

REGULATION OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA

NUMBER 54 OF THE YEAR 2010

ON

THE PROCUREMENT OF GOVERNMENT GOODS/SERVICES

WITH THE BLESSINGS OF THE ONE ALMIGHTY GOD

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

Considering:

- a. whereas the efficient, open and competitive Government Procurement of Goods/Services is very much needed for the availability of affordable and quality Goods/Services, so as to have an impact on enhanced public services;
- b. whereas in order to realise the Government Procurement of Goods/Services as described under point a, an arrangement will be necessary regarding the method of Procurement of Goods/Services which is simple, clear and comprehensive, in accordance with good governance, so as to become an effective arrangement for the parties involved in Procurement of Government Goods/Services;
- c. Whereas pursuant to the considerations as described under point a and point b, it will be necessary to stipulate a Regulation of the President on the Procurement of Government Goods/Services.

Bearing in mind:

1. Article 4 section (1) of the 1945 Constitution of the Republic of Indonesia;
2. Law number 1 of the year 2004 on the State Treasury (State Gazette of the Republic of Indonesia of the year 2004 Number 5, Supplement to the State Gazette of the Republic of Indonesia Number 4355);

3. Government Regulation number 29 of the year 2000 on the Arrangement of Construction Services (State Gazette of the year 2000 number 64, Supplement to State Gazette of the Republic of Indonesia number 3956);
4. Government Regulation No. 6 of the year 2006 on the Management of State/ Region Owned Goods (State Gazette of the year 2006 number 20, Supplement to State Gazette of the Republic of Indonesia number 4609) as amended by Government Regulation number 38 of the year 2008 (State Gazette of the year 2008 number 78, Supplement to State Gazette of the Republic of Indonesia number 4855).

HAS DECIDED:

To stipulate: REGULATION OF THE PRESIDENT OF THE REPUBLIC OF
INDONESIA ON THE PROCUREMENT OF GOVERNMENT
GOODS/SERVICES

CHAPTER I

GENERAL PROVISIONS

Part One

Definitions

Article 1

Definitions of this Government Regulation:

(1) Procurement of Government Goods /Services hereafter referred to as

Procurement of Goods/Services means the activity to obtain Goods/Services by Ministries/ Institutions/Regional Apparatus Work Units/ Other Institutions, the process of which begins from the planning of needs up to the completion of all

the activities to obtain such Goods/Services.

- (2) Ministries/ Institutes/Regional Apparatus Work Units/ Other Institutions, hereafter referred to as K/L/D/I- M/I/R/O means agencies/ institutions that use the State Budget of Revenues and Spending (*APBN*) and/or the Regional Budget of Revenues and Spending (*APBD*).
- (3) Goods/Services User means the official who holds the authority for the use of goods and/or services belonging to the State/Region in each M/I/R/O.
- (4) The Institute on the Policy for Procurement of Government Goods /Services hereafter referred to as *LKPP* is the government institute with the task to develop and formulate policies for the Procurement of Government Goods /Services as described in Regulation of the President number 106 of the year 2007 on Institute on the Policy for Procurement of Government Goods /Services.
- (5) Budget User hereafter referred to as *PA* means the official who holds the authority for the budget utilisation of Ministries/ Institutes/Regional Apparatus Work Units or the official considered equal at Other Institutions as Users of *APBN/APBD*.
- (6) Budget User Proxy hereafter referred to as *KPA*, means the official stipulated by the *PA* or stipulated by the Head of Region to utilise the M/I/R/O budget.
- (7) Commitment Making Official hereafter referred to as *PPK*, means the official who is responsible for the implementation of Goods/Services Procurement.
- (8) Procurement Service Unit hereafter referred to as *ULP* means a government organisation unit with the function of carrying out the procurement of the Goods/Services at the M/I/R/O and is of a permanent character, capable to be

- independent or to be attached to an already existing unit.
- (9) The Procurement Official means the personnel that possess a Certificate of Expertise in Procurement of Government Goods/Services who carries out the Procurement of Goods/Services.
- (10) The Recipient Committee/Official of Work Output means the committee/official stipulated by PA/KPA with the task to examine and receive the work output.
- (11) The Government Internal Control Apparatus or the internal controller at other institutions hereafter referred to as APIP means the apparatus that exercises control via audit, review, evaluation, monitoring and other control activities on the arrangement of the organisational tasks and functions.
- (12) The Provider of Goods/Services means a business enterprise and or individual persons that provide Goods/ Construction Works/ Consultancy Services/ Other Services.
- (13) The Integrity Pact means a statement containing the vow to prevent and not to engage in collusion, corruption and nepotism (KKN) in the Procurement of Goods/Services.
- (14) Goods means any object whether tangible or intangible, movable or fixed, that can be traded, used, utilised or exploited by the User of the Goods.
- (15) Construction Works means all works that are related to the implementation of the construction of buildings or the manufacturing of any other physical appearance.
- (16) Consultancy Services means professional consultancy services requiring

specific skills in various disciplines that assign priority to a thinking process (brain ware).

- (17) Other services means services that require certain abilities that give priority to skill ware within a management system that is widely known in the business community to complete a job or all jobs and/or the provision of other services outside Consultancy Services, the implementation of Construction Jobs and the Procurement of Goods.
- (18) Creative Industry means an industry originating from the utilisation of creativity, original ideas, individual skills and talents to create welfare and employment through the creation and exploitation of such creative power and creativity.
- (19) Certificate of Expertise in Procurement of Government Goods/Services means evidence of the government's acknowledgement of the professional competency and ability in the field of Procurement of Government Goods/Services
- (20) Self-management means the Procurement of Goods/Services where the work is planned, carried out, and/or supervised by the M/I/R/O as the budget responsibility holder, other government agencies and/or a community group.
- (21) The Procurement Document means a document stipulated by ULP/Procurement Official that contains information and provisions that must be adhered to by the parties involved in the Procurement of Goods/Services process.
- (22) The Contract for the Procurement of Goods/Services hereafter referred to as "the Contract" means a written agreement between the PA/KPA or

represented by the PPK, with the Provider of Goods/ Services or the Self-Management Executive.

- (23) Public Tender means the method of selecting the Provider of Goods/ Construction Jobs/Other Services for all jobs in which all qualified Providers of Goods/Construction Jobs/Other Services may partake.
- (24) Restricted Tender means a method for the selection of Construction Jobs Providers for a Construction Job with capable Providers whose number is believed to be limited, and for a complicated job.
- (25) A simplified tender means the method of selecting a Provider of Goods/Other Services for a job with a maximum value of Rp 200.000.000,00 (two hundred million Rupiah).
- (26) A direct selection means the method of selecting a Provider of a Construction Job for a job with a maximum value of R 200.000.000,00 (two hundred million Rupiah).
- (27) A general selection means the method of selecting a Provider of Consultancy Services for a job in which all qualified Providers of Consultancy Services may partake.
- (28) A simplified selection means the method of selecting a Provider of Consultancy Services for consultancy services up to Rp 200.000.000,00 (two hundred million Rupiah).
- (29) A Prize Contest means the method of selecting a Provider of Services through a competition of certain original ideas, creativity and innovations the price/cost of which cannot be stipulated on the basis of unit price.

- (30) A contest means the method of selecting a Provider of Goods through a competition of certain Goods/objects that do not have market value and the price/cost of which cannot be stipulated on the basis of unit price.
- (31) A Direct Appointment means the method of selecting a Provider of Goods/Other Services through the direct appointment of 1 (one Provider of Goods/Services).
- (32) Direct Procurement means the Procurement of Goods/Other Services direct from the Provider of Goods/Services, bypassing Tender/Selection/Direct Appointment.
- (33) Micro enterprise means a productive enterprise owned by an individual and/or a business enterprise that fulfils the criteria of a Micro Enterprise as described in the laws arranging Micro, Small and Medium business enterprises.
- (34) Small enterprise means an independent productive economic enterprise and is conducted by an individual or by a business enterprise that is not an affiliation or branch that is owned, controlled or is a direct or indirect part of a medium enterprise or a big enterprise that fulfils the criteria of a small business enterprise as described in the laws arranging Micro, Small and Medium business enterprises.
- (35) Guarantee Letter hereafter referred to as Guarantee, means a written Guarantee easy to disburse and unconditional, issued by a Commercial Bank/ Guarantee Company/Underwriter delivered by the Provider of Goods/Services to the Commitment Making Official to guarantee the fulfilment of obligations by the Provider of Goods/Services.

- (36) Complex Job means a job that requires high technology, has a high risk, uses equipment of a special design and/or a job with a value of over Rp 100.000.000.000,00 (one hundred billion Rupiah).
- (37) Electronic Procurement or *E-Procurement* means the Procurement of Goods/Services which is conducted by using information technology and electronic transactions in accordance with the laws and regulations.
- (38) E-Procurement Service hereafter referred to as *LPSE* means an M/I/R/O work unit that is established to carry out the E-Procurement service system for Goods/Services.
- (39) *E-Tendering* means the method of selecting a Goods/Services Provider which is conducted openly and in which all Goods/Services Providers can participate who are registered in the e-procurement system by means of submitting 1 (one) bid within the stipulated time.
- (40) *E-Catalogue* means an electronic information system that contains a list of the types, technical specifications, and prices of certain goods from several Providers of Government Goods/Services
- (41) *E-Purchasing* means the method of purchasing Goods/Services via an electronic catalogue system.
- (42) The National Procurement Portal means the electronic information system “gate” related to information Goods/ Services Procurement on a national scale that is managed by LKPP.

Part Two

Scope

Article 2

- (1) The scope of this Regulation of the President encompasses:
 - a. the Procurement of Goods/Services in the environment of M/I/R/O that are financed in part or entirely from the APBN/APBD.
 - b. The Procurement of Goods/Services for investment in the environment of Bank Indonesia, State Owned Legal Entities, State Owned Business Enterprises/ Regionally Owned Business Enterprises and other Institutions that are financed in part or entirely from the APBN/APBD.
- (2) The Procurement of Goods/Services funded from the APBN/APBD as described in section (1) above cover the Procurement of Goods/Services that are financed in part or entirely from domestic loans or grants received by the Government and/or the Regional Government.
- (3) The provisions on the Procurement of Goods/Services that are financed in part or entirely from international loans or grants (PHLN) follow the provisions of this Regulation of the President.
- (4) In the event of a difference between this Regulation of the President and the provisions for Procurement of Goods/ Services that are in force for the provider of an International Loan/Grant, the parties may agree on the method of procurement to be used.

Article 3

The implementation of the Procurement of Goods/ Services takes place by means of:

- a. self management; and/or
- b. the selection of a Provider of Goods/Services

Article 4

The Procurement of Government Goods/Services pursuant to this Regulation of the President encompass:

- a. Goods
- b. Construction Jobs
- c. Consultancy Services, and
- d. Other Services.

CHAPTER II

PROCUREMENT EVALUATION

Part One

Procurement Principles

Article 5

In the Procurement of Goods/Services the following principles must be applied:

- a. efficiency
- b. effectiveness
- c. transparency
- d. Openness
- e. competitive
- f. fair/ no discrimination; and

g. accountable

Part Two

Procurement Ethics

Article 6

The parties that are involved in the implementation of Procurement of Goods/Services must adhere to the following ethics:

- a. Perform their tasks orderly, filled with responsibility to achieve the target, a smooth and on time achievement of the purposes of Procurement of Goods/Services.
- b. Work professionally and independently, while maintaining the confidentiality of the Procurement of Goods/Services Documents which by way of their character must be kept confidential to prevent deviations in the Procurement of Goods/Services.
- c. Not trying to influence one another, directly or indirectly, which would lead to unsound competition?
- d. Accept and be responsible for any decision that is stipulated in accordance with written agreement of the parties.
- e. Avoid and prevent conflict of interest between the parties that are involved, directly or indirectly, in the process of Procurement of Goods/Services.
- f. Avoid and prevent extravagancy and leaks in state finances in the Procurement of Goods/Services.
- g. Avoid and prevent abuse of authority and/or collusion with the purpose of personal benefit, the benefit of a group or other party that directly or indirectly is

detrimental to the state; and

- h. Do not accept, do not offer or do not promise to give or to receive gifts, reward, commission, rebate and any other kind to any one that is known or assumed to be related to the Procurement of Goods/Services.

CHAPTER III

THE PARTIES IN THE PROCUREMENT OF GOODS/SERVICES

Part One

Procurement Organisation

Article 7

- (1) The Organisation for the Procurement of Goods/Services for procurement via

Providers of Goods/Services comprises:

- a. The Budget User (*PA*)/Proxy Budget User (*KPA*);
- b. The Commitment Making Official (*PPK*)
- c. The Procurement Service Unit (*ULP*)/Procurement Official; and
- d. The Committee/ Official Recipient of the Job Output.

- (2) The Organisation for the Procurement of Goods/Services for procurement via:

self-management comprises

- a. The Budget User/ User (*PA*)/Proxy Budget User (*KPA*);
- b. The Commitment Maker Official (*PPK*);
- c. The Committee/ Official Recipient of the Job Output.

- (3) The *PPK* may be assisted by a support team needed for the implementation of the Procurement of Goods/Services.

- (4) The *ULP* organisation structure is stipulated according to need and comprises at

least:

- a. the head;
- b. the secretariat;
- c. supporting staff; and
- d. work unit.

Part Two

Budget User

Article 8

(1) The Budget User (*PA*) has the following tasks and authorities:

- a. To stipulate the General Procurement Plan;
- b. To widely publish the General Procurement Plan, at least on the website of M/I/R/O;
- c. To stipulate the Commitment Making Officer (*PPK*)
- d. To stipulate the Procurement Official;
- e. To stipulate the Committee/Official Recipient of the Job Output;
- f. To stipulate
 - 1) The Awardees of the Tender or the Provider in case of Direct Appointment for a Procurement of Goods/Construction Job/Other Services package with a value of more than Rp 100.000.000.000,00 (one hundred billion Rupiah).
 - 2) The Awardees in the selection or the provider in Direct appointment for a Procurement of Goods/Construction Job/Other Services package with a value of more than Rp 10.000.000.000,00 (ten billion Rupiah).

- g. To supervise the budget implementation;
- h. To submit the financial report in accordance with the provisions of the laws and regulations;
- i. To resolve disputes between *PPK* and *ULP/Procurement Official*, in case of a difference of opinion; and
- j. To supervise the filing and maintenance of all Procurement Goods/Services Documents.

(2) Aside from the major tasks and authorities as described in section (1), if necessary the *PA* may:

- a. establish a technical team; and/or
- b. establish a jury/expert team for the implementation of Procurement by means of a Prize Contest/Contest.

Article 9

Pursuant to considerations of the magnitude of work load or organisational control:

- a. the *PA* (Budget User) at a Ministry/Institute/other Institution at central government level shall stipulate one or more persons as *KPA* (Budget User Proxy);
- b. the *PA* (Budget User) at the Regional Government proposes one or several *KPA* to the Head of the Region to be stipulated.

Part Three

Budget User Proxy (*KPA*)

Article 10

(1) The *KPA* at a Ministry/Institute/Other Institution at central level is the official

who is stipulated by the *PA*.

- (2) The *KPA* at the Regional Government is the official who is stipulated by the Head of the Region upon the proposal of the *PA*
- (3) The *KPA* for Deconcentration and Administrative Assistance Task funds is stipulated by the *PA* at the Ministry/ Institute/ Other Institution at central level upon the proposal of the Head of the Region.
- (4) The *KPA* has the authorities according to the delegation by the *PA*.

Part Four

Commitment Making Official (*PPK*)

Article 11

- (1) The *PPK* has the following major tasks and functions:
 - a. to stipulate the implementation plan of Procurement of Goods/Services encompassing
 - 1) technical specifications of Goods/Services;
 - 2) Self-Estimated Price (*HPS*); and
 - 3) The draft contract.
 - b. Issue the Assignment Letter of Providers of Goods/Services;
 - c. Sign the Contract;
 - d. Execute the Contract with the Provider of Goods/Services;
 - e. Control the execution of the Contract;
 - f. Report the implementation/completion of the Procurement of Goods/Services to the *PA/KPA*;

- g. To hand over the job output of Procurement of Goods/ Services to the *PA/KPA* with Minutes of Handing Over;
- h. To report the work progress, including budget absorption and obstacles in the implementation of the job to the *PA/KPA* each quarterly; and
- i. To file and maintain the completeness of all implementation documents of the Procurement of Goods/Services.

(2) Aside from the major tasks and authorities as described in section (1), if necessary, the *PPK* may

- a. propose to the *PA/KPA*:
 - 1) changes in the job package; and/or
 - 2) changes in the procurement activity schedule;
- b. establish a support team;
- c. establish a team or expert staff to provide technical elucidation (*aanwijzer*) to assist the implementation of the task of *ULP*; and
- d. stipulate the amount of the Advance Sum to be paid to the Provider of Goods/Services.

Article 12

(1) The Commitment Making Official (*PPK*) is the official stipulated by the *PA/KPA* to implement the Procurement of Goods/Services.

(2) To be stipulated as *PPK* the following requirements must be fulfilled:

- a. He/she must possess moral integrity;
- b. He/she must have a high level of discipline;
- c. He/she must have the responsibility and technical as well as

managerial qualifications to carry out the task entrusted to him/her;

- d. He/she must be able to make a decision, act firmly and set an example in behaviour and never been involved in *KKN* (corruption, collusion, nepotism);
- e. He/she must sign the integrity pact;
- f. He/she must not occupy the function of financial manager; and
- g. He/she must possess a Certificate as an Expert in Procurement

(3) The managerial requirements as described under item (2), point c above are:

- a. Education level at least S1 (*comparable to B.A*) in the specialist field which as much as possible is in accordance with the demands of the job;
- b. Experience of at least 2 (two) years being actively engaged in an activity that is related to the Procurement of Goods/Services; and
- c. Possess the ability to work in a team in carrying out each task/job.

Article 13

The *PPK* is not allowed to conclude an agreement or to sign a Contract with a Provider of Goods/Services, when the budget is not yet available or not sufficiently available that could result in exceeding the available budget limit for the activities financed by the *APBN/APBD*.

Part Five

ULP (Procurement Service Unit)/Procurement Official

Article 14

(1) M/I/R/O must possess an *ULP* that provide services/guidance in the field of the

Procurement of Goods/Services.

- (2) The *ULP* at the M/I/R/O is established by the Minister/ Leader of the Institute/Head of Region/ Leader of the Institution.

Article 15

- (1) The selection of the Provider of Goods/Services in the ULP is done by the Work Group.
- (2) The membership of ULP must be established for:
 - a. the Procurement of Goods/Construction Job/Other Services with a value of more than Rp 100.000.000,00 (One Hundred Million Rupiah);
 - b. the Procurement of Consultancy Services with a value of more than Rp 50.000.000,00 (fifty million Rupiah).
- (3) Membership of the Work Unit must be uneven, at least 3 (three) persons and may be increased according to the complexity of the job;
- (4) The Work Group as described in section (1), may be assisted by a team or expert staff providing technical elucidation (*aanwijzer*).

Article 16

- (1) A Procurement of Goods/Construction Job/Other Services package with a value of maximum Rp 100.000.000,00 (one hundred million Rupiah) may be performed by the ULP or 1 (One) Procurement Official.
- (2) A Procurement of Consultancy Services package with a value of maximum Rp 50.000.000,00 (fifty million Rupiah) may be performed by the ULP or 1 (One) Procurement Official.
- (3) Direct Procurement is performed by 1 (one) Procurement Official.

Article 17

(1) The requirements of members of a *ULP* Work Group/ Procurement Official are as follows:

- a. Possess moral integrity, discipline and responsibility in performing his/her task;
- b. Understand the job to be procured;
- c. Understand the type of a specific job that is the task of the relevant *ULP/Procurement Official*
- d. Understand the contents of the document, method and procedure of procurement;
- e. Does not have a family relationship with the official who appointed him/her as a member of *ULP/Procurement Official*
- f. Possesses a Certificate of specialist in Procurement of Goods/Services according to the required competencies; and
- g. Signs the integrity pact.

(2) The tasks, authorities and responsibilities of the *ULP/ Procurement Official* cover the following:

- a. to prepare the plan for selection of the Provider of Goods/Services;
- b. To stipulate the Procurement Document;
- c. To stipulate the nominal amount of the Bid Bond;
- d. To publish the implementation of the Procurement of Goods/Services on the several K/L/D/I websites and formal publication boards for the community

- and deliver to *LPSE* to be published on the National Procurement Portal;
- e. To evaluate the qualification of the Providers of Goods/Services through pre-qualification or post-qualification;
 - f. To conduct administrative, technical and price evaluation on the incoming bids;
 - g. Specifically for ULP:
 - 1) respond to objections;
 - 2) stipulate the Provider of Goods/Services for:
 - a) Tender or Direct Appointment for the Procurement of Goods/Construction Jobs/ Other Services package with a maximum value of Rp 100.000.000.000,00 (one hundred billion Rupiah); or
 - b) Selection or Direct Appointment for the Procurement of Consultancy Services package with a maximum value of Rp 10.000.000.000,00 (ten billion Rupiah);
 - 3) Deliver a copy of the Document for the Selection of Providers of Goods/Services to *PPK*;
 - 4) File the authentic Document for the Selection of Providers of Goods/Services;
 - h. Specifically for the Procurement Official:
 - 1) stipulate the Provider of Goods/Services for:
 - a) Direct Appointment or Direct Procurement for a Procurement of Goods/Construction Job/Other Services package with a maximum value of Rp 100.000.000,00 (one hundred million Rupiah; and/or

- b) Direct Appointment or Direct Procurement for a Procurement of Consultancy Services with a maximum value of Rp 50.000.000,00 (fifty million Rupiah);
 - 2) Deliver the authentic documents of the selection of Providers of Goods/Services to PA/KPA;
 - i. To make a report regarding the process and outcome of the Procurement to the Minister/ Leadership of Organisations/ Heads of Region/ Leadership of Institutions; and
 - j. Give an account regarding the implementation of the activity of Procurement of Goods/ Services to PA/KPA.

