



BUILDING AND MAINTAINING
NEW ZEALAND'S LAND TRANSPORT
INFRASTRUCTURE

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Deployment Standards Initiative
ICT Regulatory Group
Ministry of Economic Development
PO Box 1473
Wellington

Dear Sirs,

Submission on Deployment Standards Initiative discussion document

Thank you for the opportunity to comment on the above discussion document.

Roothing New Zealand represents contractors who build and maintain New Zealand's land transport infrastructure. Its members have a combined annual turnover of around \$3 billion and have a direct interest in this initiative as some of the major contractors carrying out utility work in New Zealand.

Roothing New Zealand members specialize in the delivery of work through performance based contracts. This approach drives innovation because it is non prescriptive and outcomes based. To be able to do this Roothing New Zealand members employ highly qualified pavement engineers so they can provide clients with a "one stop shop" service for delivering infrastructure. At any one time Roothing New Zealand has around 20 technical committees working on around 50 technical standards and best practice initiatives. We do this in collaboration with roading clients such as local authorities and the New Zealand Transport Agency.

Alternative Approach

We would like to advocate an alternative approach to that contained in the discussion document. We believe that the process outlined in Section 7 of the document is a slow, bureaucratic and expensive process that will substantially slow down the roll out of ultra fast broadband.

Instead, we believe that a performance based collaborative procurement approach involving contractors with technical expertise in roading, telecommunication companies and the respective local authorities would provide a more innovative and faster roll out.

Proposed Alternative Model

Our proposed approach adopts the Alliance collaborative procurement model used in the roading sector over the last 5 years combined with the performance based contracts model used in the roading sector for the past 15 years.

The collaborative procurement model provides the mechanism within a contractual environment for the client, contractor and any stakeholders to jointly develop and refine appropriate engineering/performance standards and to then deliver to those standards to the client's satisfaction.

According to Constructing Excellence in the United Kingdom Collaborative Procurement is "an umbrella term for clients, contractors and consultants working together in a seamless team to common objectives that deliver benefits to all, but most importantly the project outcome".

In essence, there would be a number of Alliance contracts involving contractors, telecommunications companies and local authorities. Representatives from each of these organisations would come together to form a number of virtual organisations to roll out broadband.

We believe that developing the required engineering performance standards for the preservation of the road asset and the broadband cable within this collaborative contractual model would be relatively straight forward by using the NZUAG (New Zealand Utilities Advisory Group) Code of Practice for Working in the Road combined with other Road Controlling Authority pavement design and performance standards.

How the Model would Work

These standards, for instance, would cover such things as the performance standards for the reinstatement trench and the performance standards required for the protection of the broadband cable in the roadway. This could mean that cables in footpaths and berms be shallower than those in carriageways. These decisions would be jointly and collaboratively made by the three parties to achieve the best project outcome. The parties would also agree on the project's risk register and controls to mitigate these risks.

New technology could then be trialed to test its compliance with these standards. We are aware that some trials on innovative trenching methods have already begun along these lines.

Once the standards have been set, the technology trialed and risk mitigation agreed, the "target out-turn price" would be determined, peer reviewed and agreed. The normal Alliance pain/gain regime would then be applied to drive efficiencies during the delivery process.

As there would be a number of these types of Alliance contracts with parallel workstreams on engineering performance standards and new technology, we believe that a mechanism would be needed to ensure that this information was shared. It's important to clarify that Intellectual

Property is not an issue with these types of contracts as all parties develop and have access to what's developed.

In some ways this approach could be considered to be real live pilot trials carried out not in a testing facility but actually in the field. Not only will this speed up the deployment of broadband by not having to do the pilots and testing before any work starts it will also give more accurate and effective results.

This approach has been discussed with other key players across the sector such as the NZUAG, IPENZ and INGENIUM. They all see merit in it and are open to explore it further. Unfortunately time constraints have not enabled this to occur.

We trust you find this submission helpful and we would like an opportunity to speak to it.

Yours sincerely

A handwritten signature in black ink, appearing to read 'C. Olsen', with a long horizontal flourish extending to the right.

Chris Olsen
Chief Executive