website.

Procurement Advice Service

The Achilles Group continues to provide an outsourced EU procurement advice support service. The service offers full EU procurement directive, regulation and case study reviews. Members have the option of contacting the Achilles Group directly or through the LUPC Central Office.

THEMiS

LUPC member institutions can take advantage of the specially negotiated rates for using the THEMiS system. This system provides the most relevant and up to date information on the EU directives including government or European Commission updates as well as current court cases. LUPC members can access this information through the Achilles THEMiS website.



Accounts 2007/2008: Profit and Loss Account

Accounts 2007/8

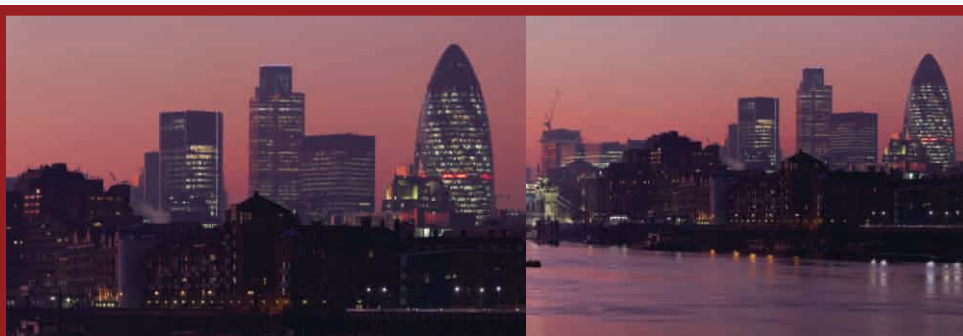
The London Universities Purchasing Consortium (LUPC) was incorporated on 2nd June, 2003. This is the company's fifth year of trading. Prior to this, its activities formed part of the University of London.

The statutory accounts have been delivered to the Registrar of Companies and a copy can be obtained by contacting the Company Secretary at Stewart House, 32 Russell Square, London WC1B 5DN. The independent auditors' report given on the statutory accounts by the auditors, Knox Cropper, was unqualified.

Auditors' statement

We have examined the summarised accounts set out below and have carried out the procedures we consider necessary to ascertain whether they are consistent with the full financial statements from which they have been prepared. In our opinion, the summarised accounts are consistent with the full financial statements for the year ended 31st July, 2008.

Profit and Loss Account	Year Ended	
	31st July, 2008	31st July, 2007
	£	£
Turnover	464,333	436,276
Staff costs	306,538	302,456
Depreciation	1,496	2,122
Other operating charges	174,167	155,051
	482,201	459,629
Operating (loss)	(17,868)	(23,353)
Other interest receivable and similar income	13,023	15,422
Loss on ordinary activities before tax	(4,845)	(7,931)
Tax on ordinary activities	(1,390)	(285)
Retained loss	(£6,235)	(£8,216)



Accounts 2007/2008: Balance Sheet

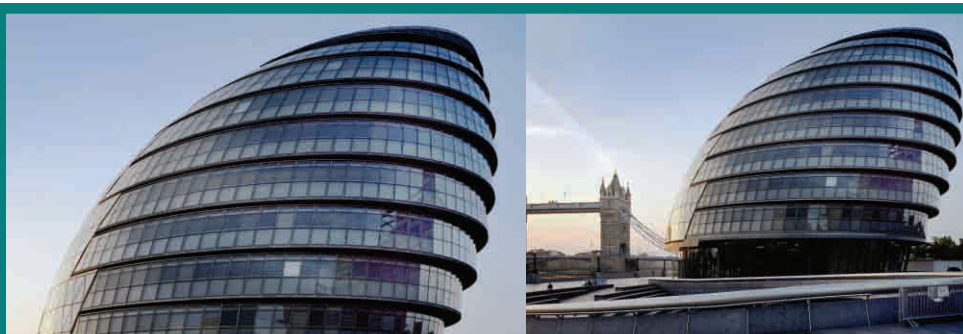
Balance Sheet	As at 31st July, 2008 £	As at 31st July, 2007 £
Fixed assets:		
Tangible fixed assets	5,564	4,302
Current assets:		
Debtors	39,350	25,985
Cash at bank and in hand	241,156	243,894
	280,506	269,879
Creditors: Amounts falling due within one year	(89,113)	(70,989)
Net current assets	191,373	198,890
Total Net Assets less current liabilities	£196,957	£203,192
Capital and reserves:		
Profit and loss	£196,957	£203,192



Member Institutions

"The British Museum, The Royal Academy of Music and Heythrop College became the latest members to join the LUPC during this report year."