- (3) Aside from the major tasks and authorities of the ULP/Procurement Official as described in section (2), where necessary the ULP/Procurement Official may propose to PPK:
 - a. changes in the HPS; and/or
 - b. changes in the technical specifications of the job.

- (4) Members of *ULP/Procurement Official* come from government employees, either from the relevant agency itself or from other technical institutions

- (5) Exempted from the provision of section (4), members of *ULP/Procurement Officials at Other Institutions Users of APBN/APBD* or *Community Groups Self-Management Executives* may come from non-government employees.

- (6) In the event that the Procurement of Goods/Services has a special character and/or requires special expertise, the *ULP/Procurement Official* may use experts

who are either government employees or private sector employees.

(7) Members of ULP are not permitted to serve as:

- a) *PPK*;
- b) financial managers; and
- c) *APIP*, except when being the procurement official/ *ULP* member for Procurement of Goods/ Services needed by his/her agency.

Part Six

Committee/Official Recipient of Job Output

Article 18

- (1) *PA/KPA* stipulates the Committee/Official Recipient of Job Output
- (2) The members of the Committee/Official Recipient of Job Output comes from government officials, whether from the agency itself or from other technical agencies
- (3) Exempted from the provision in section (2), the members of the Committee/ Official Recipient of Job Output in other Institutions Users of *APBN/APBD* or Self-Management Executive Community Groups may come from non-government officials
- (4) The Committee/Official Recipient of the Job Output must fulfil the following requirements:
 - a. Possess moral integrity, discipline and responsibility in carrying out his/her tasks;
 - b. Understand the contents of the Contract;

- c. Possess technical qualifications
- d. Sign the integrity pact; and
- e. Does not occupy the function of financial manager

(5) The tasks and functions of the Committee/Official Recipient of the Job Output are as follows:

- a. To conduct an examination of the Procurement of Goods/Services job output in accordance with the provisions contained in the Contract;
- b. To receive the output of the Procurement of Goods/Services after having gone through the examination/ testing; and
- c. To make and sign the Minutes (*BA*) of the job output and the handing over and acceptance of the Goods/Services

(6) In the event that the examination of Goods/Services requires special technical expertise, a team/experts may be established to assist in the implementation of the task of the Committee/Official Recipient of the Job Output.

(7) The team/experts as described in section (6) are stipulated by *PA/KPA*.

(8) In the case of the procurement of Consultancy Services, the examination of the job as described in section (5), point b, shall be conducted after coordination with the relevant User of Consultancy Services.

Part Seven

Provider of Goods/Services

Article 19

(1) The Provider of Goods/Services in implementing procurement of Goods/Services must comply with the following requirements:

- a. Complying with the provisions of the laws and regulations for conducting an activity/enterprise;
- b. Possess expertise, experience, technical and managerial ability to provide Goods/Services;
- c. Has obtained at least 1 (one) job as Provider of Goods/Services within a period of the last 4 (four) years whether in the government environment or the private sector, including sub-contractor experience;
- d. The provisions as described in item c above are exempted for Providers of Goods/Services who were established less than 3 (three) years;
- e. Possess human resources, capital, equipment and other facilities that are required in the Procurement of Goods/Services;
- f. In the event that the Provider of Goods/Services is going to enter into a partnership, the Provider of Goods/Services must have an operational cooperation/partnership agreement that contains the percentage of partnership and the company that represents such partnership;
- g. Possess the ability in the job sector that is in accordance with Micro Enterprises, Small Enterprises and the ability in sub-fields of the job that are in accordance with non-small enterprises.
- h. Possess Basic Abilities (*KD*) for non-small enterprises, with the exception of the Procurement of Goods and Consultancy Services;
- i. Specifically for the procurement of Construction Jobs and Other Services, the Package Ability Balance (*PAB-SKP*) must be calculated as follows:

$$\text{PAB-SKP} = \text{Package Ability (KP)} - \text{Package (P)}$$

KP = value of Package Ability, with the provisions:

- a) for small enterprises, the Package Ability (*KP*) value is set at 5 (five) job packages; and
- b) for non-small enterprises, the value of the Package Ability (*KP*) value is set at 6 (six) or 1,2 (one comma two N

P = number of packages being undertaken

N = number of maximum job packages that can be undertaken at the same time during the period of the past 5 (five) years

- j. Not under court supervision, not bankrupt, its business activities are not being halted, and/ or the board of directors who act for and in the name of the company are not serving a criminal sentence, to be proven by a statement signed by the Provider of the Goods/Services.
- k. As tax subject already possesses a Tax Subject Basic Number (*NPWP*) and has already settled the latest annual tax obligation (*SPTPPh*) and possesses a monthly report of PPh (income tax) article 21/article 23 (in case of transactions), PPh Article 25/Article 29 and VAT (for Taxable Entrepreneurs) for at least the last 3 (three) months during the current month.
- l. Legally has the capacity to be bound in a Contract;
- m. Is not blacklisted
- n. Possesses a permanent and clear address and reachable by mail service;

and

- o. Signs the integrity pact
- (2) Individual Providers of Goods/Services are exempted from the requirements in section (1) items c, d, f, h and i ;
 - (3) Employees of M/I/R/O are prohibited from becoming a Provider of Goods/Services, except when the person concerned takes leave of absence from M/I/R/O.
 - (4) The Provider of Goods/Services whose participation gives raise to a conflict of interest is prohibited from becoming a Provider of Goods/Services

Article 20

- (1) The Basic Abilities (*KD*) as described in Article 19 section (1) point h is calculated in the sub-sector of similar jobs for non-small enterprises with the following provisions:
 - a. For Construction Jobs, $KD = 3 \text{ NPt}$ (Highest Experience Value within the last 10 years); and
 - b. For the Procurement of Goods/Other Services, $KD = 5 \text{ NPt}$ (Highest Experience Value within the last 10 years).
- (2) *KD* must minimally be equal to the total HPS (Self-Estimated Price) of the job being tendered;
- (3) The provisions in section (1) are exempted in the event that no national companies can participate in the Procurement of Goods/Services since there are no national companies yet that are able to meet the *KD*.
- (4) In case of a partnership, the *KD* to be calculated means the *KD* of the company that

represents the partnership (lead firm).

Article 21

- (1) If the character and activity scope of the Procurement of Goods/Services is too large, or the type of expertise necessary to complete the activity cannot be performed by 1 (one) Provider of Goods/ Services, in the implementation of Procurement of Goods/Services:
 - a. The opportunity will be given enabling the several Providers of Goods/Services to join in one consortium or another form of cooperation; and/or:
 - b. The opportunity will be given enabling a Provider of Goods/ Services or Consortium of Providers of Goods/ Services to use an expatriate expert.
- (2) The expert as described in section (1) point b, shall be used insofar it is necessary to enhance the technical ability to handle the activity or the job.

CHAPTER IV

GENERAL PLAN FOR THE PROCUREMENT OF GOODS/SERVICES

Article 22

- (1) The Budget User (*PA*)/Head of the Region composes a General Plan for the Procurement of Goods/Services according to the needs at the several M/I/R/O.
- (2) The General Plan for the Procurement of Goods/Services as described in section (1) covers:
 - a. The activities and budget of Procurement of Goods/Services that are to be financed by the M/I/R/O itself; and/or

- b. The activities and budget of Procurement of Goods/Services that are to be financed pursuant to a cooperation among the M/I/R/O (co-financing), so far it will be necessary.

(3) The General Plan for the Procurement of Goods/Services covers the following activities:

- a. Identifying the needs of the Goods/Services needed by the M/I/R/O;
- b. Composing and stipulating the budgeting plan for the Procurement of Goods/Services as described in point (2);
- c. Stipulating the general policy on:
 - 1) packaging the job;
 - 2) method of Procurement of Goods/ Services; and
 - 3) organising the procurement of Goods/Services.
- d. Composing Terms of Reference of the Job [*KAK*]

(4) The *KAK* as described in section (3) item d shall at least contain:

- a. Description of the activities to be executed;
- b. The time needed to implement the job;
- c. The technical specifications of the Goods/Services to be procured; and
- d. The total estimated cost of the job.

Article 23

- (1) The composition of the General Plan for the Procurement of Goods/Services at the M/I/R/O for the subsequent or following fiscal year must be completed in the current fiscal year.
- (2) The M/I/R/O provides the cost for the implementation of selecting the Provider

of Goods/Services which is financed by the *APBN/APBD*, covering:

- a. The fee for the personnel of Procurement of Goods/Services organisation, including the technical team, the support team and the project staff;
- b. The cost for publishing the Procurement of Goods/ Services including the cost for republishing;
- c. The cost for multiplying the Procurement of Goods/ services Document; and
- d. Other costs that are needed to support the implementation of the Procurement of Goods/ Services

(3) The M/I/R/O provides the cost for the implementation of selecting the Provider of Goods/Services the procurement of which shall take place in the subsequent fiscal year.

(4) The M/I/R/O may propose General Cost Standards [*SBU*] in connection with the fee for the procurement organisation personnel, as input/for consideration in the stipulation of the *SBU* by the Minister of Finance/the Head of the Region while observing the characteristics of procurement.

Article 24

(1) The *PA* conducts packaging of the Goods/Services in the General Plan for the Procurement of Goods/Services activities and budget of the M/I/R/O.

(2) The packaging is done by stipulating as many as possible business packages for small enterprises, including small cooperatives without waiving the principles of efficiency, sound competition, system uniformity, and the quality of technical ability.

- (3) In conducting the packaging of Goods/Services it is prohibited to:
- a. Combine or centralise several activities that are spread through several regions that according to the character of the job and the level of efficiency should be conducted in the several locations;
 - b. Combine several procurement packages that according to the character and type of the job could be separated and/or the magnitude of its value should be undertaken by Micro and Small Enterprises as well as Small Cooperatives;
 - c. To split up the Procurement of Goods/Services into several packages with the purpose of avoiding a Tender; and/or
 - d. To stipulate procurement criteria, requirements or procedure that are discriminating and/or based on considerations that are biased.

Article 25

- (1) The *PA/KPA* must publish the General Plan for the Procurement of Goods/Services at the various M/I/R/O in an open manner to the general public after the work plan and the budget of the M/I/R/O is approved by Parliament/Regional Legislative Council.
- (2) The publication as described in Section (1) must at least contain:
- a. The name and address of the Budget User;
 - b. The job package to be implemented;
 - c. The location of the job; and
 - d. An estimate of the cost amount.
- (3) The publication as described in Section (2) above is done on the M/I/R/O

website and may be extended via formal announcement boards for the public and the National Procurement Portal via LPSE.

- (4) The M/I/R/O may publish the implementation plan for the Procurement of Goods/Services the contract of which will be executed in the subsequent/ following fiscal year.

CHAPTER V

SELF-MANAGEMENT

Part One

General Provisions of Self-Management

Article 26

- (1) Self-management constitutes the activity of Procurement of Goods/Services that is planned, exercised and supervised by the M/ I/ R/ O itself as the budget responsibility holder, other government agencies and/or community groups.
- (2) Jobs that may be conducted through self-management cover:
- a. Jobs that are aimed at enhancing the ability and/or utilising the technical ability of human resources and in accordance with the major task of the M/I/R/O;
 - b. jobs of which the operation and maintenance requires direct participation of the local community;
 - c. the job concerned when viewed from the aspect of magnitude, character, location or financing are not attractive for Providers of Goods/Services;

- d. jobs that cannot be calculated/stipulated in detail in advance, so that when it is implemented by a Provider of Goods/Services will result in uncertainty and big risks;
- e. the organisation of education and training, courses, upgrading, seminars, workshops, or extension
- f. jobs for pilot projects and surveys of a special character for the development of technology/ work methods that cannot yet be implemented by a Provider of Goods/ Services;
- g. jobs for surveys, data processing, government policy formulation, laboratory tests, and the development of certain systems;
- h. jobs of a confidential character for the relevant M/L/R/O
- i. jobs of domestic creative, innovative and cultural industry;
- j. domestic research and development; and/or
- k. Jobs for the development of the defence industry, the major tools for the defence system and the domestic special material tools industry.

(3) The self-management procedure covers the activities of planning, implementation, supervision, delivery, reporting and accountability of the job.

(4) Procurement via self-management may be implemented by:

- a. M/I/R/O Budget Responsibility Holder;
- b. Other self-management government agencies; and/or
- c. Community groups as Self-Management Executive

(5) *PA/KPA* stipulates the type of jobs and the party that will conduct

Procurement of Goods/Services through self-management.

Article 27

- (1) Self-management procurement by M/I/R/O Budget Responsibility Holder:
 - a. Is planned, executed and supervised by the M/I/R/O Budget Responsibility Holder itself; and
 - b. Employs own personnel, other M/I/R/O employees and/or may employ experts.
- (2) The number of expert personnel as described in section (1) point b, may not exceed 50% (fifty percent) of the total M/I/R/O personnel that is involved in the relevant Self-Management activity;
- (3) Self-management procurement by Other Government Agencies as Self-Management Executives is conducted with the following provisions:
 - a. Planned and supervised by M/I/R/O Budget Responsibility Holder;
 - b. The execution of the job is done by a government agency that is not the Budget Responsibility Holder;
- (4) Procurement through self-management by a Self-Management Executive Community Group follows the following provisions:
 - a. Planned, executed and supervised by the Self-Management Executive Community Group;
 - b. The target is determined by the M/I/R/O Self-Management Budget Responsibility Holder; and
 - c. It is prohibited to delegate the major job to another party (sub-contract).

Article 28

- (1) The self-management activities cover:
 - a. The stipulation of the target, the activity plan, and the time schedule of implementation;
 - b. The composition of the implementation time schedule while considering adequate time for the implementation of the job/activity;
 - c. Technical planning and preparation of the appropriate execution method in order to obtain a plan regarding the appropriate needs for personnel, material and equipment;
 - d. Composing the plan on the needs for personnel, material and equipment in detail and expressing it into the monthly, weekly and daily work plans; and
 - e. Composing the total cost plan in detail into the monthly and weekly cost plan that does not exceed the budget ceiling as stipulated in the budget document;
- (2) The planning of the self-management activity may be performed by taking into consideration certain experts/equipment/ material which is implemented under a separate Contract/Lease.
- (3) The Self-Management planning activity is contained in the *KAK*.
- (4) The planning of the Self-Management activity which is proposed and implemented by a Self-Management Community Group, is stipulated by the *PPK* after going through an evaluation process.
- (5) The composition of the Self-Management activity schedule is done by allocating

time to process the planning, implementation, supervision, delivery and reporting of the job.

- (6) The *PA/KPA* is responsible for the stipulation of the Self-Management community group including the target, aim and self-management budget magnitude
- (7) The *PA/KPA* may propose a Cost Standard for the fee of the Self-Management Executive to the Minister of Finance/ Head of the Region;
- (8) Self-management may be executed exceeding 1 (one) Fiscal Year.

Part Two

Self-Management Execution

Article 29

The Procurement of Goods/Services through self-management by M/I/R/O as the Budget Responsibility Holder is executed with the following provisions:

- a. Procurement of material/goods, Other Services, equipment/ spare parts and expert staff is conducted by *ULP/Procurement Official*.
- b. The procurement as described in point a follows the provisions of this Regulation of the President.
- c. The payment of wages of the required manpower is done periodically pursuant to the personnel roll or by means of lump sum wages;
- d. Payment of salaries of expert staff that are needed is done pursuant to a contract;
- e. The use of manpower, material, and/or equipment is recorded daily in the daily report;
- f. The implementation of Procurement of Goods/Services using Supply Money

- [UP]/job advance money or any other similar phrase is done by the Self-Management Executive government agency;
- g. The Supply Money [UP]/job advance money or any other similar phrase is periodically accounted for, maximally on a monthly basis;
 - h. Physical progress is recorded daily and evaluated weekly adjusted to the fund absorption;
 - i. Non-physical progress or soft ware is recorded and evaluated monthly adjusted to the fund absorption; and
 - j. The physical job supervision in the field is conducted by the executive appointed by *PPK*, pursuant to the stipulated plan.

Article 30

The procurement through self-management by Other Government Agencies Self-Management Executives follows the following provisions:

- a. Implementation is conducted pursuant to a Contract between the *PPK* at the *M/I/R/O* Budget Responsibility Holder and the Self-Management Executive at the Other Self-Management Executive Government Organisation;
- b. Procurement of material, other services, equipment/ spare parts, and necessary expert staff is done by the *ULP*/ Procurement Official at the Other Government Agency Self-Management Executive;
- c. Procurement as described in point b above follows the provisions in this Regulation of the President;
- d. Payment of wages of the necessary manpower is done daily pursuant to the personnel roll or by means of lump sum wages;

- e. Payment of fees of certain necessary expert staff is done pursuant to contract;
- f. The use of manpower, material, and equipment is recorded every day in the daily report;
- g. Physical progress is recorded every day and evaluated every week adjusted to the fund absorption by the Other Government Agency Self-Management Executive;
- h. Non-physical progress or soft ware is recorded and evaluated every month adjusted to the fund absorption by the Other Government Agency Self-Management Executive; and
- i. Supervision of physical work in the field is done by the party appointed by *PPK* at the M/I/R/O Budget Responsibility Holder pursuant to the stipulated plan.

Article 31

The procurement through self-management by Community Group Self-Management Executives follows the following provisions:

- a. The self-management procurement by a Community Group Self-Management Executive is conducted pursuant to a contract between *PPK* at M/I/R/O budget responsibility holder with the Community Group Self-Management Executive;
- b. The implementation of Procurement of Goods/Services is only granted to a Community Group Self-Management Executive that is able to execute the job;
- c. Procurement of Construction Jobs may only have the form of rehabilitation, renovation and simple construction;
- d. The construction of a new building that is not simple, is built by the M/I/R/O Budget Responsibility Holder and further handed over to the community group according to the laws and regulations;

- e. The procurement of material/goods, Other Services, equipment/ spare parts and the necessary expert staff is done by the Community Group Self-Management Executive while observing the principles of procurement and the procurement ethics as arranged in this Regulation of the President;
- f. The disbursement of funds to the Community Group Self-Management Executive is done in phase with the following provisions:
 - 1. 40% (forty percent) of the overall self-management fund when the Community Group Self-Management Executive is ready to execute self-management;
 - 2. 30% (thirty percent) of the overall self-management fund when the job has achieved 30% (thirty percent); and
 - 3. 30% (thirty percent) of the overall self-management fund when the job has been accomplished 60% (sixty percent).
- g. the accomplishment of work progress from the self-management fund that has been disbursed is reported by the Community Group Self-Management Executive periodically to *PPK*;
- h. Supervision of job execution is done by the Community Group Self-Management Executive; and
- i. The account of the job/procurement activity is submitted to the *M/I/R/O* self-management fund provider according to the provisions that are in force.

Part Three

Reporting, Supervision and Accountability of Self-Management

Article 32

- (1) The execution of the self-management job is supervised by the Budget Responsibility Holder or by the Self-Management Executive Community Group;
- (2) The progress of the job execution and fund utilisation is reported by the field executive/Self-Management Executive to *PPK* periodically.
- (3) The progress report on physical and financial realisation is reported every month in tiers by the Self-Management Executive up to the *PA/KPA*.
- (4) APIP at M/I/R/O Budget Responsibility Holder conducts an audit on the self-management execution.

CHAPTER VI

PROCUREMENT OF GOODS/SERVICES THROUGH PROVIDERS OF GOODS/SERVICES

Part One

Preparation of Procurement

Article 33

Preparing the selection of Providers of Goods/Services consists of the following activities:

- a. Planning the selection of Providers of Goods/Services;
- b. Selecting the procurement system;
- c. Stipulation of qualification evaluation method;
- d. Composing the schedule for the selection of Providers of Goods/Services;
- e. Composing the Procurement of Goods/Services Documents; and
- f. Stipulation of the Self-Estimated Price (*HPS*).

Part Two

Planning the Selection of the Provider of Goods/Services

Article 34

- (1) Planning the selection of the Provider of Goods/Services consists of the following activities:
- a. Re-assessment of the job package; and
 - b. Re-assessment of the procurement activity schedule;
- (2) Planning the selection of the Provider of Goods/Services as described in section (1) may be conducted by:
- a. *PPK*; and/or
 - b. *ULP/Procurement Official*
- (3) Planning the selection of the Provider of Goods/Services is done by:
- a. Adjusting to actual conditions at the location/field at the time when the selection of the Provider of Goods/Services is to take place;
 - b. Taking into consideration the interest of the community;
 - c. Taking into consideration the type, character and value of the Goods/Services and the number of existing Providers of Goods/Services;
and
 - d. Observing the provisions on packaging as described in Article 24 section (3).
- (4) In the event of changes in the job package:
- a. *PPK* will propose the changes in the job package to *PA/KPA* to be stipulated; or

- b. *ULP/Procurement Official* will propose the changes in the job package via *PPK* to be stipulated by *P/KPA*.

