

14 November 2011

Mr Tony Arias  
Chief Executive Officer  
Tamala Park Regional Council  
Room 3 Scarborough Civic Centre  
173 Gildercliffe Street  
SCARBOROUGH WA 6019

Dear Tony

### **Catalina – Internet & Communication Services**

Public tenders were invited for the provision of pit and pipe and an open access fibre optic internet service to the premises at Catalina.

Tenders closed 12 noon Monday 31<sup>st</sup> October 2011 with tenders being received from OptiComm and Service Elements. NBN Co were unable to tender as their legislation does not permit them to be a service provider however they have provided, separate to the tender, a draft agreement which the TPRC may consider in conjunction with the tenders.

A summary of the proposals received from OptiComm, Service Elements and NBN Co follows:

#### **OptiComm**

TPRC to pay \$1500 per lot (exc GST)

- Includes design supply and installation of pit & pipe and fibre network.
- Includes demonstration unit for sales office
- Includes free Wi-Fi zones in parks or shop areas.

Home owner to pay connection cost of \$300 per lot.

- Includes ONT (Optical Network Terminal) and lead in fibre cable installation
- Connection to customer internal cabling
- Provision of Freeview channels

Home owner to install lead in conduit from boundary to house (as part of house construction)

Home owner to install all internal house cabling

Homeowner to provide GPO (General Power Outlet)

Homeowner to have choice of 11 Service Providers.

Service to be available within 5 months of commencement which would generally coincide with titles for Stage 1 forecast for May 2012.

#### **Service Elements**

TPRC to pay \$1695 per lot (exc GST).

- Includes design supply and installation of pit & pipe and fibre network.

Has capability for Wi-Fi zones in parks or shop areas but not offered within above cost.

## Appendix 9.11 - Letter from SPG

Post close of tenders Service Elements advised that they had subsequently acquired the assets of Broadcast Engineering Services which enables them to reduce their price to \$1,415 per lot (exc GST). They are also now able to offer:

- Provision of Freeview channels

Date of provision of service to be 3 months from release of the first stage which also coincides with titles for Stage 1.

Home owner to pay connection cost of \$199 per lot.

- Includes ONT and lead in fibre cable installation
- Connection to customer internal cabling

Home owner to install lead in conduit from boundary to house (as part of house construction).

Home owner to install all internal house cabling.

Homeowner to provide GPO.

Homeowner to have choice of 7 Service Providers.

### **National Broadband Network (NBN Co)**

TPRC to design and install pit & pipe at its cost (estimated at \$1000 per lot).

NBN Co to:

- Supply and backhaul fibre to lot boundary.
- Supply Premise Connection Device, fibre cable from street to home, Network Termination Device and Power Supply Unit (PSU).

Home owner to install:

- lead in conduit from boundary to house (as part of house construction)
- all internal house cabling
- GPO for PSU

Homeowner to have choice of 18 Service Providers.

Date of provision of fibre to be 6 months from titles for the first stage which would be in line with the completion and occupancy of the first homes in Stage 1.

### **Budget / Cost Considerations**

The approved cashflow has an allowance of \$2,453 per lot for installation / provision of a fibre optic communications and internet service. All three proposals can be met within this budget.

NBN Co presents the highest potential for cost saving of approximately \$1,450 per lot or some \$3.3M across the project. These funds may be considered by TPRC for use on other project objectives in the areas of sustainability or demonstration housing. The private systems also afford cost savings but to a lesser degree.

### **Marketing Considerations**

It is the SPG experience that the cost of a private system does not result in generating a significant increase in the rate of sale or increase in price. There is however an expectation from the market that internet services in some form would be available in the same way that a lot comes serviced with water, power, sewer etc. It will be important to provide purchasers with accurate information as to what form (Private or NBN Co) the provision of internet services will take.

TV Aerials are often considered to be a negative and the provision of Free to Air TV (FTA) through a fibre optic service can reduce the use of aerials. It is SPG experience that even with provision of FTA the connection cost to a purchaser (\$300) is greater than a standard aerial (\$150) and therefore you cannot completely eliminate aerials within an estate.

