

Contract Award for the Highways Term Maintenance Contract – Part I

Committee considering report:	Executive
Date of Committee:	11 June 2026
Portfolio Member:	Councillor Stuart Gourley
Date Portfolio Member agreed report:	22 May 2026
Report Author:	Sarah Wood / Jon Winstanley

1 Purpose of the Report

- 1.1 The purpose of this report is to seek Executive approval to award the Highways Term Maintenance Contract covering the period from 01 October 2026 for an initial period of seven years to 30 September 2033, with the option to agree a further three-year extension period until 30 September 2036.
- 1.2 The procurement route used to procure this contract was the Competitive Flexible Procedure in accordance with the Procurement Act 2023 legislation.

2 Recommendations

- 2.1 Executive resolves to:
 - (1) award the contract for the Highways Term Maintenance Contract for the initial period covering 01 October 2026 to 30 September 2033 (with a three-year extension clause) to the successful bidder.
 - (2) delegate authority to the Service Lead Legal & Democratic Services in consultation with the Executive Director (Place) to:
 - (a) finalise the terms of the agreement as set out in the tender documents and to make any necessary drafting or other amendments (such amendment shall not be substantial or material) to the terms of the agreement necessary to produce a final agreement for execution and to enter into that agreement; and
 - (b) finalise and enter into an appropriate lease agreement required for the contractor's use of the Chieveley depot.

3 Implications and Impact Assessment

Implication	Commentary
Financial:	Funding directed through the term contract is received from a variety of sources, including Community Infrastructure Levy, Council borrowing and Section 106 contributions, although the main source of funding is Department for Transport grant. Based on previous years, average annual spend through the contract is approximately £15 million. While there is no contractual minimum spend, this contract is vital to ensuring the Council can fulfil its duties under the Highways Act 1980 to keep road users safe.
Human Resource:	TUPE does apply to this contract and provisions are included within the contract for staff to be transferred from the old contract to the new. Advice has been provided by HR to support in answering supplier clarifications.
Legal:	This project has primarily been led by external consultants, who have taken the lead on matters relating to the NEC4 contract, with only limited involvement from our Legal team. The West Berkshire legal team's involvement has been at key points in the process to advise on legal procurement issues alongside the procurement team. The Legal team can confirm that this procurement exercise is compliant with both the Council constitution and the Procurement Act 2023.
Risk Management:	Risks have been managed in accordance with the Council's risk management policy.
Property:	The successful contractor will enter a lease for the use of Chieveley Depot which is essential to enable the activities within the contract to be completed.
Policy:	This contract is essential to help the Council discharge its duties under the Highways Act and aligns with the Council Strategy Priorities of Services we are proud of, and A prosperous and resilient West Berkshire.

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	Positive	Neutral	Negative	Commentary
Equalities Impact:		X		
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?				
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?				
Environmental Impact:	X			The Council's net zero goals have been considered within the procurement exercise.
Health Impact:		X		
ICT Impact:		X		
Digital Services Impact:		X		
Council Strategy Priorities:	X			This aligns with the Council Strategy Priorities of Services we are proud of, and A prosperous and resilient West Berkshire.
Core Business:	X			The contract will provide efficiencies in the delivery of the Council's core highway services over the life of the contract.

Data Impact:		x		
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4 Executive Summary

- 4.1 This report seeks approval from Executive to award a ten-year contract for the provision of a Highways Term Maintenance Contract in West Berkshire following a competitive procurement procedure. The resulting contract will cover the period from 01 October 2026 to 30 September 2033 with an option to extend for a further three years thereafter.
- 4.2 The aggregated value of this contract requires that it be advertised in full accordance with the requirements of the Procurement Act 2023.
- 4.3 The council chose to carry out a two-stage Competitive Flexible Procedure. The preferred option for procurement was approved by Procurement Board on 20 August 2025.

5 Supporting Information

Introduction

- 5.1 The current Highways Term Maintenance Contract with the incumbent contractor comes to an end on 30 September 2026 with no further extensions available.
- 5.2 A procurement process has been undertaken to procure a new supplier to deliver this contract from 01 October 2026 for a maximum period of ten years. Sufficient value and flexibility has been built into the new contract to accommodate changes that may occur due to the Local Government Reorganisation.
- 5.3 This report seeks Executive approval to award the Highways Term Maintenance Contract to the highest scoring bidder following the procurement process.