Part Three

Selection of the Procurement System Paragraph One Stipulation of the Selection Method

Provider of Goods/Construction Jobs/Other Services

Article 35

- (1) The *ULP/Procurement Official* composes and stipulates the selection method of the Provider of Goods/Construction Jobs/Other Services.
- (2) The selection of the Provider of Goods/Services may take place via:
 - a. Tender consisting of a Public Tender and a Simplified Tender;
 - b. Direct Appointment;
 - c. Direct Procurement; or
 - d. Contest/Prize Contest.
- (3) The selection of the Provider of Construction Jobs may take place via:
 - a. Public Tender;
 - b. Limited Tender;
 - c. Direct Selection;
 - d. Direct Appointment; or
 - e. Direct Procurement.
- (4) A Contest/Prize Contest is conducted specifically for the selection of a Provider of Goods/Other Services that constitute the output of creative, innovative industry and domestic culture.

Article 36

- (1) The selection of the Provider of Goods/Construction Jobs/ Other Services in principle takes place via the Public Tender method with post qualification.
- (2) Specifically for Construction Jobs of a complex character and for which it is believed that the number of providers is limited, the selection of the Provider for the construction Job is conducted via a Limited Tender.
- (3) The selection of the Provider of Goods/Construction Jobs/ Other Services via a Public Tender Method is published at least on the M/I/R/O website, formal publication boards for the public as well as the National Procurement Portal via LPSE, so that the general public and the interested and qualified business community may partake init.
- (4) In the Public Tender there are no negotiations regarding the technical aspect and the price.

Article 37

- (1) The procurement of a job that is not complicated and with a maximum value of R 200.000.000,00 (two hundred million Rupiah) may be conducted via:
 - a. Simplified Tender for the Procurement of Goods/Other Services; or
 - b. Direct Selection for the Procurement of a Construction Job.
- (2) Simplified Tender or Direct Selection is conducted via a post qualification process.
- (3) A Simplified Tender or Direct Selection is published at least on the M/I/R/O website, and formal publication boards for the community and the National Procurement Portal via LPSE, so that the general public and the interested

business world that are qualified may partake in it.

- (4) In the Simplified Tender or Direct Selection there are no negotiations regarding the technical aspect and the price.

Article 38

- (1) Direct Appointment of 1 (one) Provider of Goods/Construction Jobs/Other Services may be in the case of:
- a. specific circumstances; and/or
 - b. procurement of special Goods/Construction Jobs/other services of a special character.
- (2) Direct Appointment is conducted by inviting 1 (one) Provider of Goods/Construction Jobs/Other Services who is considered able to perform the job and/or meets the qualifications.
- (3) Direct Appointment is conducted through negotiations on the technical aspect as well as regarding the price in order to obtain the price that is in accordance with the going market price and which is technically accountable.
- (4) The criteria for specific circumstances that enable Direct Appointment of a Provider of Goods/ Construction Jobs/Other Services as described in section (1) point a, encompass:
- a. emergency measures that cannot be planned in advance and the completion of the job must be done immediately/ cannot be postponed for:
 - 1) State defence;

- 2) Public order and security;
 - 3) The safety/protection of the community where the implementation of the job cannot be postponed/ must be done immediately, including:
 - a) the consequence of natural and/or non natural or social disasters;
 - b) in the frame of preventing a disaster; and/or
 - c) the consequence of damaged facilities/infrastructure that could stop the public service activity.
 - b. Preparation of a sudden conference to follow up on international commitments and attended by the President/Vice President;
 - c. Activities involving the state defence stipulated by the Minister of Defence and activities that involve public order and security stipulated by the Chief of Police of the State of the Republic of Indonesia; or
 - d. Goods/Construction Jobs/Other Services that are specific and that can only be performed by 1(one) Provider of Goods/Other Services because 1 (one) manufacturer, 1 (one) patent right holder, or a party that is licensed by the patent right holder, or a party that is the winner of the tender to obtain license from the government.
- (5) The criteria for special Goods/Construction Jobs/Other Services of a special character that enable Direct Appointment as described in section (1) point b, encompass:
- a. Goods/Other Services based on the formal tariff stipulated by the government;
 - b. Construction/building jobs that constitute one construction system and

one responsibility of the building failure risk which as a whole cannot be planned/calculated in advance (unforeseen condition);

- c. Goods/Construction Jobs/Other Services that are of a complicated character and can only be performed by applying special technology and with only 1 (one) able Provider'
- d. The procurement and distribution of drug material, drugs and consumable medical tools in the frame of guaranteeing the availability of drugs to perform enhanced public health services the types and prices of which have been stipulated by the Minister who is responsible for health matters;
- e. The procurement of motorised vehicles with a special price for the government which has been published widely to the public;
- f. Hotel accommodation/conference room rental the rates of which are open and accessible to the public; or
- g. Continued lease of buildings/offices and lease of other open or closed rooms according to the provisions and payment methods as well as price adjustment that is accountable.

Article 39

- (1) Direct Procurement may be performed in respect of the Procurement of Goods/ Construction Jobs/Other Services with a maximum value of Rp 100.000.000,00 (one hundred million Rupiah) with the following provisions:
- a. it consists of operational needs of the M/I/R/O;
 - b. it involves simplified technology;

- c. the risk is small; and/or
 - d. it is implemented by an individual Provider of Goods/Services and/or small enterprise and small cooperatives; except for job packages that demand technical competencies which cannot be supplied by Micro Enterprises, Small Enterprises and Small Cooperatives.
- (2) Direct Procurement is performed on the basis of the going market price in respect of a Provider of Goods/Construction Jobs/Other Services.
- (3) Direct Procurement is performed by 1 (one) Procurement Official.
- (4) PA/KPA is prohibited to apply the Direct Procurement method as a reason to split up the Procurement package into several packages with the purpose of avoiding a tender.

Article 40

- (1) A Prize Contest is used for the Procurement of Other Services with the following characteristics:
- a. It is the process and output of specific ideas, creativity, innovation, culture and implementation methods; and/or
 - b. It cannot be stipulated on the basis of a Unit Price.
- (2) A Contest is used for the Procurement of Goods with the following characteristics:
- a. It does not have a market price; and
 - b. It cannot be stipulated on the basis of a Unit Price.
- (3) The UL/Procurement Official stipulates the administrative and technical

requirements for:

- a. the Provider of Goods who are to participate in the Contest;
- b. Providers of Other Services who are to participate in the Prize Contest.

- (4) In stipulating the administrative requirements as described in section (3), the ULP/Procurement Official may stipulate easier conditions than the requirements for Providers of Goods/Services as described in Article 19.
- (5) The technical requirements are prepared by a team that is skilled in this field.
- (6) The preparation of the evaluation method and the evaluation implementation is conducted by a team that is skilled in this field.

Paragraph Two

Stipulation of the Method of Selecting the Provider of Consultancy Services

Article 41

- (1) The *ULP/Procurement Official* composes and stipulates the selection method of the Provider of Consultancy Services.
- (2) The Selection of Providers of Consultancy Services is conducted through technical and cost negotiations so as to obtain a price that is in accordance with the market price and that is technically accountable.
- (3) The selection of Providers of Consultancy Services is conducted through:
 - a. A selection consisting of General Selection and Simplified Selection;
 - b. Direct Appointment;
 - c. Direct Procurement; or
 - d. A Prize Contest.

Article 42

- (1) The Selection of the Provider of Consultancy Services is in principle conducted through the General Selection Method.
- (2) The Selection of Providers of Consultancy Services through the General Selection Method is published at least on the M/I/R/O website, and formal publication boards for the community and the National Procurement Portal through LPSE, so that the general public and the business world that are interested and meets the qualifications may partake in it.
- (3) The short list in the General Selection Method lists 5 (five) to 7 (seven) Providers of Consultancy Services.

Article 43

- (1) A Simplified Selection may be conducted in the Procurement of Consultancy Services in the event that the General Selection is considered inefficient from the aspect of the selection cost.
- (2) A Simplified Selection may be conducted for the procurement of Consultancy Services that:
 - a. Are of a simple character; and
 - b. have a maximum value of Rp 200.000.000,00 (two hundred million Rupiah).
- (3) The selection of a Provider of Consultancy Services through the Simplified Selection Method is published at least on the M/I/R/O website, and formal publication boards for the community and the National Procurement Portal through LPSE, so that the general public and the business world that are interested and meets the qualifications may partake in it.

(4) The short list in the General Selection Method lists 3 (three) to 5 (five) Providers of Consultancy Services.

Article 44

(1) Direct Appointment of 1 (one) Provider of Consultancy Services may be conducted under specific circumstances.

(2) The criteria of specific circumstances as described in section (1), encompass:

- a. emergency measures that cannot be planned in advance and the completion of the job must be done immediately/ cannot be postponed for:
 - 1) State defence;
 - 2) Public Order and Security;
 - 3) The safety/protection of the community where the implementation of the job cannot be postponed/ must be done immediately, including:
 - a) the consequence of natural and/or non natural or social disasters;
 - b) in the frame of preventing a disaster; and/or
 - c) the consequence of damaged facilities/infrastructure that could stop the public service activity;
- b. Activities involving the state defence stipulated by the Minister of Defence and activities that involve public order and security stipulated by the Chief of Police of the State of the Republic of Indonesia;
- c. A job that can be performed by 1 (one) Provider of Consultancy Services only; and

- d. A job that can be performed by 1 (one) registered holder of copyright or a party that is licensed by the holder of copyright only.
- e. Direct Appointment is conducted through a pre-qualification process in respect of 1 (one) Provider of Consultancy Services.

Article 45

- (1) Direct Procurement may be performed in respect of the Procurement of Consultancy Services that have the following characteristics:
 - a. it consists of operational needs of the M/I/R/O; and/or
 - b. it has a maximum value of Rp 50.000.000,00 (fifty million Rupiah);
- (2) Direct Procurement is performed by 1 (one) Procurement Official.
- (3) PA/KPA is prohibited to apply the Direct Procurement method as a reason to split up the Procurement package into several packages with the purpose of avoiding selection.

Article 46

- (1) A Prize Contest is performed in respect of the Procurement of Consultancy Services with the following characteristics:
 - a. It is the process and output of specific ideas, creativity, innovation, culture and implementation methods; and/or
 - b. It cannot be stipulated on the basis of a Unit Price.
- (2) The UL/Procurement Official stipulates the administrative and technical requirements for the Providers of Consultancy Services who are to partake in the Prize Contest.

- (3) In stipulating the administrative requirements as described in section (2), the ULP/Procurement Official may stipulate easier conditions than the requirements for Providers of Goods/Services as described in Article 19.
- (4) The technical requirements and evaluation method are stipulated by ULP/Procurement Official after receiving input from a team that is skilled in its field.
- (5) The evaluation implementation is performed by a team that is skilled in its field.

Paragraph Three

Stipulation of the Method of Submitting the Documents

Article 47

- (1) ULP/Procurement Official prepares and stipulates the method of submitting the Bid Documents.
- (2) The method of submitting the Bid Documents comprises:
 - a. one envelope method;
 - b. two envelopes method; or
 - c. two phases method.
- (3) The one envelope method is applied in the Simplified Procurement of Goods/Services and has the following characteristics:
 - a. Procurement of Goods/Services of which the standard price is set by the Government;
 - b. Procurement of Consultancy Services with simple KAK; or

- c. Procurement of Goods/Construction Jobs/Other Services of which the technical specifications or volumes can be expressed clearly in the Procurement Document.
- (4) Aside from the description in section (3), the one envelope method is used in Direct Appointment/ Direct Procurement/Contest/Prize Contest.
- (5) The 2 envelopes method is used in:
- a. Procurement of Goods/Other Services that use the value system evaluation or the cost system for the duration of its economic life.
 - b. Procurement of Consultancy Services with the following characteristics:
 - 1) requiring a separate evaluation of the technical requirements and the bid price, so that the price evaluation does not influence the technical evaluation; or
 - 2) the job is complicated so that a more intensive technical evaluation is necessary.
- (6) The 2-phase method is used in the Procurement of Goods/Construction Jobs/Other Services with the following characteristics:
- a. the job is complicated;
 - b. complying with specific performance criteria of the overall system, including the consideration of easy or efficient operation and maintenance of its equipment; and/or
 - c. possessing several alternative utilisations of different technology application system and design.

Paragraph Four

Stipulation of the Evaluation Method of Procurement of Goods/Construction Jobs/Other
Services

Article 48

- (1) The evaluation method of bids in the selection of Providers of Goods/Construction Jobs/Other Services consists of:
 - a. the elimination system;
 - b. the value system; and
 - c. the cost during its economic life evaluation system.
- (2) The evaluation method of bids for the Procurement of Goods/Construction Jobs/ Other Services in principle applies the elimination evaluation system.
- (3) Exempted from the provision in section (2), in the Procurement of Goods/Construction Jobs/ Other Services of a complicated character the value evaluation system or the cost during its economic life evaluation system may be applied.
- (4) The value system is applied with the following provisions:
 - a. the magnitude of the cost weight is between 70% (seventy per cent) up to 90% (ninety per cent) of the overall weight total;
 - b. the elements that are evaluated must have a quantitative character or are able to be quantified; and
 - c. the procedure and criteria of evaluation must be stated clearly and in detail in the Procurement Document.

- (5) In performing the evaluation, the ULP/Procurement Official is prohibited from altering, adding and/or subtracting from the criteria and the procedure of evaluation after the dead line of submitting the Bid Documents.

Paragraph Five

The Bid Evaluation Method in the Procurement of Consultancy Services

Article 49

- (1) The bid evaluation methods in the selection of Providers of Consultancy Services may be performed by applying:
- a. the quality based bid evaluation;
 - b. the quality and cost based bid evaluation;
 - c. the Budget Ceiling based bid evaluation; or
 - d. the lowest cost based bid evaluation.
- (2) The quality based bid evaluation as described in section (1) point a, is applied for jobs that:
- a. prefer technical bid quality as the decisive factor in respect of the overall outcome; and/or
 - b. a job scope that is difficult to stipulate in the KAK.
- (3) The quality and cost bid evaluation as described in section (1) point b, is applied for jobs that:
- a. the scope, output, assignment time and other matters can be properly estimated in the KAK; and/or
 - b. the cost magnitude can be stipulated easily, clearly and accurately.

- (4) The Budget Ceiling based evaluation method as described in section (1) point c, is applied for jobs that:
- a. already have regulations (standard);
 - b. can be itemised accurately; or
 - c. the budget does not exceed a certain ceiling.
- (5) The lowest cost based evaluation method is described in section (1) item d, is applied for jobs of a simple and standard character.
- (6) In the quality and cost based evaluation, the weighting of technical value and cost is arranged with the provisions:
- a. the technical bid weight is between 0.60 to 0.80;
 - b. the cost bid weight ranges from 0.20 to 0.40.
- (7) All bid evaluations of a Consultancy Service Job must be followed by clarification and negotiations, with the following provisions:
- a. a negotiable Unit Price, namely the reimbursable non-personnel direct cost and/or direct personnel cost that are considered not reasonable;
 - b. cost aspects that need clarification or negotiation, in particular:
 - 1) compliance of the work program with the cost expenditure type;
 - 2) activity volume and expenditure type; and
 - 3) unit cost compared to the cost applicable in the market/ cost reasonability;
 - c. clarification and/or negotiation in respect of direct personnel cost unit is done on the basis of the audited payroll and/or proof of deposit of Income Tax of the consultant expert staff concerned;

- d. unit cost of the direct personnel cost maximum 3,2 (three comma 2) times the basic salary received by permanent expert staff and maximum 2,5 (two comma five) times the salary income received by non-permanent expert staff; and
- e. the personnel direct cost unit is calculated on the basis of the set time unit.

Paragraph Six

Stipulation of the Contract type

Article 50

- (1) The ULP/Procurement Official stipulates the type of Contract for the Procurement of Goods/Services.
- (2) The Contract for the Procurement of Goods/Services encompasses:
 - a. Method of payment based contract;
 - b. Fiscal Year load based contract;
 - c. Finance source based contract; and
 - d. Type of job based contract.
- (3) A method of payment based Contract for the Procurement of Goods/Services as described in section (2) point a, comprises:
 - a. Lump sum contract;
 - b. Unit price contract;
 - c. Combined lump sum-unit price contract;
 - d. Percentage contract; and
 - e. Turnkey contract.

- (4) A Fiscal Year load based Contract for the Procurement of Goods/Services as described in section (2) point b, comprises:
- a. single year contract; and
 - b. multiple year contract.
- (5) A finance source based Contract for the Procurement of Goods/Services as described in section (2) point c, comprises:
- a. Single procurement contract;
 - b. Joint procurement contract; and
 - c. Framework Contract.
- (6) A job type based Contract for the Procurement of Goods/Services as described in section (2) point d, comprises:
- a. a Single Job Procurement contract; and
 - b. an Integrated Job Procurement contract.

Article 51

- (1) A Lump Sum Contract constitutes a Contract for the Procurement of Goods/Services for the completion of the entire job within a specific time frame as stipulated in the Contract, with the following provisions:
- a. a set and fixed price without the possibility of price adjustment;
 - b. all risks are borne by the Provider of Goods/Services;
 - c. payment is based on the product/output produced according to the contents of the Contract;
 - d. The orientation of the job type is output based;
 - e. The total bid price is binding; and

- f. It is not allowed to have more/less performed on the job.
- (2) A Unit Price Contract constitutes a Contract for the Procurement of Goods/Services for the completion of the entire job within a specific time frame as stipulated with the following provisions:
- a. A set and fixed price for each job unit or element with certain technical specifications;
 - b. The volume or quantity of the job is still estimated at the time of signing the Contract;
 - c. Payment is based on the joint measuring outcome of the job volume that is actually performed by the Provider of Goods/Services; and
 - d. It is allowed to have more/less performed on the job based on the joint measuring outcome of the required job.
- (3) A combined Lump Sum and Unit Price Contract means a contract that combines lump sum and unit price in 1 (one) job that is agreed upon.
- (4) A Percentage contract constitutes a Contract for the Procurement of Consultancy Services/Other Services, with the following provisions:
- a. The Provider of Consultancy Services/ Other Services receives a remuneration based on a percentage of the value of a certain job; and
 - b. Payment is based on the product/output phase produced according to the contents of the Contract.
- (5) A Turnkey Contract constitutes a Contract for the Procurement of Consultancy Services/Other Services for the completion of the entire job within a specific time frame with the following provisions:

- a. A set and fixed price until the whole job has been completed; and
- b. Payment is done on the basis of the joint measuring outcome that shows that the job has been executed according to the stipulated performance criteria.

Article 52

- (1) A Single Year contract constitutes a contract in which the execution of the job binds the budget funds for the term of 1 (one) Fiscal Year.
- (2) A Multiple Year contract constitutes a contract in which the execution of the job is more than 1 (one) Fiscal Year on the account of the budget, which is performed after receiving the approval of:
 - a. The Minister of Finance for an activity with a value of more than Rp 10.000.000.000,00 (ten billion Rupiah);
 - b. The Minister/Leadership of the relevant institution for an activity of which the contract value is equal to Rp 10.000.000.000,00 (ten billion Rupiah) for the activity of planting seeds/seedlings, reforestation, sea/air pioneer services, food and drugs in hospitals, food for convicts in detention houses, the procurement of excise duty strips, garbage removal services and the procurement of cleaning services.
- (3) A Multiple Year contract at regional government level is approved by the Head of the Region in accordance with the provisions of the laws and regulations.

Article 53

- (1) A Single Year Contract is made by 1 (one) PPK with 1 (one) specific Provider of Goods/Services to complete a specific job within a specific time.

- (2) A Joint Procurement Contract is made by 1 (one) PPK with 1 (one) specific Provider of Goods/Services to complete a specific job within a specific time, according to the needs of the several PPK that sign the contract.
- (3) A Framework Contract constitutes a Unit Price Contract between the Government and a Provider of Goods/Services that can be utilised by M/I/R/O, with the following provisions:
 - a. It is made to guarantee the price of the Good/Service more efficiently, guaranteeing the availability of the Good/Service, and is repeatedly needed with a job volume or quantity that cannot yet be stipulated at the time of signing the Contract; and
 - b. Payment is done by each PPK/Work Unit and based on the joint evaluation/measuring outcome of the volume/quantity of the job that has been actually performed by the Provider of Goods/Services.
- (4) Budget load for a Joint Procurement Contract as described in section (2), is arranged in a joint financing agreement.

Article 54

- (1) A Single Job Procurement Contract constitutes a Contract for the Procurement of Goods/Services that consists of only 1 (one) planning, implementation or supervision job.
- (2) An Integrated Job Procurement Contract constitutes a Contract for the Procurement of Construction Job that is complicated by combining the activity of planning, implementation and/or supervision.

Paragraph Seven

Proof of the Agreement

Article 55

(1) Proof of the agreement constitutes:

- a. proof of purchases;
- b. receipts;
- c. Job Order (SPK); and
- d. Agreement.

(2) Proof of purchases as described in section (1) point a, is used for the Procurement of Goods/Services with a value of up to Rp 5.000.000 (five million Rupiah).

(3) Receipts as described in section (1) point b, are used for the Procurement of Goods/Services with a value of up to Rp 10.000.000 (ten million Rupiah).