An examination of competing estates in the northern corridor has shown a shift towards utilising NBN Co. This is most likely a cost saving measure for the developer and also it allows the end purchaser to select who they contract with as a Service Provider.

**Engineering Considerations**

The consultant engineers will need direction by the end of November as to whether to proceed with designing pit and pipe to NBN Co standard or as a private system in order to meet the program for installation of shallow services in February 2012.

**Delivery Considerations**

All three proposals offer guarantees of delivery of the fibre optic infrastructure within time frames that meet the earliest projected completion of homes in the estate.

The structural shift in the provision of internet services has seen a rationalization of providers active in the market and this is expected to continue. An element of risk remains with entering an agreement with either of the private companies or NBN Co as the former will be subject to market pressure and the later to shifts in the political landscape. In term of continuity of delivery NBN Co is favoured by SPG as it has government backing and provides a greater choice of service providers.

**Conclusion**

It is SPG opinion that the cost of a private internet system over the government NBN Co does not pay for itself through generating a greater rate of sale or increase in sale price.

NBN Co is favoured by SPG as it is the cheapest, comes with government backing and provides a greater choice of service providers. The significant cost savings to the project afforded by the NBN Co model can be redirected to other initiatives.

**Recommendation**

The Satterley Property Group recommends that the TPRC enter into an agreement with NBN Co with the Catalina project to fund the installation of Pit & Pipe and NBN Co to backhaul fibre into the estate and have ready for delivery of internet services within 6 months from title of the first lots.

Yours faithfully



**Grant Singleton**  
Senior Project Manager

# TAMALA PARK REGIONAL COUNCIL

## BRIEF FOR INTERNET SERVICES / COMMUNICATIONS



### CATALINA URBAN DEVELOPMENT

## INTERNET SERVICES / COMMUNICATIONS



## **CONTENTS**

- 1) Background
- 2) Management & Reporting Structure
- 3) Terms of Engagement
- 4) Scope of Services Required
- 5) Information to be provided in Tender Submission
- 6) Relationship to NBN Co
- 7) Fee Proposal
- 8) Selection Criteria
- 9) Submission Requirements
- 10) Contacts

## **1. BACKGROUND**

The Tamala Park Regional Council (TPRC) is undertaking the development of a cutting edge urban development on land in Clarkson and marketed as Catalina. Full details of the proposed development can be obtained from Tamala Park Regional Council's website [www.tamalapark.wa.gov.au](http://www.tamalapark.wa.gov.au).

Satterley Property Group has been engaged as Development Manager and Selling Agent for the TPRC. Structure Planning for the site is complete, and the first precinct of 273 lots has received conditional subdivision approval from the Western Australian Planning Commission. Bulk earthworks have commenced and the first lots are to be produced mid 2012.

## **2. MANAGEMENT AND REPORTING STRUCTURE**

The Tamala Park Regional Council comprises the Town of Cambridge, City of Joondalup, City of Perth, City of Stirling, Town of Victoria Park, City of Vincent and City of Wanneroo. These member Councils have a joint holding in the Catalina land.

Consultants / contractors will be appointed directly by the Tamala Park Regional Council but will report to Satterley Property Group as project managers on behalf of the Regional Council.

## **3. TERMS OF ENGAGEMENT**

Consultants / contractors will be required to enter into a formal contract of engagement with the Tamala Park Regional Council upon successful appointment. The initial appointment will be for the first 273 lots as depicted on the attached plan which are envisaged to be developed over a period of two years. However, Tamala Park Regional Council reserves the right to terminate the consultancy / contract at any time should the consultant / contractor not meet acceptable performance standards. Continuation of appointment beyond the initial two year period will be entirely at the discretion of the Tamala Park Regional Council.