Background

- 5.4 The Council spends over £15m on highway maintenance activities, including reactive and planned services, winter maintenance and broader estates asset management each year. A significant Capital programme is also associated with the Highways Contract and delivers highway improvement schemes, safety schemes and active travel programmes annually.
- 5.5 The Council's current Highways Term Maintenance Contract ends on 30th September 2026. The contract does not facilitate any further extensions to the contract, and therefore a procurement process began to retender the contract in 2025.
- 5.6 Similarly to the current contract, following market engagement with suppliers, the Council intends to enter into a new Contract for an initial term of seven years with the option to extend by three years for a total term of ten years.

Proposals

- 5.7 This procurement was conducted under the Procurement Act 2023 using a Competitive Flexible Procedure. A UK2 Preliminary Market Engagement Notice (16 June 2025) invited suppliers to an online workshop (27 June 2025), attended by 14 suppliers, followed by one-to-one sessions with eight suppliers covering commercial models, innovation, and delivery approaches.
- 5.8 A UK4 Tender Notice (3 November 2025) set out a two-stage process: Stage 1 (selection) and Stage 2 (initial tenders, negotiations, and final tenders). Stage 1 closed on 12 December 2025, with eight compliant bids; the top five progressed.
- 5.9 Stage 2 was issued on 15 January 2026, requiring initial quality responses and pricing. Bidders also submitted up to five Efficiency and Innovation Cards (EICs) aligned to key priority areas. Stage 2 closed on 6 March 2026, with five bidders submitting.
- 5.10 A cross party steering group was set up to assist with the assessment of the efficiency and innovations cards. Important feedback on the proposed innovations was received from the group and fed back to the tenderers at the face to face clarification sessions.
- 5.10 Clarification meetings were held to refine proposals and agree EICs for final submission. Following market concerns about pricing volatility, a mitigation approach using BCIS PAFI indexation was introduced.
- 5.11 The request for Final Tenders was issued on 2 April 2026 with a final submission date of 24 April 2026. All five bidders submitted compliant bids, which were evaluated by a panel including Finance and Environment representatives. The evaluation criteria was based on 50% Quality, 10% Social Value and 40% Price.

6 Other options considered

- 6.1 Permission to go out to tender was sought from Procurement Board. The procurement options were set out in the procurement strategy.
- 6.2 The single supplier term maintenance contract, procured via the Competitive Flexible Procedure, was the preferred option, supported by recent Berkshire and regional appraisals. The scale and complexity of the service favour a single, experienced provider with the resilience and resources typically found in national or regional suppliers.
- 6.6 Opportunities for SMEs remain through subcontracting, social value initiatives, and local workforce delivery. The specification reflects West Berkshire's refreshed standards and asset management objectives, adopting an outcome-focused approach to drive performance, innovation, and continuous improvement, supported by a commercial model that incentivises collaboration and measurable social value.

7 Conclusion

- 7.1 Executive resolves to:

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(1) award the Highways Term Maintenance Contract to the successful bidder for the initial period covering 01 October 2026 to 30 September 2033 (with a three-year extension clause).

(2) delegate authority to the Service Lead Legal & Democratic Services in consultation with the Executive Director (Place) to:

(a) finalise the terms of the agreement as set out in the tender documents and to make any necessary drafting or other amendments (such amendment shall not be substantial or material) to the terms of the agreement necessary to produce a final agreement for execution and to enter into that agreement; and

(b) finalise and enter into an appropriate lease agreement required for the contractor's use of the Chieveley depot.

8 Appendices

8.1 None

Subject to Call-In:

Yes: No:

The item is due to be referred to Council for final approval

Delays in implementation could have serious financial implications for the Council

Delays in implementation could compromise the Council's position:

Considered or reviewed by Scrutiny Commission or associated Committees, Task Groups within preceding six months

Item is Urgent Key Decision

Report is to note only

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