(4) The Job Order (SPK) as described in section (1) point c, is used for the Procurement of Goods/Construction Jobs/Other Services with a value of up to Rp 100.000.000,00 (one hundred million Rupiah) and for Consultancy Jobs with a value of up to Rp. 50.000.000,00 (fifty million Rupiah).

(5) The Agreement as described in section (1) point d, is used for the Procurement of Goods/Construction Jobs/Other Services with a value of over Rp 100.000.000,00 (one hundred million Rupiah) and for Consultancy Services with a value of over Rp 50.000.000,00 (fifty million Rupiah).

Part Four

Stipulation of the Qualification Evaluation Method

Article 56

- (1) Qualification means the process of evaluation of the business competency and ability and the compliance with other specific requirements by the Provider of Goods/Services.
- (2) Qualification may be conducted in 2 (two) ways, namely pre-qualification or post-qualification.
- (3) Pre-qualification means the process of evaluation of the qualification done before the submission of bids.
- (4) Pre-qualification is performed on Procurement as follows:
 - a. selection of the Provider of Consultancy Services;
 - b. selection of the Provider of Goods/Construction Services/Other Services of a complicated character via General Tender; or
 - c. selection of the Provider of Goods/Construction Services/Other Services using the method of Direct Appointment, except for emergency handling.
- (5) The qualification evaluation process for Direct Appointment in emergency handling is done simultaneously with the submission of the Bid Document.
- (6) The pre-qualification process produces:
 - a. A list of prospective Providers of Goods/Construction Services/Other Services; or
 - b. A short list of prospective Providers of Consultancy Services.
- (7) In the pre-qualification process, the ULP/Procurement Official immediately opens and evaluates the Qualification Documents at the latest 2 (two) work days after receipt.

- (8) The post-qualification means the qualification evaluation process that is performed after submission of the bids.
- (9) The post-qualification of Procurement is conducted as follows:
- a. General Tender, except the General Tender for Complicated Jobs;
 - b. Simplified Tender/Direct Appointment; and
 - c. The selection of Individual Providers of Consultancy Services.
- (10) The ULP/Procurement Official is prohibited from adding to the qualification requirements that have a discriminating purpose and that are beyond what is already stipulated in the provisions of this Regulation of the President.
- (11) The ULP/Procurement Official must simplify the qualification with the provision:
- a. Requesting the Provider of Goods/Services to fill in the qualification form; and
 - b. Not to request all the required documents except in the phase of proving the qualification.
- (12) The qualification evaluation is done with the following methods:
- a. The elimination system, for the procurement of Goods/Construction Jobs/ Other Services;
 - b. Value System for the Procurement of Consultancy Services.

Part Five

Preparing the Selection Schedule of Providers of Goods/Services

Paragraph One

The Phase of Selecting Providers of Goods/ Construction Jobs/ Other Services

Article 57

(1) The Selection of Providers of Goods/ Construction Jobs/ Other Services through the method of General Tender encompasses the following phases:

a. General Tender for the selection of Providers of Goods/Other Services through pre-qualification, two-envelopes method encompassing the activities:

- 1) publication of the pre-qualification;
- 2) registration and collection of Qualification Document;
- 3) submission and evaluation of the Qualification Document;
- 4) proof of qualification and preparing of the Minutes of Proving Qualification;
- 5) Stipulation of the qualification outcome;
- 6) Publication of the qualification outcome;
- 7) Objection against qualification;
- 8) Invitation;
- 9) Collection of the Selection Document;
- 10) Elucidation;
- 11) Submission of the Bid Document;
- 12) Opening of the Bid Document Envelope I;
- 13) Evaluation of the Bid Document Envelope I;
- 14) Announcement/publication of the participants that passed the evaluation of Envelope I;
- 15) Opening of Bid Document Envelope II;

- 16) Evaluation of the Bid Document Envelope II;
- 17) Preparing of the Minutes of the Tender Outcome;
- 18) stipulation of the Awardees;
- 19) Announcement of the Awardees;
- 20) Objection;
- 21) Objection Appeal (if necessary); and
- 22) Appointment of the Provider of Goods/Services.

b. General Tender for the selection of Providers of Goods/Construction Jobs/ Other Services through pre-qualification or Limited Tender for the selection of Providers of Construction Jobs, two phase method encompassing the activities:

- 1) Publication of pre-qualification;
- 2) Registration and collection of Qualification Document;
- 3) Submission and evaluation of the Qualification Document;
- 4) Proof of qualification;
- 5) Stipulation of qualification outcome;
- 6) Publication of qualification outcome;
- 7) Qualification objection;
- 8) Invitation;
- 9) Collection of Selection Document;
- 10) Elucidation;
- 11) Submission of the Bid Document Phase I;
- 12) Opening of the Bid Document Phase I;

- 13) Evaluation of the Bid Document Phase I;
- 14) Stipulation of the participants that passed the evaluation Phase I;
- 15) Announcement/publication of the participants that passed the evaluation Phase I;
- 16) Submission of the Bid Document Phase II;
- 17) Opening of the Bid Document Phase II;
- 18) Evaluation of the Bid Document Phase II;
- 19) Preparing of the Minutes of the Tender Outcome;
- 20) Stipulation of the Awardees;
- 21) Publication of the Awardees;
- 22) Objections;
- 23) Objection appeal (if necessary); and
- 24) Appointment of the Provider of Goods/Services

c. The General Tender for the selection of Providers of Goods/Construction Jobs/Other Services through post-qualification encompasses the activities:

- 1) publication;
- 2) registration and collection of the Procurement Document;
- 3) elucidation;
- 4) submission of the Bid Document;
- 5) opening of the Bid Document;
- 6) evaluation of the Bids;
- 7) evaluation of qualification;
- 8) proof of qualification;

- 9) preparing the Minutes of the Tender Outcome;
- 10) stipulation of the Awardees;
- 11) publication of the Awardees;
- 12) objection;
- 13) objection appeal (if necessary); and
- 14) appointment of the Provider of Goods/Services.

(2) Selection of Providers of Goods/Other Services through the method of Simplified Tender or Direct Selection for Construction Jobs, encompassing the following phases:

- a. publication;
- b. registration and collection of the Procurement Document;
- c. elucidation;
- d. submission of the Bid Document;
- e. opening of the Bid Document;
- f. Bid evaluation;
- g. Proof of qualification;
- h. Preparing the Minutes of the Tender Outcome;
- i. Stipulation of the Awardees;
- j. Publication of the Awardees;
- k. Objection;
- l. Objection appeal (if necessary); and
- m. Appointment of the Provider of Goods/Services.

(3) The Provider of Goods/Construction Job/Other Services for emergency handling through the method of Direct Appointment, encompasses the following phases:

- a. PPK may issue an Instruction to start work (SPMK) to:
 - 1) The nearest Provider who is performing a similar job; or
 - 2) Another Provider who is considered able and meets the qualifications to conduct the job concerned, if there are no other Providers as described in point 1).
- b. The process and administration of Direct Appointment is conducted simultaneously, as follows:
 - 1) Admission of the job in the field;
 - 2) Stipulation of type, technical specifications and volume of the job, and the time for completion of the job;
 - 3) Preparing the Procurement Document;
 - 4) Preparing and stipulation the HPS;
 - 5) Delivery of the Procurement Document to Providers of Goods/ Construction Jobs/Other Services;
 - 6) Delivery of the Bid Document;
 - 7) Opening of the Bid Document;
 - 8) Technical and price clarification and negotiation;
 - 9) Preparing the Minutes of the Direct Appointment Outcome;
 - 10) Stipulation of the Provider of Goods/Construction Jobs/ Other Services;

11) Publication of the Provider of Goods/Construction Jobs/ Other Services; and

12) Appointment of the Provider of Goods/Services.

(4) Selection of Providers of Goods/Construction Jobs/Other Services not for emergency handling through the method of direct appointment encompasses the following phases:

- a. Invitation to selected participants attaching the Procurement Document;
- b. Submission of the Qualification Document;
- c. Qualification Evaluation;
- d. Elucidation;
- e. Submission of the Bid Document;
- f. Bid evaluation and technical and price clarification and negotiation;
- g. Stipulation of the Awardees;
- h. Publication of the Awardees; and
- i. Appointment of the Provider of Goods/Services.

(5) The Selection of Providers of Goods/Construction Jobs/Other Services through the method of Direct Procurement encompasses at least the following phases:

- a. A survey of market prices by means of comparing minimally 2 (two) different Providers of Goods/Construction Jobs/Other Services
- b. Comparing the Bid Price with the HPS; and
- c. Technical clarification and negotiation on price/cost.

(6) Selection of Providers of Goods/Other Services by means of a Contest/ Prize Contest encompasses at least the following phases:

- a. Publication;
- b. Registration and collection of the Contest/Prize Contest Document;
- c. Elucidation;
- d. Submission of the proposal;
- e. Opening of the proposal;
- f. Examination of administration and evaluation of technical proposal
- g. Preparing the Minutes of the Contest/Prize Contest Outcome;
- h. Stipulation of the Awardees;
- i. Publication of the Awardees; and
- j. Appointment of the Awardees.

Paragraph Two

Selection Phases of Providers of Consultancy Services

Article 58

(1) The Selection of Providers of Consultancy Services through the General Selection

method encompasses the following phases:

- a. the quality evaluation method, 2-envelope method encompassing the activities:
 - 1) publication of the pre-qualification;
 - 2) registration and collection of the Qualification Document;
 - 3) elucidation (if necessary);
 - 4) submission and evaluation of the Qualification Document;
 - 5) proof of qualification;
 - 6) stipulation of the qualification outcome;

- 7) announcement/publication of the qualification outcome;
- 8) objection to qualification;
- 9) invitation;
- 10) collection of the Selection Document;
- 11) elucidation;
- 12) submission of the Bid Document;
- 13) opening of the documents in envelope I;
- 14) evaluation of the documents in envelope I;
- 15) stipulation of technical ranking;
- 16) announcement/publication of technical ranking;
- 17) objection;
- 18) objection appeal (if necessary);
- 19) invitation to the opening of documents in envelope II;
- 20) opening and evaluation of the documents in envelope II;
- 21) invitation to clarification and negotiation;
- 22) clarification and negotiation;
- 23) preparing the Minutes of the Selection Outcome; and
- 24) appointment of the Provider of Consultancy Services;

b. the quality and cost evaluation method, 2-envelope method encompassing the activities:

- 1) publication of pre-qualification;
- 2) registration and collection of the Qualification Document;
- 3) elucidation (if necessary);

- 4) submission and evaluation of the Qualification Document;
- 5) proof of qualification;
- 6) stipulation of qualification outcome;
- 7) announcement/publication of qualification outcome;
- 8) objection to qualification;
- 9) invitation;
- 10) collection of the Selection Document;
- 11) elucidation;
- 12) submission of the Bid Document;
- 13) opening of the documents in envelope I;
- 14) evaluation of the documents in envelope I;
- 15) stipulation of technical ranking;
- 16) announcement/publication of technical ranking;
- 17) invitation to the opening of documents in envelope II;
- 18) opening and evaluation of envelope II;
- 19) stipulation of the Awardees;
- 20) announcement/publication of the Awardees;
- 21) objection;
- 22) objection appeal (if necessary);
- 23) invitation to clarification and negotiation;
- 24) clarification and negotiation;
- 25) preparing the Minutes of the Selection Outcome; and
- 26) appointment of the Provider of Consultancy Services.

c. The lowest cost evaluation method, 1-envelope method encompassing the activities:

- 1) publication of prequalification;
- 2) registration and collection of the Qualification Document;
- 3) elucidation (if necessary);
- 4) submission and evaluation of the Qualification Document;
- 5) proof of qualification;
- 6) stipulation of the qualification outcome;
- 7) announcement/publication of the qualification outcome;
- 8) objection to qualification;
- 9) invitation;
- 10) elucidation;
- 11) submission of the Bid Document;
- 12) opening of the Bid Document and arithmetic correction;
- 13) administration, technical and cost evaluation;
- 14) stipulation of the Awardees;
- 15) announcement/publication of the Awardees;
- 16) objection;
- 17) objection appeal (if necessary);
- 18) invitation to clarification and negotiation;
- 19) clarification and negotiation;
- 20) preparing the Minutes of the Selection Outcome; and
- 21) appointment of the Provider of Consultancy Services.

(2) The selection of the Provider of Consultancy Services through the Simplified Selection Method through the Budget Ceiling evaluation method or the lowest cost method, 1-envelope method encompasses the following phases:

- a. publication of pre-qualification;
- b. registration and collection of the Qualification Document;
- c. elucidation (if necessary);
- d. submission and evaluation of the Qualification Document;
- e. proof of qualification;
- f. stipulation of the qualification outcome;
- g. announcement/publication of the qualification outcome;
- h. objection to qualification;
- i. invitation;
- j. elucidation;
- k. submission of the Bid Document;
- l. opening of the Bid Document and arithmetic correction;
- m. administration, technical and cost evaluation;
- n. stipulation of the Awardees;
- o. announcement/publication of the Awardees;
- p. objection;
- q. objection appeal (if necessary);
- r. invitation to clarification and negotiation;
- s. clarification and negotiation;
- t. preparing Minutes of the Selection Outcome; and

- u. appointment of the Provider of Consultancy Services.
- (3) The selection of the Provider of Consultancy Services through the Direct Appointment Method for emergency handling encompasses the following phases:
- a. PPK may issue an Instruction to start work (SPMK) to:
 - 1) The nearest Provider of Consultancy Services who is performing a similar job at the emergency handling site; or
 - 2) Another Provider of Consultancy Services who is considered able and meets the qualifications to conduct the job concerned, if there are no other Providers of Consultancy Services as described in point 1).
 - b. The process and administration of Direct Appointment is conducted simultaneously, as follows:
 - 1) Admission of the job in the field;
 - 2) Stipulation of the scope, amount and qualification of expert staff and the time for completion of the job;
 - 3) Preparing the Procurement Document;
 - 4) Preparing and stipulating the HPS;
 - 5) Delivery of the Procurement Document;
 - 6) Delivery of the Bid Document;
 - 7) Opening and evaluation of the Bid Document;
 - 8) Clarification and negotiation;
 - 9) Preparing the Minutes of the Direct Appointment Outcome;
 - 10) Stipulation of the Provider of Consultancy Services;

11) Publication of the Provider of Consultancy Services; and

12) Appointment of the Provider of Consultancy Services.

(4) The selection of the Provider of Consultancy Services through the Direct Appointment Method for non-emergency handling encompasses the following phases:

- a. invitation to selected Providers of Consultancy Services attaching the Procurement Document;
- b. submission, evaluation and proof of qualification;
- c. elucidation;
- d. submission of the Bid Document;
- e. opening and evaluation of the Bid;
- f. technical and cost clarification and negotiation;
- g. preparing the Minutes of the Direct Appointment Outcome;
- h. stipulation of the Provider of Consultancy Services;
- i. publication; and
- j. appointment of the Provider of Consultancy Services.

(5) The selection of the Provider of Consultancy Services through the Direct Appointment Method minimally encompasses the following phases:

- a. market price survey to select the prospective Provider of Consultancy Services;
- b. comparing the bid price with the direct personnel cost value as stipulated in Article 49 section (7) points c and d; and
- c. technical and cost clarification and negotiation.

(6) The selection of the Provider of Consultancy Services through the Prize Contest

Method minimally encompasses the following phases:

- a. Publication;
- b. Registration and collection of the Prize Contest Method;
- c. Submission of proposal;
- d. Opening of proposal;
- e. Administration examination and evaluation of technical proposal;
- f. Preparing the Minutes of the Prize Contest Outcome;
- g. Stipulation of the Awardees;
- h. Publication of the Awardees; and
- i. Appointment of the Awardees.

(7) The selection of Individual Providers of Consultancy Services uses the phases of post qualification one envelope General Tender, adding the phase of technical and cost clarification and negotiation after the objection phase.

Paragraph Three

Preparation of the Implementation Schedule for the Selection of Providers of

Goods/Services

Article 59

- (1) The ULP/Procurement Official prepares and stipulates the implementation schedule for the Selection of Providers of Goods/Services.
- (2) The preparation of the implementation schedule for the Selection of Providers of Goods/Services as described in section (1) must allocate sufficient time for all the phases of the Procurement process, including time for:

- a. publication of the Tender/Selection;
- b. registration and collection of the Qualification Document or the Procurement Document;
- c. elucidation;
- d. submission of the Bid Document;
- e. Bid evaluation;
- f. Stipulation of the Awardees; and
- g. Objection and objection appeal.

Article 60

(1) The Public Tender with pre-qualification, the Restricted Tender or General Selection is conducted on time, as follows:

- a. broadcasting of the pre-qualification publication at least 7 (seven) work days;
- b. registration and collection of the Qualification Document starting as of the date of publication until 1 (one) work day before the time limit for submitting the Qualification Document;
- c. the time limit for submitting the Qualification Document at least 3 (three) work days after the end of the broadcast of the qualification publication;
- d. the period for objection in respect of the qualification outcome lasts 5 (five) work days after the publication of the qualification outcome and there is no objection appeal;

- e. the invitation for the tender/selection to participants who have passed the qualification test is delivered 1 (one) work day after the objection period is completed;
- f. collection of the Selection Document as of the issuance of the invitation to the tender/selection until 1 (one) work day before the time limit for submission of the Bid Document;
- g. elucidation is conducted the earliest 4 (four) work days as of the date of the invitation for the tender/selection;
- h. submission of the Bid Document begins 1 (one) work day after the elucidation until at least 7 (seven) work days after the signing of the Minutes of Elucidation;
- i. the period for objection against the tender/selection outcome during 5 (five) work days after the publication of the tender/selection outcome and the period for objection appeal during 5 (five) work days after receiving the response to the objection;
- j. The Appointment Letter of the Provider of Goods/Services (SPPBJ) is issued at the latest 6 (six) work days after the publication of the awardees of the tender/selection if there is no objection, or after the objection is responded to in the event that there is no objection appeal;
- k. In the event that the objection appeal is not accepted, the SPPBJ is issued at the latest 2 (two) work days after there is a response to the appeal from the Minister/ Leadership of the Organisation/ Head of the Region/ Leadership of the Institution; and

1. The contract is signed at the latest 14 (fourteen) work days after the SPPBJ is issued.
- (2) The arrangement of the schedule/time beyond the process as described in section (1) points a to i is entirely left to ULP;
- (3) In the case of a General Tender with pre-qualification, a Limited Tender or a General Selection is conducted prior to the Fiscal Year, the SPPBJ shall be issued only after the DIPA/DPA is ratified.

Article 61

- (1) The General Tender and Individual General Selection with post-qualification is conducted on time as follows:
 - a. broadcasting of the pre-qualification publication at least 7 (seven) work days;
 - b. registration and collection of the Procurement Documents (Qualification Document and Selection Document) starting as of the date of publication until 1 (one) work day before the dead line for submitting the Bid Document;
 - c. Elucidation is conducted at the earliest 4 (four) work days as of the date of the publication of the tender/selection;
 - d. Submission of the Bid Document begins 1 (one) work day after the elucidation;
 - e. The dead line for submission of the Bid Document is at least 2 (two) work days after the elucidation taking into account the time needed to prepare the Bid Document according to type, complexity and site of the job;

- f. Bid evaluation may be conducted according to:
 - 1) the time needed; or
 - 2) the type and complexity of the job;
- g. the period for objection in respect of the tender/selection outcome is 5 (five) work days after the publication of the tender/selection outcome after receiving a response to the objection;
- h. The SPPBJ is issued the latest 6 (six) work days after the publication of the stipulation of the Awardees of the tender/selection in the event that there is no objection, or after the objection has been responded to in the event that there is no objection appeal;
- i. In the event that the objection appeal is not accepted, the SPPBJ is issued at the latest 2 (two) work days after there is a response to the objection appeal from the Minister/ Leadership of the Organisation/ Head of the Region/ Leadership of the Institution; and
- j. The Contract is signed at the latest 14 (fourteen) work days after the SPPBJ is issued.

(2) The arrangement of the schedule/time beyond the process as described in section

(1) points a to j is entirely left to ULP;

(3) In the case of a General Tender and General Individual Selection with post-qualification is conducted prior to the Fiscal Year , the SPPBJ shall be issued only after the DIPA/DPA is ratified.

Article 62

(1) A Simplified Tender, Direct Selection or Individual Simplified Selection is conducted on time, as follows:

- a. broadcasting of the tender/selection is conducted at least 3 (three) work days;
- b. registration and collection of the Procurement Document starts as of the date of publication until 1 (one) work day before the dead line for submitting the Bid Document;
- c. Elucidation is conducted at the earliest 4 (four) work days as of the date of the publication;
- d. Submission of the Bid Document begins 1 (one) work day after the elucidation until at least 2 (two) work days after signing of the Minutes of Elucidation;
- e. The period of objection against the tender/individual simplified tender is 5 (five) work days after the publication of the tender/individual simplified tender outcome and the period for objection appeal is 5 (five) work days after receiving the response to the objection;
- f. The SPPBJ is issued the latest 6 (six) work days after the publication of the stipulation of the Awardees of the tender/individual simplified selection in the event that there is no objection, or after the objection has been responded to in the event that there is no objection appeal;
- g. In the event that the objection appeal is not accepted, the SPPBJ is issued at the latest 2 (two) work days after there is a response to the objection

appeal from the Minister/ Leadership of the Organisation/ Head of the Region/ Leadership of the Institution; and

- h. The Contract is signed at the latest 14 (fourteen) work days after the SPPBJ is issued.

