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| Our ref: FOI 735,547  Your ref:  [request-320488-bc4051a5@whatdotheyknow.com](mailto:request-320488-bc4051a5@whatdotheyknow.com) | OTD - Directorate Services Team Manager  9th Floor  The Cube  199 Wharfside Street  Birmingham B1 1RN  06 April 2016 |

Dear

I am writing to confirm that we have now completed our search for the information, which you requested on 22 February 2016.

In your email you asked for the following information:

* *How many pricing methodologies has Kier Highways Ltd used over the past 5 years when charging Highways England for ad hoc work or when repairing damage to the highway, barriers or signage?*
* *What were the pricing methodologies?*
* *When did they come into effect?*
* *What increases in charges have been agreed year on year?*

Taking each of your questions in turn:

* *How many pricing methodologies has Kier Highways Ltd used over the past 5 years when charging Highways England for ad hoc work or when repairing damage to the highway, barriers or signage?*

Kier operate a number of maintenance contracts for Highways England; in the north west region (Area 13), the midlands region (Area 9), the south west region (Area 1) and the south east region (Area 3). More information on how we manage our network can be found on the GOV.UK website: <https://www.gov.uk/government/publications/roads-managed-by-the-highways-agency>

For Area 1 and 13 services are delivered under a Managing Agent Contractor and services for Areas 3 and 9 are delivered under an Asset Support Contract. More information on these contracts and on how we procure Highways England contracts can be found via the following link:

<https://www.gov.uk/guidance/the-highways-agency-tendering-for-projects>

* *What were the pricing methodologies?*

The pricing methodologies that are used for both MAC and ASC contracts in repairing damage to the highway, barriers or signage are:

* Lump sum: Our maintenance contracts are structured so that our service providers are paid a "lump sum" for a wide range of general maintenance duties (such as pothole repairs);
* Schemes: where larger repairs and improvements are undertaken by a much more detailed and scoped programme of works;
* Cost reimbursable service: the service provider is reimbursed the actual costs they incur in carrying out the works, plus an additional fee. This is used where the nature or scope of the work to be carried out cannot be properly defined at the outset and the risks associated with the works are high, such as emergency work.
* *When did they come into effect?*

The Kier contract access dates are as follows:

Area 1 - July 2010.

Area 3 - November 2013

Area 9 - July 2014.

Area 13 - July 2010

Please note that Kier Highways have only been involved in these contracts since they bought out the previous service provider (EM Highways) in August 2015.

* *What increases in charges have been agreed year on year?*

In accordance with the contracts, the prices are adjusted by the contract price adjustment for inflation on an annual basis.

If you are unhappy with the way we have handled your request you may ask for an internal review. Our internal review process is available at:

<https://www.gov.uk/government/organisations/highways-england/about/complaints-procedure>

If you require a print copy, please phone the Information Line on 0300 123 5000; or e-mail [info@highwaysengland.co.uk](mailto:info@highwaysengland.co.uk). You should contact me if you wish to complain.

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at:

Information Commissioner’s Office

Wycliffe House

Water Lane

Wilmslow

Cheshire

SK9 5AF

If you have any queries about this letter, please contact me. Please remember to quote reference number FOI 735,547 in any future communications.

Yours sincerely

Email: ndd\_c\_dst@highwaysengland.co.uk