- 01 Barking College
- 02 Birkbeck College
- 03 Central School of Speech & Drama
- 04 Charing Cross Hospital
- 05 City and Islington College
- 06 Courtauld Institute of Art
- 07 Croydon College
- 08 Ealing, Hammersmith & West London College
- 09 Enfield College
- 10 Goldsmith's, University of London
- 11 Guildford College
- 12 Havering College of Further & Higher Education
- 13 Health Protection Agency
- 14 Heythrop College
- 15 Institute of Cancer Research
- 16 Institute of Education
- 17 Institute of Zoology
- 18 International Students House
- 19 King's College London
- 20 Kingston College
- 21 Kingston University
- 22 KSS Deanery
- 23 Lambeth College
- 24 Lewisham College
- 25 London Business School
- 26 London Deanery
- 27 London Metropolitan University
- 28 London School of Economics & Political Science
- 29 London School of Hygiene & Tropical Medicine
- 30 London South Bank University
- 31 Medical Research Council
- 32 National Institute for Biological Standards & Control (Associate Member)
- 33 Natural History Museum
- 34 Newham College of Further and Higher Education
- 35 North East Surrey College of Technology (NESCOL)
- 36 Queen Mary, University of London
- 37 Ravensbourne College of Design & Communication
- 38 Redbridge College
- 39 Richmond Adult Community College
- 40 Royal Academy of Music
- 41 Royal Botanic Gardens, Kew
- 42 Royal College of Art
- 43 Royal College of Music
- 44 Royal College of Surgeons of England
- 45 Royal Holloway, University of London
- 46 Royal Veterinary College
- 47 School of Oriental & African Studies
- 48 School of Pharmacy
- 49 South Thames College
- 50 Southwark College
- 51 St Francis Xavier 6th Form College
- 52 St George's Hospital Medical School
- 53 The British Museum
- 54 The Conservatoire for Dance and Drama
- 55 The National Archives
- 56 Trinity College of Music
- 57 University of East London
- 58 University of Greenwich
- 59 University of London
- 60 University of the Arts London
- 61 University of Westminster
- 62 The Wellcome Trust
- 63 West Kent College
- 64 Westminster Kingsway College



Board Members

Board Members

Chair

Frank Dabell

(Chairman and member until July 2008)

Wendy Surridge

London School of Hygiene & Tropical Medicine
(from July 2008)

Nirmal Borkhataria

Director of Finance,
University of East London

Richard Flatman

Director of Finance,
London South Bank University

Marcus McDonald

Deputy Secretary (Finance),
Institute of Education

John Ritchie

Director,
London Universities Purchasing Consortium

David Sanders

Director of Estates,
Natural History Museum

Andrew Keeble

Director of Finance and Planning,
Queen Mary, University of London

John McParland

Secretary & Clerk to Board of Governors,
London Metropolitan University

Howard Wilson

Head of Procurement Services,
London Metropolitan University
(co-opted member until December 2007)

Andrew Whitehead

Director of Finance,
Institute of Cancer Research
(member until December 2007)

Executive Committee

Chairman

John Ritchie

LUPC Director

Rob Godfrey

Purchasing Manager, SOAS

Alan Hill

Purchasing Manager,
Institute of Cancer Research

Margaret Newson

Purchasing Manager,
London School of Economics & Political Science

Chris Philpott

Purchasing Manager,
University of East London

Andrew Rance

Procurement Officer,
University of Westminster

James Wrigg

Director of Procurement,
King's College London

Adrian Moody

Corporate Procurement Manager,
London South Bank University



London Universities Purchasing Consortium

London Universities Purchasing Consortium

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