(2) The Simplified Selection with pre-qualification is conducted on time as follows:

- a. broadcasting of the pre-qualification is conducted at least 3 (three) work days;
- b. registration and collection of the Qualification Document starts as of the date of publication until 1 (one) work day before the dead line for submitting the Qualification Document;
- c. The dead line for submission of the Qualification Document is at least 5 (five) work days after the end of the broadcasting of the qualification publication;
- d. The objection period in respect of the qualification outcome is 5 (five) work days after the publication of the qualification outcome and there is no objection appeal;
- e. The invitation to the participants who are short-listed is delivered 1 (one) work day after the objection period or after the objection issue is solved;
- f. Collection of the Selection Document is done as of the issuance of the selection invitation until 1 (one) work day prior to the dead line for submitting the Bid Document;
- g. Elucidation is conducted at the earliest 4 (four) work days as of the date of the selection invitation;

- h. Submission of the Bid Document starts 1 (one) work day after the elucidation until at least 3 (three) work days after the signing of the Minutes of Elucidation;
- i. The period of objection in respect of the selection outcome is 5 (five) work days after the publication of the selection outcome and the objection appeal period is 5 (five) work days after receiving the response to the objection;
- j. The SPPBJ is issued at the latest 6 (six) work days after the publication of stipulation of the Awardees of the selection in the event that there is no objection, or after the objection is responded to in the event that there is no objection appeal;
- k. In the event that the objection appeal is not accepted, the SPPBJ is issued at the latest 2 (two) work days after there is a response to the objection appeal from the Minister/ Leadership of the Organisation/ Head of the Region/ Leadership of the Institution; and
- l. The Contract is signed at the latest 14 (fourteen) work days after the SPPBJ is issued.

(3) The arrangement of the schedule/time beyond the process as described in section (1) points a to h, and in section (2) items a to l, is entirely left to ULP;

(4) In the case that a Simplified Tender or Direct Selection or Simplified Selection is conducted prior to the Fiscal Year, the SPPBJ shall be issued only after the DIPA/DPA is ratified.

Article 63

The arrangement of the schedule/time for Direct Appointment/Direct Procurement/ Prize Contest is entirely left to ULP/Procurement Official.

Part Six

Preparation of the Procurement Document for Goods/Services

Article 64

- (1) The UL/Procurement Official prepares the Procurement Documents for Goods/Services comprising:
 - a. the Qualification Document; and
 - b. the Selection Document.
- (2) The Qualification Document as described in section (1) point a, comprises at least:
 - a. guidelines for completing the qualification form;
 - b. the qualification form;
 - c. instructions to the qualification participants;
 - d. qualification data sheet;
 - e. the Integrity Pact; and
 - f. the method of the qualification evaluation.
- (3) The Selection Document as described in section (1) point b, comprises at least:
 - a. invitation/publication to the prospective Provider of Goods/Services;
 - b. instructions to the Procurement of Goods/Services participants;
 - c. the general terms of the Contract;
 - d. the special terms of the Contract;

- e. list of quantities and prices;
 - f. technical specifications, KAK and/or drawings;
 - g. format of the bid letter;
 - h. draft Contract;
 - i. format of the Bond; and
 - j. sample forms that need to be completed.
- (4) The PPK stipulates the part of the draft Procurement Document comprising:
- a. the draft SPK, or b. draft agreement, including:
 - 1) the general terms of the Contract;
 - 2) the special terms of the contract;
 - 3) technical specifications, KAK and/or drawings;
 - 4) list of quantities and prices; and
 - 5) other documents.
 - b. HPS.

Article 65

- (1) PPK prepares the draft Contract for the Procurement of Goods/Services as described in Article 64 section (4) points a and b.
- (2) The draft Contract for the Procurement of Goods/Services is prepared following the Standard Contract for the Procurement of Goods/Services.
- (3) Further provisions regarding the Standard Contract for the Procurement of Goods/Services and guidelines for preparing the Contract for the Procurement of Goods/Services shall be arranged in a regulation of the Head of LKPP.

Part Seven

Stipulation of the Self-Estimated Price (*HPS*)

Article 66

- (1) PPK stipulates the Self-Estimated Price (*HPS*) of the Goods/Services, except for the Contest/Prize Contest.
- (2) ULP/Procurement Official publishes the total *HPS* value based on the *HPS* stipulated by PPK.
- (3) The total *HPS* value is open and not confidential.
- (4) The *HPS* is prepared at the latest 28 (twenty eight) work days prior to the time limit for submitting bids.
- (5) The *HPS* is used as:
 - a. a tool to evaluate the appropriateness of the bid including its details.
 - b. The basis to stipulate the highest limit of a legitimate bid for the Procurement of Goods/Construction Job/Other Services and the Procurement of Consultancy Services using the budget ceiling method; and
 - c. The basis to stipulate the magnitude of the Performance Bond value for bids with a value of less than 80% (eight percent) of the total *HPS* value.
- (6) The *HPS* is not the basis to stipulate the state loss magnitude.
- (7) Preparation of the *HPS* is based on the local market price data, which is obtained on the basis of the survey outcome towards the implementation of the Procurement, while taking into consideration information encompassing:

- a. information on the unit price which is formally published by the Central Statistic Bureau (BPS);
- b. information on the unit price which formally published by the relevant association and other reliable data sources;
- c. a list of cost/rates of Goods/Services issued by a manufacturer/ sole distributor;
- d. the cost of previous or on-going Contracts taking into consideration the factor of cost change;
- e. inflation of the preceding year, the on-going interest rate and/or the middle rate of Bank Indonesia;
- f. the outcome of comparison with similar Contracts, both exercised with another agency or with a third party;
- g. estimated cost calculation conducted by the planning consultant (engineer's estimate);
- h. index norms; and
- i. other reliable information.

(8) The HPS is composed taking into account profit and overhead costs considered appropriate.

Part Eight

Goods/Services Procurement Bond

Article 67

- (1) The Provider of Goods/Services delivers a Bond to the User of Goods/Services to comply with the obligation as required in the Procurement Document/ Contract for the Procurement of Goods/Services.
- (2) The Bond for the Procurement of Goods/Services comprises:
 - a. a Bid Bond;
 - b. a Performance Bond;
 - c. an Advance Money Bond;
 - d. a Maintenance Bond; and
 - e. an Objection Appeal Bond.
- (3) The Bond for the Procurement of Goods/Services as described in section (2) must be unconditionally disbursable to the value of the Bond within a period of at the latest 14 (fourteen) work days, after the letter of default from PPK/ULP is received by the Bond Issuer.
- (4) ULP/Procurement Official or PPK performs a written clarification regarding the legitimacy of the Bond received.
- (5) A Bond from a Commercial Bank, an Underwriter or an Insurance Firm may be used for all types of Bonds.
- (6) An Underwriter as described in section (5) means an Underwriter Firm that has a license from the Minister of Finance.
- (7) The Insurance Firm issuing the Bond as described in section (5) means a General Insurance Firm with a license to sell surety-ship products as stipulated by the Minister of Finance.

Article 68

- (1) The Bid Bond is delivered by the Provider of Goods/Construction Jobs/Other Services at the time of submitting the bid, in the amount between 1% (one percent) to 3% (three percent) of the total HPS.
- (2) The Bid Bond is returned to the Provider of Goods/Construction Jobs/Other Services after PPK has received the Performance Bond for the signing of the Contract;
- (3) The Bid Bond is not necessary in the event that the Procurement of Goods/Construction Jobs/Other Services is performed through Direct Appointment, Direct Procurement or a Contest/ Prize Contest.

Article 69

- (1) A Provider of Consultancy Services may be given Advance Money.
- (2) An Advance Money Bond is given by a Provider of Goods/Services in respect of the Advance Money that it receives.
- (3) The magnitude of the Advance Money Bond is to the value of the Advance Money received.
- (4) Repayment of the Advance Money is calculated proportionally at each phase of payment.

Article 70

- (1) A Performance Bond is given by the Provider of Goods/Construction Jobs for a Contract with a value of more than Rp 100.000.000,00 (one hundred million Rupiah).

- (2) A Performance Bond may be given by Providers of Other Services for a Contract with a value of more than Rp 100.000.000,00 (one hundred million Rupiah).
- (3) A Performance Bond is given after the issuance of the SPPBJ and before the signing of the Contract for the Procurement of Goods/Construction Jobs/ Other Services.
- (4) The magnitude of the Performance Bond value is as follows:
 - a. for a corrected bid value between 80% (eighty percent) up to 100% (one hundred percent) of the total HPS value, the Performance Bond is 5% (five percent) of the Contract value; or
 - b. for a corrected bid value lower than 80% (eighty percent) of the total HPS value, the Performance Bond is 5% (five percent) of the total HPS value.
- (5) The Performance Bond is effective as of the date of the Contract until the handing over of the Goods/Other Services or the first handing over of a Construction Job.
- (6) The Performance Bond is returned after:
 - a. the delivery of the Goods/Other Services and the Guarantee Certificate; or
 - b. the delivery of the Maintenance Bond of 5% (five percent) of the Contract value specifically for the Provider of Construction Jobs/Other Services.

Article 71

- (1) The Maintenance Bond must be given by the Provider of Construction Jobs/Other Services after the implementation of the job is declared 100% (one hundred percent) completed.

- (2) The Maintenance Bond of 5% (five percent) of the Contract value must be given to PPK to guarantee the maintenance of the Construction Job/Other Services that have already been handed over.
- (3) The Maintenance Bond is returned after 14 (fourteen) work days after the maintenance term is completed.
- (4) The Provider of Construction Jobs/Other Services may opt to give the Maintenance Bond or to give retention.
- (5) The Maintenance Bond or retention as described in section (4) amounts to 5% (five percent) of the value of the Contract for the Procurement of Construction Jobs/Other Services.

Part Nine

Warranty Certificate

Article 72

- (1) In the Procurement of Capital Goods, the Provider of Goods delivers a Warranty Certificate.
- (2) The Warranty Certificate is given in respect of the feasibility of using the Goods until a specific period according to the provisions in the Contract.
- (3) The Warranty Certificate is issued by the Producer or the party that is legally appointed by the Producer.

Part Ten

Implementation of the Selection of Provider of Goods/Services

Paragraph One

Publication regarding the Selection of Provider of Goods/Services

Article 73

- (1) The ULP publishes the implementation of Procurement of Goods/Services widely to the public at the time of:
 - a. the work program and budget of the M/I/R/O is approved by the Parliament/ Regional Legislative Council; or
 - b. the Budget Implementation Form (DIPA) / Budget Implementation Document (DPA) is ratified.
- (2) In the event that the ULP is going to conduct a Tender/Selection after the work program and budget of the M/I/R/O is approved by the Parliament/ Regional Legislative Council, but the DIPA/DPA is not yet ratified, the publication is performed including the condition that the DIPA/DPA has not yet been ratified.
- (3) The implementation of the Tender/Selection is published openly by publishing on a wide scale at least via:
 - a. the M/I/R/O website;
 - b. formal publication boards for the public; and
 - c. the National Procurement Portal via LPSE.
- (4) The publication regarding the stipulation of the Provider of Goods/Services is published openly by publishing on a wide scale at least via:
 - a. the M/I/R/O website; and
 - b. formal publication boards for the public.

Article 74

- (1) In the event of publishing a Limited Tender, the ULP must state the names of prospective Providers of Goods/Services who are considered able.

- (2) In the event that the M/I/R/O uses a newspaper to publish the Procurement of Goods/Services, the selection must be based on the list of newspapers with a large circulation and being distributed on a wide scale.

Paragraph Two

Evaluation of Qualification

Article 75

- (1) In the pre-qualification/post-qualification process, the ULP/Procurement Official is not allowed to prohibit, obstruct and limit the participation of prospective Providers of Goods/Services outside the Province/Kabupaten/Municipality.
- (2) The Provider of Goods/Services signs a statement across duty stamp stating, that all information submitted in the qualification form is true.
- (3) M/I/R/O is prohibited of conducting a mass pre-qualification that is applicable to procurement within a specific period by issuing a registration proof of having passed the pre-qualification or the like.

Paragraph Three

Registration and Collection of Documents

Article 76

- (1) Providers of Goods/Services, who are interested to partake in the selection of Providers of Goods/Services, register to take part in the Tender/ Selection/Direct Selection with the ULP.
- (2) Providers of Goods/Services who take part in the Procurement of Goods/Services via Direct Appoint/Direct Procurement are invited by the ULP/Procurement Official.

- (3) The Provider of Goods/Services collects the Procurement Documents from the ULP/ Procurement Official or downloads it from the website used by ULP.

Paragraph Four

Elucidation

Article 77

- (1) To elucidate the Documents for the Procurement of Goods/Services, the ULP/ Procurement Official conducts the giving of an elucidation.
- (2) The ULP/ Procurement Official may provide a follow up elucidation by means of conducting a field survey.
- (3) The elucidation must be laid down in Minutes of Elucidation signed by the ULP/ Procurement Official and minimally 1(one) representative of the attending participants.
- (4) The ULP distributes a copy of the Minutes of Elucidation and Supplement to the Procurement Document to all participants, those who were present and who were not present at the elucidation.
- (5) In the event that none of the participants was present or willing to sign the Minutes of Elucidation, signing of the Minutes of Elucidation by the attending ULP member will suffice.
- (6) An amendment to the draft Contract and/or technical specifications and/or drawings and/or the total HPS value, must have the approval of PPK before being laid down in the Supplement to the Procurement Document.
- (7) In the event that PPK does not approve the proposed amendment as described in section(6), then:

- a. ULP delivers the objection of PPK to PA/KPA for a decision;
 - b. If PA/KPA agrees with PPK, no amendment shall be made; or
 - c. If PA/KPA agrees with ULP, PA/KPA decides the amendment which shall be final, and instructs ULP to make and ratify the Supplement to the Procurement Document.
- (8) The absence of a participant at the time of the elucidation shall not be grounds to reject/eliminate the bid.

Paragraph Five

Submission of the Bid Document

Article 78

- (1) The Provider of Goods/Services submits the Bid Document within the period and in accordance with the requirements as stipulated in the Selection Document.
- (2) A Bid Document that is submitted after the deadline for submission of bids cannot be accepted by the ULP/Procurement Official.
- (3) The Provider of Goods/Services may amend, add and/or replace the Bid Document prior to the deadline for submission of bids.

Paragraph Six

Bid Evaluation

Article 79

- (1) In conducting a bid evaluation, the ULP/Procurement Official must be guided by the methods/criteria that are stipulated in the Procurement Document.
- (2) In the bid evaluation, the ULP/Procurement Official and the Provider of Goods/Services are prohibited from performing post-bidding actions.

Paragraph Seven

Stipulation and Publication of the Awardees

Article 80

- (1) The ULP/Procurement Official stipulates the outcome of the selection of Providers of Goods/Services.
- (2) The ULP/Procurement Official publishes the outcome of the selection of Providers of Goods/ Services after being stipulated via the M/I/R/O website and formal publication boards.

Paragraph Eight

Objections

Article 81

- (1) The participants in the selection of Providers of Goods/ Services who feel that their interests have been injured, both individually or jointly with other participants, may submit a written objection should they find:
 - a. A deviation from the provisions and procedure as arranged in this Regulation of the President and as stipulated in the Procurement Document for Goods/Services.
 - b. Engineering leading to unsound competition; and/or
 - c. Abuse of authority by the ULP and/or other authorised officials;
- (2) The objection letter is submitted to ULP with a copy to PPK, PA/KPA and APIP of the relevant M/I/R/O at the latest 5 (five) work days after the publication of the Awardees.

- (3) The ULP must give a written response to all objections at the latest 5 (five) work days after receipt of the objection letter.

Article 82

- (1) A Provider of Goods/Services who is not satisfied with the response to the objection from ULP may file an objection appeal to the Minister/Leadership of the Organisation/ Head of the Region/ Leadership of the Institution at the latest 5 (five) work days after receiving the response to the objection.
- (2) A provider of Goods/Services who files an objection appeal must deliver an Objection Appeal Bond valid for 20 (twenty) work days after filing the Objection Appeal.
- (3) The Objection Appeal Bond is set at 20/0o (two pro mille) of the total HPS value or maximum Rp 50.000.000,00 (fifty million Rupiah).
- (4) The Objection Appeal stops the Tender/Selection process.
- (5) LKPP may provide suggestions, opinions and recommendation for the settlement of the objection appeal at the request of the Minister/Leadership of the Organisation/ Head of the Region/ Leadership of the Institution.
- (6) The Minister/Leadership of the Organisation/ Head of the Region/ Leadership of the Institution responds to all objection appeals to the party filing the objection appeal at the latest 15 (fifteen) work days after the letter of objection appeal is received.
- (7) In the event that the objection appeal is declared correct, the Minister/Leadership of the Organisation/ Head of the Region/ Leadership of the Institution instructs

the ULP/Procurement Official to conduct a renewed evaluation or a renewed Procurement of Goods/Services.

- (8) In the event that the objection appeal is declared wrong, the Minister/Leadership of the Organisation/ Head of the Region/ Leadership of the Institution instructs the ULP to continue with the process of Procurement of Goods/Services.
- (9) In the event that the objection appeal is declared correct, the Objection Appeal Bond is returned to the objecting party.
- (10) In the event that the objection appeal is declared wrong, the Objection Appeal Bond is forfeited and deposited into the State/Regional Treasury.

Paragraph Nine

Selection Failure

Article 83

- (1) The ULP declares that the Tender/Direct Selection has failed in the following events:
- a. the number of participants that successfully pass the prequalification process is less than 3 (three);
 - b. the number of participants that submit a Bid Document for the Procurement of Goods/Construction Jobs/Other Services is less than 3 (three);
 - c. the objection of a participant in respect of the prequalification outcome proves to be correct;
 - d. there is no bid that successfully passes the bid evaluation;
 - e. in the bid evaluation, proof/indication is found of unsound competition;

- f. the corrected lowest bid price for a Unit Price Contract and a Joint Lump Sum and Unit Price Contract is higher than the HPS.
- g. All bid prices submitted for a Lump Sum Contract are higher than the HPS.
- h. The objection in respect of the Tender outcome from a participant proves to be correct; or
- i. The prospective Awardees and 1st and 2nd Runner Up Awardees after evaluation intentionally are absent during the clarification and/or proof of qualification.

(2) The ULP declares the Selection has failed in the following events:

- a. the number of participants that successfully pass the qualification in a prequalification process is less than 5 (five) for the General Selection or less than 3 (three) for the Simplified Selection.
- b. The objection of a participant in respect of the prequalification outcome is declared correct;
- c. There is no bid that meets the requirements in the bid evaluation;
- d. In the bid evaluation proof/indication is found of unsound competition;
- e. The prospective Awardees and 1st and 2nd Runner Up Awardees are absent during the clarification and negotiations on unacceptable grounds;
- f. No participant approves/agrees with the outcome of technical and price negotiations;
- g. The objection on the selection outcome from a participant appears to be correct;

- h. The corrected lowest bid price for a Unit Price Contract and a Joint Lump Sum and Unit Price Contract is higher than the Budget Ceiling; or
- i. All cost bids submitted for a Lump Sum Contract are higher than the Budget Ceiling.

(3) The PA/KPA declares that the Tender/Selection/Direct Selection has failed in the following events:

- a. the PA/KPA shares the opinion of PPK who is not prepared to sign the SPPPBJ because the process of Tender/Selection/Direct Selection is not in accordance with this Regulation of the President;
 - b. complaints from the community regarding alleged CCN involving the ULP and/or PPK prove to be true;
 - c. alleged CCN and/or violations of sound competition in the implementation of the Tender/Selection/Direct Selection is declared true by the authorities;
 - d. the objection of a Provider of Goods/Services regarding procedural error contained in the Procurement Document of Providers of Goods/Services proves to be true;
 - e. the Procurement Document is not in accordance with this Regulation of the President;
 - f. the implementation of the Tender/Selection/Direct Selection is not in accordance with, or deviates from the Procurement Document;
 - g. The prospective Awardees and 1st and 2nd Runner Up Awardees withdraw;
- or

- h. The implementation of the Tender/Selection/Direct Selection violates this Regulation of the President.
- (4) The PA/KPA/PPK/ULP are prohibited from making compensation for damages to participants of the Tender/Selection/Direct Selection when their bids are rejected or the Tender/Selection/Direct Selection is declared to have failed.
- (5) The Minister/Leadership of the Organisation/Leadership of the Institution declares that the Tender/Selection/Direct Selection has failed in the following cases:
- a. the objection appeal from a participant proves to be correct; or
 - b. a complaint from the community regarding alleged CCN involving the KPA proves to be true.
- (6) The Regional Head declares that the Tender/Selection/Direct Selection has failed in the following cases:
- a. the objection appeal from a participant proves to be correct; or
 - b. a complaint from the community regarding alleged CCN involving the PA and/or KPA proves to be true.

Article 84

- (1) In the event that the Tender/Selection/Direct Selection is declared to have failed, the ULP immediately conducts:
- a. A re-evaluation;
 - b. Re-submission of the Bid Document;
 - c. Renewed Tender/Selection/Direct Selection.