#### **4. SCOPE OF SERVICES REQUIRED**

##### **Mandatory Services**

- a. Delivery of all pit, pipe and network infrastructure (the carrier will be responsible for the design and provision of pit and pipe infrastructure)
- b. As a minimum the services should include:
  - i. Broadband services up to 100Mbps access speeds
  - ii. Standard Telephone Services including guarantee of support for fax, EFTPOS, Modems and security alarm systems
  - iii. Business services such as: multiline telephone, TLS or E-LINE type services, ISDN
- c. Services must be available on a commercial basis (not trial) and available now (not proposed)

##### **Optional Services**

- a. While not mandatory tenderers should include options for Free To Air and Foxtel PayTV services to be delivered via an RF medium. If offering Foxtel PayTV services tenderer is required to show evidence of prior experience, proof of having designed Foxtel approved networks, be on the Foxtel approved design and maintenance lists and describe what Foxtel approved equipment will be used.
- b. If a Free To Air TV service is offered, can the resident receive connection to the network to receive just the FTA service without any other service being ordered. If this is possible what additional costs (both connection and ongoing) is incurred by the resident.
- c. Any additional services offered.

#### **5. RELATIONSHIP TO NBN CO.**

The tenderer should clearly outline the relationship between the tender proposal and NBN Co. and compliance of the tender proposal with NBN Co legislation /policies and outline where the tender proposal may differ from known NBN Co policies.

## **6. INFORMATION TO BE PROVIDED IN TENDER SUBMISSION**

The following information is to be provided as part of the tender submission:

- a. Statutory Declaration by the tenderer on Compliance by the tenderer to the 2011 Telecommunication Act Amendment Legislation (i.e. Open Access, Wholesale only)
- b. Compliance by the tenderer to the Communications Alliance Code on green field telecommunications infrastructure
- c. List of Retail Service Providers currently offering services on a commercial basis (not trial basis) over the network
- d. Sample contract offered by the tenderer
- e. Prescribe the date that services will be ready and available.
- f. Provide a written guarantee that described services will be ready and available at the date prescribed so the first resident of the estate can receive those services at the date they move into the estate.
- g. Requirements of the proposed solution:
  - i. Delivery of all pit, pipe and network infrastructure (the carrier will be responsible for the design and provision of pit and pipe infrastructure)
  - ii. Price per lot including all pit, pipe and network infrastructure including all head works and backhaul
  - iii. Price to the resident for the connection of the service/network (if any)
  - iv. Any additional costs or requirements that are borne by the resident (e.g. home wiring, lead in conduits, internal conduits etc)
- h. Details of the background, capability and track record of the firm with specific reference to the requirements of the selection criteria.
- i. Details of the personnel from the firm to be used in the service including detailed CVs and capabilities
- j. Examples of previous work which are comparable to the Catalina development
- k. Fee proposal in line with the fee structure as set out below
- l. Descriptions of specific roles and responsibilities of each of the nominated personnel.
- m. Details of insurance coverage including professional indemnity and public liability
- n. Details of any material event, litigation, insolvency, and breaches of law, offence or other matters involved with the firm or it's Directors over the past 5 years.

## **7. FEE PROPOSAL**

- a. Price per lot inclusive of design and construction of all pit, pipe and network infrastructure including all head works and backhaul.
- b. Price to the resident for the connection of the service/network (if any)
- c. Any additional costs or requirements that are payable by the resident (e.g. home wiring, lead in conduits, internal conduits etc)



## 8. SELECTION CRITERIA

The following selection criteria will apply:

- |  |     |
|--|-----|
| 1. Understanding of project and key issues | 10% |
| 2. Track record of the firm                | 25% |
| 3. Experience & capability                 | 25% |
| 4. Fees                                    | 40% |

## 9. SUBMISSION REQUIREMENTS

The submission should include the following:

- One bound copy of your submission
- Electronic copy of your submission on CD
- Details of all information required to demonstrate the capability of the firm against the selection criteria
- Tenders should be provided in a sealed envelope and lodged in the tender box no later than 12 noon on Monday 31 October 2011 at the offices of the Tamala Park Regional Council, Room 3, Scarborough Civic Centre, 173 Gildercliffe Street, Scarborough WA 6019

## 10. CONTACTS

Additional information can be obtained from

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