- (2) In the event that in a renewed Tender/Selection the number of Providers of Goods/Services who successfully pass the prequalification is only 2 (two), the Tender/Selection process is continued.
- (3) In the event that in a renewed Tender/Selection the number of Providers of Goods/Services who submit a bid is only 2 (two), the Tender/Selection/Direct Selection process is continued.
- (4) In the event that in a renewed Tender/Selection the number of Providers of Goods/Services who successfully pass the prequalification is only 1 (one), the renewed Tender/Selection is conducted as in the Direct Appointment process.
- (5) In the event that in a renewed Tender/Selection/Direct Selection the number of Providers of Goods/Services who submit a bid is only 1 (one), the renewed Tender/Selection/Direct Selection is conducted as in the Direct Appointment process.

Paragraph Ten

Appointment of Providers of Goods/Services

Article 85

- (1) PPK issues the SPPBJ with the following provisions:
 - a. there are no objections from the participants;
 - b. objections and/or objection appeals are proven to be incorrect; or
 - c. the objection term and/or the objection appeal term expires.
- (2) In the event that a Provider of Goods/Services who has already received an SPPBJ withdraws and the bid term is still valid, such withdrawal is only allowed on grounds that are acceptable to the PPK without bias.

- (3) The withdrawal as described in section (2) is done with the provision that the Bid Bond of the relevant tender participant is disbursed and deposited into the State/Regional Treasury.
- (4) In the event that Provider of Goods/Services who is appointed as the executor of a job withdraws on grounds that are unacceptable and the bid term is still valid, then:
- a. the relevant Bid Bond is disbursed and deposited into the State/Regional Treasury; and
 - b. the Provider of Goods/Services is subjected to a sanction in the form of a ban to participate in the activity of Procurement of Goods/Services at government agencies during 2 (two) years.
- (5) In the event that there are no objections, the SPPBJ must be issued at the latest 6 (six) work days after the announcement regarding the stipulation of the awardees and immediately delivered to the relevant awardees.
- (6) In the event that there are objections and/or objection appeals, the SPPBJ must be issued at the latest 2 (two) days after all objections and/or objection appeals have been responded to, and immediately delivered to the awardees.

Paragraph Eleven

Signing of the Contract for the Procurement of Goods/Services

Article 86

- (1) The PPK completes the draft Contract for the Procurement of Goods/Services to be signed.

- (2) The signing of the Contract for the Procurement of Goods/Services takes place after the DIPA/DPA is ratified.
- (3) The parties sign the Contract after the Provider of Goods/Services has delivered the Performance Bond at the latest 14 (fourteen) work days as of the issuance of the SPPBJ.
- (4) The signing of a complex Contract for the Procurement of Goods/Services and/or with a value of more than Rp 100.000.000,00 (one hundred million Rupiah) takes place after obtaining the opinion of a contract law expert.
- (5) The party that is authorised to sign the Contract for the Procurement of Goods/Services in the name of the Provider of Goods/Services is the Director whose name is mentioned in the Deed of Establishment/ Articles of Association of the Provider of Goods/Services which has been registered in accordance with the laws and regulations.
- (6) An other party who is not a Director or whose name is not mentioned in the Deed of Establishment/ Articles of Association of the Provider of Goods/Services as described in section (5) may sign the Contract for the Procurement of Goods/Services so long as he has received power of attorney/ legitimate delegation of authority from the Board of Directors or a legitimate party pursuant to the Deed of Establishment/ Articles of Association to sign the Contract for the Procurement of Goods/Services.

Part Eleven

Execution of the Contract

Paragraph One

Amendment of the Contract

Article 87

- (1) In the event of a difference in the field conditions at the time of execution with the drawings and/or the technical specifications stipulated in the Contract Document, PPK together with the Provider of Goods/Services may perform an amendment of the Contract encompassing:
 - a. adding or subtracting from the job volume laid down in the Contract;
 - b. adding and/or subtracting the type of the job;
 - c. amending the technical specifications of the job according to the needs of the field; or
 - d. amend the implementation schedule.
- (2) Additional work as described in section(1) is performed with the following provisions:
 - a. Not exceeding 10% (ten percent) of the price laid down in the initial agreement / Contract; and
 - b. Budget availability.
- (3) The Provider of Goods/Services is not allowed to delegate the implementation of the major job pursuant to the Contract, by sub-contracting to a third party, except for part of the major job to a provider of specialised goods/services.
- (4) In the event of a violation of the provision as described in section (3), the Provider of Goods/Services will be subjected to a sanction in the form of a fine, the form and amount of which is in accordance with the provisions arranged in the Contract Document.

- (5) Amendments to the Contract due to administrative problems may be made so long as agreed upon by both parties.

Paragraph Two

Advance Money and Payment for Job Performance

Article 88

- (1) Advance Money may be given to a Provider of Goods/Services for:
- a. mobilisation of equipment and manpower;
 - b. payment as a token of confirmation to a supplier of goods/material; and/or
 - c. other technical preparations that are required for the implementation of the Procurement of Goods/Services.
- (2) Advance Money may be given to a Provider of Goods/Services with the following provisions:
- a. for Small Enterprises maximum 30% (thirty percent) of the value of the Contract for the Procurement of Goods/Services; or
 - b. for non-small Enterprises maximum 20% (twenty percent) of the value of the Contract for the Procurement of Goods/Services.
- (3) The magnitude of the Advance Money for a Multiple Year Contract is the smallest value between 2 (two) options, namely:
- a. 20% (twenty percent) of the first year Contract; or
 - b. 15% (fifteen percent) of the Contract value.
- (4) The value of the Advance Money Bond in phases can be reduced proportionally according to the accomplished work performance.

Article 89

- (1) Payment for work performance may be made in the form of:
 - a. monthly payments;
 - b. payment based on the accomplished job phase (term); or
 - c. a one-time payment after the job is completed.
- (2) Payment for work performance is made to the Provider of Goods/Services after deducting the instalment on Advance Money and Goods if any, and tax.
- (3) A request for payment to PPK for a Contract that makes use of a sub-contract must be equipped with proof of payment to all sub-contractors in accordance with the work progress.
- (4) Monthly/term payments for a Construction Job are done to the value of the job that has been installed.
- (5) PPK may retain part of the payment for work performance as retention money for the Maintenance Bond for Construction Jobs.

Paragraph Three

Execution of the Contract for the Procurement of Goods/Services under Specific Circumstances

Article 90

Under specific circumstances as described in Articles 38 and 44, Direct Appointment for a job to control a natural disaster is performed as follows:

- a. PPK issues an SPMK after obtaining approval from PA/KPA and a copy of the natural disaster statement from the authorised party/agency according to the provisions of the laws and regulations;

- b. Admission of the job in the field is performed jointly by PPK and the Provider of Goods/Services while the procurement process and administration can be performed simultaneously;
- c. Emergency handling the funds of which originate from natural disaster control funds constitutes:
 - 1) emergency handling that must be performed and completed immediately within the shortest possible time for the security and safety of the community and/or to avoid larger losses to the State or the community;
 - 2) emergency construction that must be performed and completed immediately within the shortest possible time for the security and safety of the community and/or to avoid larger losses to the State or the community;
 - 3) for natural disaster events that fall under the area scope of a certain Contract, the emergency handling job can be included into a Contract Change Order (CCO) and may exceed 10% (ten percent) of the initial Contract value.

Paragraph Four

Acts of God

Article 91

- (1) Acts of God mean a situation that occurs beyond the wish of the parties and that cannot be estimated in advance, so that the obligations stipulated in the Contract cannot be met.
- (2) Categorised as Acts of God in a Contract for the Procurement of Goods/Services encompass:

- a. natural disasters;
 - b. non-natural disasters;
 - c. social disasters;
 - d. strikes;
 - e. fires; and/or
 - f. other industrial obstructions as declared in a joint decree by the Minister of Finance and the relevant line Minister.
- (3) In the event of an Act of God, the Provider of Goods/Services notifies regarding the Act of God situation to PPK in writing at the latest within 14 (fourteen) calendar days as of the occurrence of the Act of God situation, attaching a copy of the Act of God situation issued by the authorised party/agency according to the provisions of the laws and regulations.
- (4) Damaging matters caused by the behaviour or the negligence of the parties are not categorised as Acts of God.
- (5) Late implementation of the job due to an Act of God situation is not subject to a sanction.
- (6) After the occurrence of an Act of God event, the parties may conclude an agreement, to be laid down in a Contract amendment.

Paragraph Five

Price Adjustment

Article 92

- (1) A Price Adjustment is performed according to the following provisions:

- a. a price adjustment is applied to a Multiple Year Contract in the form of a Unit Price Contract pursuant to the provisions and requirements laid down in the Procurement Document and/or amendment to the Procurement Document;
- b. the method of calculating the price adjustment must be laid down clearly in the Procurement Document;
- c. a price adjustment is not applied to a Single Year Contract and a Lump Sum Contract as well as to a job with a discrepant Unit Price.

(2) The requirements for applying the price adjustment formula are as follows:

- a. A price adjustment is applied to a Multiple Year Contract with an execution term of more than 12 (twelve) months and is applicable as of the 13th (thirteenth) month as of the execution of the job;
- b. A Unit Price adjustment applies to all activities/payment posts, except to the profit component and Operational Costs as laid down in the bid;
- c. Adjustment of the Unit Price is applied according to the execution schedule as laid down in the initial Contract/ supplement Contract;
- d. Adjustment of the Unit Price for job components originating from overseas, use the price adjustment index from the country of origin of such goods;
- e. New job types with a new Unit Price as a consequence of the supplement Contract may be given price adjustment starting in the 13th (thirteenth) month as of such supplement Contract is signed; and

- f. To a Contract the execution of which is delayed due to the fault of the Provider of Goods/Services price adjustment is applied based on the lowest price index between the initial schedule and the job realisation schedule.

(3) Adjustment of the Unit Price as described in section (2) point a, is stipulated with the following formula:

$$H_n = H_o (a + b \cdot B_n / B_o + c \cdot C_n / C_o + d \cdot D_n / D_o + \dots)$$

H_n = Unit Price of the Good/Service at the time that the job is executed;

H_o = Unit Price of the Good/Service at the time of the bid price;

a = Fixed coefficient comprising the profit and overhead;

In the event that the bid does not contain the magnitude of the profit and overhead components, $a = 0,15$

b, c, d = Coefficient of the Contract components, such as manpower, material, tools, etc;

The sum of $a + b + c + d + \dots$ and so on is 1,00.

B_n, C_n, D_n = the index of the component price at the time that the job is executed;

B_o, C_o, D_o = the index of the component price at the 12th month after signing the contract

(4) Stipulation of the job contract coefficient is done by the relevant line Minister.

(5) The price index that is applied is based on sources published by the Central Bureau of Statistics.

(6) In the event that the price index is not contained in CBS publications, the price index issued by the technical agency will be used.

(7) The formula for adjustment of the Contract value is stipulated as follows:

$P_n = (H_{n1} \times V_1) + (H_{n2} \times V_2) + (H_{n3} \times V_3) + \dots$ and so on

P_n = Contract Value after application of adjustment of the Unit Price of Goods/Services;

H_n = the new Unit Price of each job component type after applying price adjustment using the formula for adjustment of the Unit Price;

V = Volume of each job component type that is executed.

Paragraph Six

Termination of the Contract

Article 93

(1) PPK may terminate the Contract unilaterally in the following events:

- a. the fine for late execution of the job due to the fault of the Provider of Goods/Services has exceeded 5% (five percent) of the Contract value;
- b. The Provider of Goods/Services defaults in performing its obligations and does not correct his neglect within the stipulated period;
- c. The Provider of Goods/Services is proven to have engaged in CCN, deceit and/or forgery in the procurement process according to a sentence by the authorities; and/or
- d. A complaint on deviation in the procedure, alleged CCN and/or violation of sound competition in the execution of Procurement of Goods/Services being declared true by the authorities.

(2) In the event of termination of the Contract due to the fault of the Provider of Goods/Services:

- a. The Performance Bond shall be disbursed;

- b. The balance of Advance Money must be settled by the Provider of Goods/Services or the Advance Money Bond shall be disbursed;
- c. The Provider of Goods/Services pays a fine; and/or
- d. The Provider of Goods/Services is placed on the black list.

Paragraph Seven

Settlement of Disputes

Article 94

- (1) In the event of a dispute between the parties in the Procurement of Government Goods/Services, the parties shall first try to settle such dispute through consultations with the aim of reaching a consensus.
- (2) In the event that the settlement of the dispute as described in section (1) fails, the settlement of said dispute may be done through arbitration, alternative dispute settlement or the court according to the laws and regulations.

Paragraph Eight

Handing Over of the Job

Article 95

- (1) After the job has been 100% (one hundred percent) completed according to the provisions laid down in the Contract, the Provider of Goods/Services submits a written request to PA/KPA via PPK for handing over the job.
- (2) PA/KPA appoints a Committee/Official for Acceptance of the Job Output to conduct an evaluation on the output of the job that has been completed.
- (3) In the event of finding short-comings in the output of the job as described in section (2), the Committee/Official for Acceptance of the Job Output via PPK

instructs the Provider of Goods/Services to correct and/or complete the shortcomings of the job as prescribed in the Contract.

- (4) The Committee/Official for Acceptance of the Job Output accepts the hand over of the job after the overall job output has been executed according to the provisions of the Contract.
- (5) Specifically for Construction Jobs/Other Services:
 - a. The Provider of Construction Jobs/Other Services conducts maintenance on the job output during the term stipulated in the Contract, so that the condition remains equal to the condition at the time of handing over the job;
 - b. The shortest maintenance term for a permanent job is 6 (six) months, whereas for a semi-permanent job the maintenance term is 3 (three) months; and
 - c. The maintenance term may exceed the Fiscal Year.
- (6) After the maintenance term as described in section (5) expires, PPK returns the Maintenance Bond/Retention Money to the Provider of Goods/Services.
- (7) Specifically for the Procurement of Goods, the warranty term is applied according to the agreement between the Parties in the Contract.
- (8) The Provider of Goods/Services signs the Minutes of Final Handing Over of the Job at the time of Final Hand Over.
- (9) A Provider of Goods/Services who does not sign the Minutes of Final Handing Over as described in section (8) is placed on the Black List.

CHAPTER VII

UTILISATION OF DOMESTIC GOODS/SERVICES

Part One

Enhanced utilisation of domestic Goods/Services

Article 96

- (1) In the implementation of the Procurement of Goods/Services the M/I/R/O must:
 - a. maximise the utilisation of domestic Goods/Services, including national architecture and engineering in the Procurement of Goods/Services;
 - b. maximise the utilisation of national Providers of Goods/Services; and
 - c. maximise the provision of job packages for Micro Enterprises and Small Enterprises as well as small cooperatives.
- (2) The obligation of M/I/R/O as described in section (1) is done at each phase of the Procurement of Goods/Services, starting from the preparation until the end of the Agreement/Contract.
- (3) The Agreement/Contract must contain the requirements for utilisation:
 - a. Indonesian National Standard (SNI) or another standard that is in force, and/or equal international standards stipulated by the relevant authority;
 - b. Domestic production according to the capacity of the national industry; and
 - c. Domestic experts and/or Providers of Goods/Services.
- (4) The efficient use of domestic production in the process of Procurement of Goods/Services is done as follows:

- a. the provisions and terms for the utilisation of domestic production output is laid down in the Procurement Document and elucidated to all participants;
- b. in the evaluation process of Procurement of Goods/Services proper examination must be performed that the Goods/Services are genuine domestic products and not imported Goods/Services sold on the domestic market;
- c. in the event that the material for producing domestic Goods/Services are from import sources, the Goods/Services shall be selected with the largest domestic component; and
- d. in preparing the Procurement of Goods/Services, as much as possible the national standard will be applied and the national capacity or potential shall be observed.

(5) In the execution of the Procurement of Goods/Services it is endeavoured that domestic Providers of Goods/Services act as the mayor Provider of Goods/Services, whereas foreign Providers of Goods/Services may fulfil the role of sub- Provider of Goods/Services according to need.

(6) Utilisation of expatriate expert staff, whose expertise cannot yet be obtained in Indonesia, must be composed on the basis of actual need and endeavoured according to plan so as to achieve the maximum transfer of skill to Indonesian manpower.

(7) Procurement of Goods consisting of domestic parts or components, and parts or components that still need to be imported, is done with the following provisions:

- a. The sorting or dividing of components must truly reflect the parts or components that are already produced domestically, and the parts or components that still need to be imported; and
- b. The Procurement participants must make a list of imported Goods equipped with technical specifications, amount and price attached to the Bid Document.

(8) The Procurement of Integrated Jobs comprising of domestic parts or components, and parts or components that still need to be imported, is done with the following provisions:

- a. The sorting or dividing of components must truly reflect the parts or components that are already produced domestically, and the parts or components that still need to be imported;
- b. Instalment job, manufacturing, testing etceteras as much as possible is done domestically; and
- c. The Procurement participants must make a list of imported Goods equipped with technical specifications, amount and price attached to the Bid Document.

(9) Procurement of imported goods is allowed in the event that:

- a. such goods cannot yet be produced domestically;
- b. the technical specifications of the goods produced domestically do not yet meet the requirements; and/or
- c. the domestic production volume is not able to meet the needs.

- (10) A Provider of Goods/Services executing the procurement of goods/ services that are directly imported, as much as possible uses services that are available domestically.

Article 87

- (1) The utilisation of domestic products as described in Article 96 section (1) point a, is done according to the magnitude of domestic components in each Good/Service which is shown by the Domestic Component Level value (TKDN).
- (2) Domestic Products must be used if there are Providers of Goods/Services offering Goods/Services with a TKDN value plus the Corporate Benefit Weight value (BMP) of minimum 40% (forty percent).
- (3) The provision as described in section (2) is only applied in the Procurement of Goods/Services participated in by at least 3 (three) participants for Procurement of domestic Goods/Services.
- (4) The execution of the Procurement of Goods/Services as described in section (3) can only be participated in by domestic Goods/Services so long as such Goods/Services are in accordance with the required technical specifications, reasonable price and ability of delivering the Job output from the aspect of time as well as amount.
- (5) TKDN refers to the Inventory List of Domestic Goods/Services published by the Ministry that is in charge of industrial affairs.
- (6) The provisions and methods of calculating TKDN refer to the provisions stipulated by the Minister who is in charge of industrial affairs while still being

guided by the value system of Procurement of Goods/Services as arranged in this Regulation of the President.

Part Two

Price Preference

Article 98

- (1) Price Preference for domestic Goods/Services is applied to the Procurement of Goods/Services financed by international loans via an International Tender.
- (2) Price Preference for domestic Goods/Services is applied to the Procurement of Goods/Services financed purely in Rupiah however is only applicable to the Procurement of Goods/Services with a value of over Rp 5.000.000.000,00 (five billion Rupiah).
- (3) Price Preference is only given to domestic Goods/Services with a TKDN larger than or equal to 25% (twenty five percent).
- (4) Domestic products as described in section (3) are contained in the List of Domestic Goods issued by the Minister who is in charge of industrial affairs.
- (5) Price preference for domestic Goods at the highest is 15% (fifteen percent).
- (6) Price preference for a Construction Job executed by a national Contractor is 7.5% (seven point five percent) above the lowest bid price from a foreign Contractor.
- (7) The Final Evaluation Price (HEA) is calculated according to the following provisions:
 - a. the preference for domestic components of Goods/Services is the level of domestic components times the price preference;

- b. the price preference is calculated in the bid price evaluation that already meets the administrative and technical requirements, including the arithmetic correction.
- c. The calculation of the Final Evaluation Price (HEA) is as follows:

$$HEA = \frac{(1)}{(1 + Kp)} \times HP$$

HEA = Evaluation Price

KP = Preference Coefficient (Level of Domestic Component (TKDN) times the highest Preference of Goods/Services

HP = Bid Price (Bid Price that meets the tender requirements and that has been devaluated).

- (8) In the event that are 2 (two) or more bids with equal HEA, the Bidder with the highest TKDN is the winner.
- (9) The giving of a Price Reference as described in section (1), does not change the Bid Price and is only used by ULP for the purpose of calculating the HEA in order to stipulate the ranking of Awardees of the Tender/Selection.

Part Three

Supervision of the Utilisation of Domestic Products

Article 99

- (1) The APIP conducts an examination regarding the compliance with utilisation of domestic products in the Procurement of Goods/Services for the purpose of the several agencies;
- (2) The APIP immediately undertakes measures and actions of a curative/ correcting character, in the event of non-compliance with the utilisation of domestic

products, including a technical audit based on the relevant Procurement Document and Contract for the Procurement of Goods/Services.

- (3) In the event that the examination as described in section (1) states there is non-compliance with the utilisation of domestic products in Goods/Services, the Provider of Goods/Services is subjected to a sanction according to this Regulation of the President.
- (4) A PPK who deviates from this provision is subjected to a sanction according to the provisions of the laws and regulations.

CHAPTER VIII

PARTICIPATORY ROLE OF SMALL ENTERPRISES

Article 100

- (1) In the Procurement of Goods/Services, the PA/KPA must expand the opportunity for Micro Enterprises and Small Enterprises as well as small cooperatives.
- (2) In the planning and budgeting process of the activity, the PA/KPA directs and stipulates the magnitude of Procurement of Goods/Services for Micro Enterprises and Small Enterprises as well as small cooperatives.
- (3) The job package value for Procurement of Goods/Construction Jobs/ Other Services up to Rp 2.500.000.000,00 (two billion five hundred million Rupiah) is earmarked for Micro Enterprises and Small Enterprises as well as small cooperatives, except for job packages that demand technical competency which cannot be met by Micro Enterprises and Small Enterprises as well as small cooperatives.

- (4) The expansion of opportunity for Micro Enterprises and Small Enterprises as well as small cooperatives through the Procurement of Goods/Services is stipulated as follows:
- a. at the beginning of each Fiscal Year , the PA/KPA makes a plan for the Procurement of Goods/Services with as much as possible preparing job packages for Micro Enterprises and Small Enterprises as well as small cooperatives; and
 - b. The PA/KPA delivers the job packages to the agency that is in charge of Micro Enterprises and Small Enterprises as well as small cooperatives in each Province/Kabupaten/Municipality.
- (5) The guidance of Micro Enterprises and Small Enterprises as well as small cooperatives encompasses the effort to enhance the implementation of partnership between non-small enterprises and Micro Enterprises and Small Enterprises as well as small cooperatives in the environment of their agencies.

CHAPTER IX

PROCUREMENT OF GOODS/SERVICES THROUGH INTERNATIONAL TENDER/ SELECTION

Article 101

- (1) Procurement of Goods/Services through international Tender/Selection must give the largest possible opportunity to national Providers of Goods/Services.
- (2) The Procurement Document through international Tender/Selection is written in 2 (two) languages, namely Indonesian and English.

- (3) In the event of a different interpretation of the Procurement Documents as described in section (2), the Indonesian language shall prevail.
- (4) Procurement of Goods/Services financed with export credit, other credits and/or grants:
- a. will be conducted through sound business competition;
 - b. will be executed with requirements that are most profitable to the State, from the technical and price aspects; and
 - c. will be conducted by maximising the utilisation of domestic components and national Providers of Goods/Services.
- (5) The Selection of Providers of Goods/Services financed with export credit, other credits and/or grants will be conducted on a domestic scale.
- (6) The Procurement Documents open to participation by foreign Providers of Goods/Services must contain the following matters:
- a. cooperation between the foreign Provider of Goods/Services with the domestic industry;
 - b. clear provisions regarding the execution method for transfer of ability, knowledge, expertise and skill; and
 - c. the provision that the overall procurement process as much as possible shall be conducted within Indonesian territory.

CHAPTER X

PROCUREMENT OF GOODS/SERVICES FINANCED BY INTERNATIONAL

LOAN/GRANT

Article 102

- (1) Procurement of Goods/Services financed from International Loans/Grants (PHLN) comprise the following activities:
 - a. planning of the Procurement of Goods Services through PHLN; and
 - b. execution of the Procurement of Goods Services through PHLN.
- (2) PA/KPA plans the Procurement of Goods Services while observing the utilisation of technical specifications, qualifications, national standards and the national capacity/potential.
- (3) In planning the Procurement of Goods Services as described in section (1) point a, the utilisation of domestic production must be maximised in accordance with the national capacity/potential and the national standards in the event of:
 - a. feasibility study and project architectural design;
 - b. preparation of the Procurement Document/TOR-KAK; and
 - c. preparation of the HPS (Self-Estimated Price).
- (4) The criteria and evaluation method in the Procurement Document contains the formula for participation by national Providers of Goods/Services and the stipulated price preference.
- (5) In preparing the draft Contract, it is necessary to contain the obligation to use domestic production.

Article 103

- (1) The PPK in executing a job that is financed by PHLN, must understand:
 - a. the International Loan Agreement (NPPLN)/International Grant Agreement (NPHLN) or the document of mutual understanding; and

- b. the provisions for executing the Procurement of Goods/Services project after the NPPLN/NPHLN is agreed by the Government of the Republic of Indonesia and the provider of the loan/grant.
- (2) The Procurement of Goods/Services financed by an Export Credit Underwriter Institution/ Foreign Private Credit is conducted through an international tender/ selection.
 - (3) The Procurement of Goods/Services as described in section (2), must constitute a priority project that is contained in the Priority Plan List for International Loans/ Grants (DRPPHLN).
 - (4) In the Procurement of Goods/Services financed from funds originating from an Export Credit Underwriter Institution, the participants of the International Tender/ Selection submit an administrative, technical, price and finance source bid together with its requirements in accordance with the internationally prevailing provisions and norms.
 - (5) Evaluation of the finance source bid as described in section (4), is performed with the effective cost calculation method.

CHAPTER XI

PARTICIPATION OF FOREIGN COMPANIES IN THE PROCUREMENT OF GOODS/SERVICES

Article 104

- (1) Foreign companies are allowed to participate in the Procurement of Goods/Services with the following provisions:

- a. for the Procurement of Construction Jobs with a value of more than Rp 100.000.000.000,00 (one hundred billion Rupiah);
 - b. for the Procurement of Goods/Other Services with a value of more than Rp 20.000.000.000,00 (twenty billion Rupiah); and
 - c. for the Procurement of Goods/Other Services with a value of more than Rp 10.000.000.000,00 (ten billion Rupiah).
- (2) A foreign company that executes a job as described in section (1), must undertake a business cooperation with a national company in the form of a partnership, sub-contract and the like, in the event that there is a national company with the capacity in the relevant field.

CHAPTER XII

THE ENVIRONMENT FRIENDLY CONCEPT

Article 105

- (1) The Environment Friendly Concept comprises a process of complying with the needs for Goods/Services of M/I/R/O, so that the overall phases of the Procurement process may be of benefit to the M/I/R/O and the community as well as to the economy, while minimising the impact on environmental damage.
- (2) The Environment Friendly Concept may be applied in the Selection Document in the form of specific requirements, directed at the utilisation of natural resources with wisdom and supporting the sustainability of the environmental function according to the characteristics of the job.

- (3) Procurement of Environment Friendly Goods/Services as described in section (2), is conducted while observing the efficiency and effectiveness of the procurement (value for money).

CHAPTER XIII

ELECTRONIC PROCUREMENT

Part One

General Provisions regarding Electronic Procurement

Article 106

- (1) The Procurement of Government Goods/Services may take place via the electronic media.
- (2) Electronic Procurement of Government Goods/Services is done by means of e-tendering or e-purchasing.

Article 107

Electronic Procurement of Government Goods/Services has the following purposes:

- a. to enhance transparency and accountability;
- b. to enhance market access and sound business competition;
- c. to improve the Procurement process efficiency level;
- d. to support the monitoring and audit process; and
- e. to comply with the need for real time information access.

Article 108

- (1) LKPP develops an electronic system for the Procurement of Government Goods/Services.

- (2) LKPP stipulates the architecture of the information system that supports the arrangement of Electronic Procurement of Government Goods/Services.

Part Two

E-Tendering

Article 109

- (1) The e-tendering scope encompasses the process of publishing the Procurement of Government Goods/Services until the publication of the Awardees.
- (2) The parties engaged in e-tendering as described in section (1) are PPK, ULP/ Procurement Official and the Provider of Goods/Services.
- (3) E-tendering is conducted using the electronic procurement system organised by LPSE.
- (4) The e-tendering application minimally complies with the elements of protecting Intellectual Property Rights and confidentiality in the exchange of documents, as well as the availability of a security and filing system for electronic documents that guarantee such electronic documents can only be read at the stipulated time.
- (5) The e-tendering system organised by LPSE must comply with the following requirements:
 - a. it refers to the standard encompassing inter-operability and integration with the electronic system for the Procurement of Goods/Services;
 - b. it refers to the standard electronic procurement process; and
 - c. it is not bound to a specific license (free license).
- (6) The ULP/Procurement Official may use the electronic Procurement of Goods/Services system that is organised by the nearest LPSE.

Part Three

E-Purchasing

Article 110

- (1) In the frame of E-Purchasing, the electronic catalogue system (E-Catalogue) at least contains the technical and price information of the Goods/Services.
- (2) The electronic catalogue system as described in section (1) is arranged by LKPP.
- (3) In the frame of managing the electronic catalogue system as described in section (1), LKPP conducts a Frame Contract with Providers of Goods/Services for specific Goods/Services.

Part Four

Electronic Procurement Service

Article 111

- (1) The Governor/Bupati/Mayor establishes an LPSE to facilitate the ULP/Procurement Official in conducting the electronic Procurement of Goods/Services.
- (2) The M/I/O may establish an LPSE to facilitate the ULP/Procurement Official in conducting the electronic Procurement of Goods/Services.
- (3) The ULP/Procurement Official at a Ministry/University/SOE that does not establish an LPSE may conduct electronic Procurement by becoming a user of the nearest LPSE.
- (4) The LPSE service functions at least encompass:

- a. An electronic system administrator;
 - b. User registration- and verification unit; and
 - c. User server unit.
- (5) The LPSE must prepare and conduct standard operational procedure as well as sign a Service Level Agreement with LKPP.
- (6) The LKPP conducts guidance and control in respect of the arrangement of the electronic Procurement of Goods/Service system.

Part Five

National Procurement Portal

Article 112

- (1) The LKPP develops and manages the National Procurement Portal.
- (2) The M/I/R/O must broadcast the plan for the Procurement and the publication of the Procurement on the several M/I/R/O websites and on the National Procurement Portal via LPSE.
- (3) The several M/I/R/O websites must provide access to LKPP to obtain information as described in section (2).

CHAPTER XIV

SPECIFIC PROCUREMENT AND EXCEPTIONS

Part One

Procurement by the Indonesian Army (Tentara Nasional Indonesia) and the National Police of the Republic of Indonesia

Article 113

- (1) Major weapon system tools (*alutsista*) of the Indonesian Army (*TNI*) that are used in the interest of State defence are stipulated by the Minister of Defence based on input from the TNI Commander.
- (2) Special material tools (*almatsus*) of the National Police of the Republic of Indonesia that are used in the interest of arranging public security and order are stipulated by the Chief of the National Police of the Republic of Indonesia.
- (3) The procurement of *alutsista* and *almatsus* is conducted by the domestic defence industry, domestic *alutsista* industry, and domestic *almatsus* industry.
- (4) In the event that *alutsista* and *almatsus* cannot yet be produced domestically, the procurement of *alutsista* and *almatsus* as much as possible is done directly from reliable manufacturers.
- (5) International manufacturers and Providers of *alutsista* and *almatsus* as described in section (4) as much as possible cooperate with the domestic industry and/or research institution.
- (6) Further provisions regarding the guidelines and method for Procurement of *alutsista* shall be arranged by the Minister of Defence while continuing to be guided by the procurement value system as arranged in this Regulation of the President.
- (7) In executing the Procurement of *alutsista* as described in this Regulation of the President, the Minister of Defence may establish a coordination team comprising elements of the Ministry of Defence, TNI/Forces Head Quarters, the line ministry in charge of industry, research and technology, and other related elements.

- (8) Further provisions regarding the guidelines and method for Procurement of *almatsus* shall be arranged by the Chief of the National Police of the Republic of Indonesia while continuing to be guided by the procurement value system as arranged in this Regulation of the President.
- (9) In executing the procurement of *almatsus* as described in this Regulation of the President, the Chief of the National Police of the Republic of Indonesia may establish a coordination team comprising elements of the line ministry in charge of industry, research and technology, and other related elements.
- (10) The preparation of guidelines and method for the Procurement of *alutsista* and *almatsus* as described in sections (6) and (8) shall be consulted with LKPP.

Part Two

Procurement of Goods/Services Abroad

Article 114

- (1) Procurement of Goods/Services in the interest of the Government of the Republic of Indonesia abroad in principle is guided by the provisions in this Regulation of the President.
- (2) In the event that the Procurement of Goods/Services as described in section (1) cannot be executed, the execution of Procurement of Goods/Services may be adjusted to the provisions of the laws and regulations in the resident country while still assigning priority to the national interest.
- (3) Further provisions regarding the guidelines and method for Procurement of Goods/Services Abroad as described in section (2) shall be arranged by the Minister of Foreign Affairs while continuing to be guided by the procurement

value system for the Procurement of Goods/Services as arranged in this Regulation of the President.

- (4) The preparation of guidelines and method for the Procurement of Goods/Services as described in section (3) shall be consulted with LKPP.

CHAPTER XV

CONTROL, SUPERVISION, COMPLAINTS AND SANCTIONS

Part One

Control

Article 115

- (1) M/I/R/O is not allowed to impose any levies in any form whatsoever in the execution of the Procurement of Goods/Services.
- (2) The M/I/R/O Leadership must periodically report the realisation of Procurement of Goods/Services to LKPP.

Part Two

Supervision

Article 116

M/I/R/O must conduct supervision in respect of PPK and ULP/Procurement Official within the environment of the several M/I/R/O, and assign the relevant internal supervision apparatus to conduct an audit according to the provisions.

Part Three

Complaints

Article 117

- (1) In the event that a Provider of Goods/Services or the community finds an indication of deviation from the procedure, CCN in the execution of procurement of government goods/services and/or violation of sound competition, a complaint may be launched regarding the process of selecting Providers of Goods/Services.
- (2) The complaint as described in section (1) is addressed to the relevant M/I/R/O APIP and/or LKPP, together with strong proof related to the matter of the complaint.
- (3) The M/I/R/O APIP and LKPP as described in section (2) according to their authority follow up on complaints that are considered to have grounds.
- (4) The outcome of the follow-up on the complaint conducted by APIP as described in section (3), is reported to the Minister/Leadership of the Organisation/Regional Head/Leader of the Institution, and may be reported to the authorities with the approval of the Minister/Leadership of the Organisation/Regional Head/Leader of the Institution, in the event of convincing indications of CCN that will be detrimental to the state finances, with a copy to LKPP and BPKP.
- (5) The authorities may follow up on the complaint after the Contract is signed and indications are found of State losses.

Part Four

Sanctions

Article 118

- (1) Acts or measures of a Provider of Goods/Services that are subject to sanctions are:

- a. efforts to influence the ULP/Procurement Official/other parties that are authorised in any form or method, directly or indirectly to meet their wishes that are in conflict with the provisions and procedure as stipulated in the Procurement Document/Contract, and/or, the provisions of the laws and regulations.
- b. Engage in a conspiracy with other Providers of Goods/Services to arrange a Bid Price beyond the procedure for executing Procurement of Goods/Services, thus diminishing/obstructing/ minimising and/or eliminating sound competition and/or damaging others;
- c. Preparing and/or delivering documents and/or other information which is not correct to comply with the requirements for the Procurement of Goods/Services as stipulated in the Procurement Document.
- d. To withdraw from the Contract execution on grounds that are unaccountable and/or unacceptable to the ULP/Procurement Official.
- e. Unable to complete the job according to the Contract in an accountable manner; and/or
- f. Pursuant to the examination outcome as described in Article 99 section (3), non-compliance is found in the utilisation of domestic Goods/Services.

(2) The acts as described in section (1), are subject to sanctions in the form of:

- a. administrative sanctions;
- b. the sanction of being listed on the Black List;
- c. civil suit; and/or

- d. criminal charges filed to the authorities.
- (3) The imposition of sanctions as described in section (2) point a, is done by PPK/ ULP/Procurement Official according to the provisions.
 - (4) The imposition of sanctions as described in section (2) point b is done by PA/KPA after receiving input from PPK/ ULP/Procurement Official according to the provisions.
 - (5) Measures as described in section (2) point's c and d are taken in accordance with the laws and regulations.
 - (6) In the event of finding deceit/forgery in the information submitted by a Provider of Goods/Services, the sanction will be imposed of cancellation as prospective Awardees and placement on the Black List.
 - (7) In the event of a violation and/or fraud in the process of Procurement of Goods/Services, the ULP:
 - a. will be subjected to an administrative sanction;
 - b. sued for damages; and/or
 - c. criminal charges will be filed.

Article 119

The acts or measures as described in Article 118 section (1) point f, aside from being subject to sanctions as described in Article 118 section (2) points a and b, are subject to financial sanctions.

Article 120

Aside from the acts or measures as described in Article 118 section (1), a Provider of Goods/Services who is late in completing the job within the time stipulated in the

Contract, may be subject to a lateness fine amounting to 1/1000 (one pro mille) of the Contract price or part-Contract for every late day and not exceeding the amount of the Performance Bond.

Article 121

A planning consultant, who is not accurate and causes damages to the State, will be subject to sanctions in the form of the obligation to prepare planning anew with costs for the account of the relevant consultant, and/or a demand for compensation for damages.

Article 122

A PPK, who defaults in respect of the provisions contained in the Contract, may be requested to compensate damages with the following provisions:

- a. The amount of damages paid by PPK for late payment is equal to the interest of the late payment invoice value, based on the interest rate in force at that time according to the stipulation of Bank Indonesia; or
- b. A compensation may be paid according to the provisions of the Contract.

Article 123

In the event of fraud in the publication of Procurement, sanctions are imposed on the members of ULP/Procurement Official according to the laws and regulations.

Article 124

- (1) M/I/R/O may prepare a Black List as described in Article 118 section (2) point b, which contains the identity of the Provider of Goods /Services who is subjected to a sanction by M/I/R/O.

- (2) The Black List as described in section (1) contains a list of Providers of Goods/ Services who are prohibited from participating in the Procurement of Goods/ Services at the relevant M/I/R/O.
- (3) The M/I/R/O delivers the Black List to LKPP to be entered into the National Black List.
- (4) The National Black List as described in section (3) is updated at all times and contained in the National Procurement Portal.

CHAPTER XVI

HUMAN RESOURCES DEVELOPMENT IN THE PROCUREMENT

ORGANISATION

Part One

Training

Article 125

- (1) To fulfil and improve Human Resources in the field of Procurement of Goods/ Services, training in Procurement of Goods/Services shall be conducted.
- (2) The training program for Human Resources as described in section (1) is composed on the basis of competency standards and may be performed in tiers.

Part Two

Human Resources Certification

Article 126

- (1) LKPP conducts Certification of Skills in Procurement of Government Goods/ Services.

- (2) LKPP may cooperate with a professional certification institution that meets the accreditation requirements to conduct Certification of Skills as described in section (1).
- (3) The arrangement regarding the tiers of Certification of Skills in Procurement of Government Goods/ Services is stipulated by the Head of LKPP.

Part Three

Term of Validity of a Certificate of Skills in Procurement of Goods/Services

Article 127

The provisions regarding the transition period of Validity of a Certificate of Skills in Procurement of Goods/Services are arranged as follows:

- a. PPK at a Ministry/Institution/Other Agency must possess a Certificate of Skills in Procurement of Goods/Services as of this Regulation of the President coming into effect;
- b. PPK at a Ministry/Institution/Other Agency who is assigned at a Technical Implementation Centre (UPT) at Central Level/Kabupaten/Municipality, must possess a Certificate of Skills in Procurement of Goods/Services at the latest by 1st January 2012; and
- c. PPK at Provincial/Kabupaten/Municipality government must possess a Certificate of Skills in Procurement of Goods/Services at the latest by 1st January 2012.

Part Four

Professional Development

Article 128

- (1) A civil government employee, who is appointed as PPK or a member of ULP / Procurement Official, gets career development according to the laws and regulations.
- (2) A civil government employee who is appointed as PPK, member of ULP/ Procurement Official, gets professional allowance in the amount according to the laws and regulations.

CHAPTER XVIII

OTHER PROVISIONS

Article 129

- (1) The provisions of Procurement of Goods/Services conducted via a cooperation blueprint between the government and a private enterprise in the frame of Procurement of Public Goods/Services, are arranged in a separate Regulation of the President.
- (2) The provisions of the Procurement of Land are arranged in separate laws and regulations.
- (3) The arrangement of Procurement of Goods/Services financed by the State Budget (APBN), when followed up by a Decree of the Minister/ Leadership of an Organisation/ Other Institutions as Users of APBN, must always be guided and not be in violation of the provisions of this Regulation of the President.
- (4) The arrangement of Procurement of Goods/Services financed by the Regional Budget (APBD), when followed up by a Regional Regulation / Decree of the Head of the Region/ Leadership of Other Institutions as Users of APBD, must

always be guided and not be in violation of the provisions of this Regulation of the President.

CHAPTER XVIII

TRANSITION PROVISIONS

Article 130

- (1) ULP must be established by M/I/R/O at the latest by the Fiscal Year 2014.
- (2) In the event that the ULP is not yet established or as yet unable to serve the overall needs in Procurement as arranged in this Regulation of the President, PA/KPA shall stipulate a Procurement Committee to conduct the Procurement of Goods/Services.
- (3) The Procurement Committee as described in section (2), has requirements on membership, major tasks and authorities such as the requirements on membership, major tasks and authorities of the ULP Work Group.

Article 131

- (1) M/I/R/O must perform electronic Procurement of Goods/Services for part/ all of the job packages in the Fiscal Year 2012.
- (2) M/I/R/O starts using e-Procurement in the Procurement of Goods/Services adjusted to the needs, as of this Regulation of the President being stipulated.

Article 132

With this Regulation of the President coming into force:

1. The Procurement of Goods/Services which is conducted prior to 1st January 2011, may continue to be guided by the Decree of the President Number 80 of the year 2003 on Guidelines for the Implementation of the Procurement of Government

Goods/Services as amended severally lastly by the Regulation of the President Number 95 of the year 2007.

2. The Procurement of Goods/Services that are in progress pursuant to Decree of the President Number 80 of the year 2003 on Guidelines for the Implementation of the Procurement of Government Goods/Services as amended severally lastly by the Regulation of the President Number 95 of the year 2007, shall be continued while continuing to be guided by Decree of the President Number 80 of the year 2003 on Guidelines for the Implementation of the Procurement of Government Goods/Services as amended severally lastly by the Regulation of the President Number 95 of the year 2007.
3. An Agreement/Contract that has been signed pursuant to Decree of the President Number 80 of the year 2003 on Guidelines for the Implementation of the Procurement of Government Goods/Services as amended severally lastly by the Regulation of the President Number 95 of the year 2007, remains valid until the end of the Agreement/Contract.
4. Broadcasting of the publication of Procurement of Goods/Services in national and/or provincial daily newspapers, continue to be conducted by ULP/Procurement Official in national and/or provincial daily newspapers that have been stipulated, up to the end of the agreement/Contract for broadcasting the publication of Procurement of Goods/Services.

CHAPTER XIX

CLOSING PROVISIONS

Article 133

The Method of Implementation of the Procurement of Goods/Services is contained in the Annex to this Regulation of the President, and constitutes an integral part of this Regulation of the President.

Article 134

- (1) Further provisions regarding Standard Bidding Document shall be arranged in a Regulation of the Head of LKPP at the latest 3 (three) months as of the stipulation of this Regulation of the President.
- (2) Further provisions regarding technical and operational matters on the Black List, electronic procurement and certification of skills in the Procurement of Goods/Services, shall be arranged in a Regulation of the Head of LKPP at the latest 3 (three) months as of the stipulation of this Regulation of the President.

Article 135

The Decree of the President Number 80 of the year 2003 on Guidelines for the Implementation of Procurement of Government Goods/Services as severally amended lastly by Regulation of the President Number 95 of the year 2007 is revoked and declared void as of 1st January 2011.

Article 136

This Regulation of the President comes into force as of the date of its stipulation.

Stipulated in Bogor, West Java

On 6th August 2010

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

Signed,

DR H. SUSILO BAMBANG YUDHOYONO.

**ELUCIDATION OF THE
REGULATION OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA
NUMBER 54 YEAR 2010
ON
THE PROCUREMENT OF GOVERNMENT GOODS/SERVICES**

I. GENERAL

Good governance and clean government constitutes the overall aspects related to the control and supervision of the authority held by the Government in carrying out its function through formal and informal institutions. In order to carry out the principles of good governance and clean government, the Government must carry out the principles of accountability and management of resources efficiently, as well as realising it through good and independent measures and regulations, as well as guaranteeing the creation of economic and social interaction between the stakeholders in a fair, transparent, professional and accountable manner.

Enhanced quality of public services through organising good governance and clean government must be supported by effective, efficient, transparent and accountable financial management. To enhance the efficiency and effectiveness of the utilisation of state finances for spending through the process of the procurement of government goods/services, efforts are needed to create openness, transparency, accountability as well as the principle of sound competition in the process of the procurement of government goods/services that are financed by the *APBN/APBD* (State Budget and Regional Budget), so as to obtain goods/services within reach (of the budget) and of good quality as well as accountable from the physical and financial

aspect, as well as from their benefit for smooth fulfilment of the Government tasks and public services. In connection with the above, this Regulation of the President on the Procurement of Government Goods/Service is intended to provide an arrangement manual regarding the method of Procurement of Goods/Services that is simple, clear and comprehensive, according to good management.

The arrangement of the method of Procurement of Government Goods/Services in this Regulation of the President is expected to enhance a conducive investment climate, efficiency in state spending, and accelerated implementation of the APBN/APBD; moreover, the Procurement of Government Goods/Services that is guided by this Regulation of the President is aimed at enhancing the preference for the national industry and small enterprises, and to nurture a creative and innovative industry and independence of the people by prioritising the utilisation of the domestic strategic industry. Furthermore, the provisions on the Procurement of Government Goods/ Services in this Regulation of the President is directed at increasing the ownership of the Regional Government in projects/activities that are undertaken via a co-financing scheme between the Central and the Regional Government.

The general policy of the Procurement of Government Goods/ Services is aimed at synergising the provisions of the Procurement of Goods/ Services with policies in other sectors. The policy measures to be taken by the Government in the Procurement of Goods/ Services as arranged in this Regulation of the President on the Procurement of Government Goods/ Services, encompasses:

- a. increased utilisation of domestic Goods/Services with the target of expanding employment opportunities and the domestic industry basis in the frame of enhancing economic security and national competitiveness;
- b. independence of the defence industry, the domestic major weapon system tools (*alutsista*) industry and the domestic special material tools (*almatsus*) industry;
- c. enhancement of the participatory role of Micro Enterprises, Small Enterprises, Small Cooperatives and community groups in the Procurement of Goods/ Services.
- d. Attention for the aspect of utilising natural resources and conservancy of the environment function wisely in order to guarantee the achievement of sustainable development;
- e. Increased use of information technology and electronic transactions;
- f. Simplifying the provisions and methods in order to accelerate the decision making process in the Procurement of Goods/Services;
- g. Increased professionalism, independence and responsibility of the parties that are involved in the planning and the process of the Procurement of Goods/Services;
- h. Increased state revenues through the taxation sector;
- i. Growth and development of the national enterprise role;
- j. Growth and development of creative and innovative industry, culture and output from laboratory research or from domestic educational institutions;
- k. Utilising domestic research and development facilities/infrastructure;

- l. Implementation of the Procurement of Goods/Services within the territory of the Unitary State of the Republic of Indonesia including at the offices of Indonesian Embassies; and
- m. Open publication of the plans and implementation of the Procurement of Goods/Services at the several Ministries/Organisations/Regional Government Work Units/Other Institutions to the public at large.

The basic matters in the provision of the Procurement of Government Goods/Services as arranged in this Regulation of the President amongst others include the introduction of simplified tender/selection method, direct procurement and contest/prize contest in selecting the providers of goods/services aside from the general selection/tender method and direct appointment. Moreover, this Regulation of the President also arranges specifically the procurement of Alutsista of TNI (the Indonesian Army) and Almatsus of the Indonesian National Police, the procurement of which primarily prioritises domestic strategic industrial sources, and arrangement of procurement through the electronic system (e-procurement). This Regulation of the President also arranges the Domestic Component Content (TKDN) and the requirement of participation of foreign companies to enhance the utilisation of domestic products and preference for national entrepreneurs, the arrangement of a Frame Contract and co-financing contract between the Central and the Regional Governments, as well as increase of the procurement value applied to grow and develop Micro Enterprises, Small Enterprises and Medium Enterprises.

II. ARTICLE BY ARTICLE

Article 1

Clear enough.

Article 2

Section (1)

Point a

Clear enough.

Point b

Described as the Procurement of Goods/Services for investment means the procurement for capital spending in the frame of adding assets and/or increased capacity.

Section (2)

Clear enough

Section (3)

Clear enough

Section (4)

In the event that a difference between the provisions pursuant to this Regulation of the President and the guidelines for the Procurement of Goods/Services in respect of a provider of an international loan/grant is considered not to be a matter of principle by the executor of the activity and the provider of the loan/grant, this Regulation of the President remains applicable.

Article 3

Clear enough.

Article 4

Point a

The procurement of goods encompasses, but is not limited to:

- a. basic material;
- b. semi-finished goods;
- c. finished goods/tools;
- d. live creatures.

Point b

A Construction job means a job that is related to the implementation of the construction of a building or the making of other physical shapes.

Described as the implementation of the construction of a building, encompasses the overall, or part of a range of implementation activities that encompass architectural, civil, mechanical, electrical jobs and environment structure, severally with their accessories to establish a building.

Described as the making of other physical shapes, encompass the overall, or part of a range of implementation activities that encompass the job of establishing aside from the building amongst others, but not limited to:

- a. the construction of ships, aircraft or vehicles for warfare;
- b. jobs that are related to preparation of the site, excavating and/or landscaping;
- c. assembling or installing manufactured components;
- d. demolition and removal;
- e. reforestation.

Point c

The Procurement of Consultancy Services encompasses, but is not limited to:

- a. engineering services;
- b. planning, design and supervision services for Construction Jobs;
- c. planning, design and supervision services for jobs other than Construction Jobs, such as transportation, education, health, forestry, fishery, marine, the environment, aerospace, business development, trade, HR development, tourism, post and telecommunications, agriculture, industry, mining, energy;
- d. professional expert services, such as counselling services, evaluation services, accompanying services, technical assistance, management consultancy, legal consultancy.

Point d

Procurement of Other Services encompasses, but is not limited to:

- a. catering service;
- b. cleaning service;
- c. manpower provider service;
- d. insurance, banking and financial services;
- e. health services, education, development of human resources, demography;
- f. information, advertising, film, photographing services;
- g. printing and binding services;
- h. maintenance/repair services;
- i. cleaning service, pest control and fumigation;

- j. packing, transportation, handling and delivery of goods;
- k. sewing/garment industry;
- l. import/export services;
- m. writing and translation services;
- n. leasing services;
- o. diving services;
- p. accommodation services;
- q. personnel transportation services;
- r. financial instrument transaction services;
- s. event organizer services;
- t. security services;
- u. post and telecommunication services;
- v. asset management services.

Article 5

By applying the principles of efficiency, effectiveness, transparency, openness, competitiveness, fairness/no discrimination, and accountability the faith of the public will be improved in respect of the Procurement of Goods/Services process, because the output will be accountable to the public from the aspect of administration, technically and financially.

Article 6

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

This provision is meant to guarantee consistent behaviour of the parties in implementing their tasks, functions and roles. Therefore, the parties are not allowed to have/perform multiple or affiliated roles.

Described as multiple roles, for example:

- a. in a certain Business Enterprise, a member of the Board of Directors or the Board of Commissioners concurrently holds the position of a member of the Board of Directors or the Board of Commissioners in another Business Enterprise that is a participant in the same Tender/Selection;
- b. in a Construction Job, the planning consultant acts as the executor of the job or as the supervising consultant of the job that he planned, except in the implementation of a Turn-Key Contract and an Integrated Job Procurement Contract.

An Integrated Job Procurement Contract encompasses the services of planning, implementation, and/or supervision while observing the magnitude of the job or costs, application of state-of-the-art technology and big risks for the parties or the public interest in 1 (one) Construction Job, for example a

Performance Based Contract (PBC), a Design and Build Contract, An Engineering, Procurement and Construction Contract (EPC);

- c. The board of a personnel cooperative in a certain M/I/R/O or an affiliate of a SOE/ROE that takes part in the Procurement of Goods/Services and competes with other companies, concurrently being a member of ULP/Procurement Official or an official who is authorised to stipulate the awardees of the Tender/Selection.

Described as affiliation means the relevant relations, between the Providers of Goods/Services as well as between a Provider of Goods/Services with PPK and/or a member of ULP/Procurement Official, amongst others encompassing:

- a. blood relatives by marriage and ancestry up to the second degree, horizontally as well as vertically;
- b. The PPK/Procurement Official directly or indirectly controls or runs the company of the Provider of Goods/Services;
- c. The relation between 2 (two) companies that are controlled, directly as well as indirectly, by the same party namely more than 50% (fifty percent) of the shareholders and/or one shared board member.

Point f

Sufficiently clear

Point g

Sufficiently clear

Point h

Sufficiently clear

Article 7

Section (1)

Sufficiently clear

Section (2)

Sufficiently clear

Section (3)

The supporting team means the team established by PPK to assist in the implementation of the Procurement of Goods/Services.

The supporting team amongst others comprises the Executive Official of the Technical Activity (PPTK), the Field Board of Directors, the supervising consultant, the Self-Management Executive team, and others.

Section (4)

Sufficiently clear

Article 8

Section (1)

Sufficiently clear

Section (2)

Point a

Described as the technical team means the team established by PA to assist PA in the implementation of the Procurement of Goods/Services.

The technical team amongst others comprises the trial-test team, the committee/official researching the implementation of the Contract, and others.

Point b

Sufficiently clear.

Article 9

The consideration of the work load and the scope of control focus on the ability of the PA to exercise supervision of the implementation of the Procurement of Goods/Services.

Article 10

Sufficiently clear.

Article 11

Section (1)

Point a

Item 1

In stipulating said technical specifications, PPK observes the technical specifications in the General Procurement Plan and input/recommendations from the final user/recipient.

Item 2

Sufficiently clear

Item 3

Sufficiently clear

Point b

Sufficiently clear

Point c

At the level of SKPD, PPK signs the Contract pursuant to the delegation of authority from PA/KPA.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Point i

Sufficiently clear.

Section (2)

Point a

Item 1

In conducting a re-assessment of the job package there might be a change in the total value of the job package as well as in the Unit Price.

Item 2

Sufficiently clear.

Point b

The major tasks and authorities as well as the requirements of the supporting team are stipulated by PPK.

Point c

Described as the team for technical elucidation (*aanwijzer*) means the team that has the ability to provide input and technical elucidation on the specifications of the Goods/Services in the elucidation meeting.

Point d

Sufficiently clear.

Article 12

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Described as the financial manager in this case means the treasurer/
verificator/ Official Signing the Payment Order.

Point g

Sufficiently clear.

Section (3)

Sufficiently clear.

Article 13

Sufficiently clear.

Article 14

Section (1)

Sufficiently clear.

Section (2)

The number of ULP at the several M/I/R/O is adjusted to the scope of control and the needs.

The ULP may be established equal to echelon II, echelon III or echelon IV according to the needs of the M/I/R/O in managing the Procurement of Goods/ Services.

Article 15

Sufficiently clear.

Article 16

Sufficiently clear.

Article 17

Section (1)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

The family-relation described means blood-relatives and relatives by marriage.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

For M/I/R/O that do not yet or do not have an LPSE this can be delivered via the nearest LPSE.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Item 1

Sufficiently clear.

Item 2

In the event that the awardees of the Tender/Selection are not approved by PPK for some important reason, the ULP together with PPK submits the issue of difference of opinion to PA/KPA for consideration and final decision.

Item 3

Sufficiently clear

Item 4

Sufficiently clear

Point h

Item 1

In the event that the stipulation of the Provider of Goods/Services is not approved by PPK for some important reason, the Procurement Official together with PPK submits the issue of

difference of opinion to PA/KPA for consideration and final decision.

Item 2

Sufficiently clear

Point i

Sufficiently clear

Point j

Sufficiently clear

Section (3)

Point a

Sufficiently clear

Point b

An amendment of the job specifications is proposed pursuant to the minutes of elucidation.

Section (4)

ULP members originating from other agencies mean ULP members who are appointed by another M/I/R/O because the agency that is conducting Procurement of Goods/Services does not have enough qualified employees.

Section (5)

Sufficiently clear

Section (6)

Expert staff is not engaged in the stipulation of the winning Provider of Goods/Services.

Section (7)

Point a

Sufficiently clear.

Point b

Described as financial manger means the treasurer/verificator/ Official
Signing the Payment Order

Point c

Sufficiently clear.

Article 18

Section (1)

In the event that there are more than (1) Officials as the Recipient of the Job
Output, a Committee as the Recipient of the Job Output shall be established.

Section (2)

Sufficiently clear

Section (3)

Sufficiently clear

Section (4)

Sufficiently clear

Section (5)

Point a

The provisions in the Contract encompass the compliance of types,
technical specifications, amounts, time, place, function and/or other
provisions.

Point b

Sufficiently clear

Point c

Sufficiently clear

Section (6)

Sufficiently clear

Section (7)

Sufficiently clear

Section (8)

Sufficiently clear

Article 19

Section (1)

Point a

Described as meeting the provisions of the laws and regulations to run a business/activity as a Provider of Goods/Services, amongst others refer to the laws and regulations in the field of construction jobs, trade, health, communications, industry, oil and gas, and tourism.

Point b

Sufficiently clear

Point c

Sufficiently clear

Point d

Sufficiently clear

Point e

Sufficiently clear

Point f

Sufficiently clear

Point g

Sufficiently clear

Point h

Sufficiently clear

Point i

Described as the Package Ability Balance (SKP) means the balance of the job that can be performed by the Provider of Construction Jobs within the same period

Point j

To ensure that a business enterprise is not bankrupt, the ULP/Procurement Official finds information among others by means of contacting the relevant agencies.

To accelerate the job it suffices that the ULP/Procurement Official draws up a statement, for example that the Provider of Goods/Services is not bankrupt or that its business activities are not being stopped/ the board of directors for and in the name of the company is not carrying out a penal sentence.

Thus, a statement of non-bankruptcy does not have to be demanded from all participants in the selection, but only from the winner of the Tender/Selection.

Point k

The requirement of compliance with the tax obligation for the last year by submitting the Annual Tax Form and the Periodical Tax Form may be substituted by the Provider of Goods/Services by submitting a Fiscal Statement issued by the Tax Service Office.

Point i

Sufficiently clear

Point m

Described as Black List means a list containing the identities of Providers of Goods/Services who have been subjected to a sanction by M/I/R/O.

Point n

Sufficiently clear

Point o

The Integrity Pact is submitted at the same time as the Qualification Documents for the pre-qualification system or at the same time as the Bid Document in the post-qualification system.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Described as conflict of interest includes amongst others:

- a. The Provider of Goods/Services who has been appointed as a planning consultant becomes the Provider of Goods/Construction Job or becomes the supervising consultant for the physical job that he has planned, except in the implementation of a Turn-Key Contract and an Integrated Job Procurement Contract.
- b. A Provider of Goods/Services who has been appointed as a Provider of Goods/Construction Job for a physical job that he supervises, except in the implementation of a Turn-Key Contract and an Integrated Job Procurement Contract.

Article 20

Section (1)

Point a

The Highest Experience Value (NPt) means the highest Contract value ever performed by a Provider of a Construction Job/Other Services in a similar sub-field.

Point b

The KD for Procurement of Other Services becomes the requirement for Providers of Other Services if necessary.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Article 21

Sufficiently clear.

Article 22

Section (1)

Sufficiently clear

Section (2)

Sufficiently clear

Section (3)

Point a

Sufficiently clear

Point b

Sufficiently clear

Point c

Item 1

Sufficiently clear

Item 2

The PA/KPA stipulates the method for the Procurement of Goods/ Services that is appropriate, through Self-Management as well through a Provider of Goods/ Services. In the case of Self-Management, one policy that is stipulated by PA/KPA is to

allocate the budget to be executed by the Community Group as Self-Management Executive.

Item 3

Sufficiently clear.

Point d

Sufficiently clear

Section (4)

Point a

The description of the activity in KAK covers the back ground, aims and purposes, financing resource, and the number of staff required.

Point b

The time schedule for implementation which is contained in KAK also includes the explanation when such Goods/Services must be available at the location of the relevant activity/sub-activity.

Point c

Technical specifications need to be specified further by PPK before performing procurement

Point d

The cost component for implementing the selection of Providers of Goods/ Services must be provided for in the budget.

Article 23

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Described as other costs include for example, field survey costs, price survey costs, meeting costs, fee for professional legal opinion on Contract, and other costs.

Section (3)

Sufficiently clear

Section (4)

Sufficiently clear

Article 24

Sufficiently clear.

Article 25

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

The National Procurement Portal is www.inaproc.lkpp.go.id.

Section (4)

Sufficiently clear.

Article 26

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

Described as direct participation by the local community means amongst others the tertiary irrigation channel maintenance job, traditional forest/land maintenance, village drainage/road maintenance.

Point c

Jobs that are not attractive to Providers of Goods/Services such as jobs in hazardous (conflict) areas.

Point d

Sufficiently clear.

Point e

Sufficiently clear

Point f

Sufficiently clear

Point g

Described as data processing includes jobs for the purpose of census and statistics.

Point h

Described as jobs of a confidential character means jobs that are related to the interest of the state which may not be known by and utilised by unauthorised parties, including the preparation of state examination tests.

Point i

Sufficiently clear

Point j

Sufficiently clear

Point k

Sufficiently clear

Section (3)

Sufficiently clear

Section (4)

Point a

Sufficiently clear

Point b

Other Government Agencies that may conduct Self-Management may be self-financed or non-self financed.

Point c

Described as Self-Management Executive Community Groups mean the community groups that perform Procurement of Goods/Services through financial support from the APBN/APBD, such as the School Committee, farmers' groups, Universities, research institutions.

Section (5)

Sufficiently clear.

Article 27

Section (1)

Point a

Sufficiently clear

Point b

Described as expert staff means consultant.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Article 28

Sufficiently clear

Article 29

Point a

Sufficiently clear

Point b

Sufficiently clear

Point c

Periodical payment may be done daily, weekly or monthly according to the employment agreement. Payment based on lump sum wages is made without using attendance lists according to the employment agreement.

Point d

Sufficiently clear

Point e

Sufficiently clear

Point f

Sufficiently clear

Point g

Sufficiently clear

Point h

Sufficiently clear

Point

Sufficiently clear

Point j

Sufficiently clear

Article 30

Point a

A Contract between PPK at an M/I/R/O as the Responsible Party for the Budget with a Self-Management executive at Other Government Institutions as Self-Management Executive may be preceded by a Note of Understanding between the M/I/R/O as the Responsible Party for the Budget with Other Government Institutions as Self-Management Executive.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Point i

Sufficiently clear.

Article 31

Point a

A Contract between PPK at an M/I/R/O as the Responsible Party for the Budget with a Community Group as Self-Management Executive may be preceded by a Note of Understanding between the M/I/R/O as the Responsible Party for the Budget with the Community Group as Self-Management Executive.

Point b

Sufficiently clear.

Point c

Described as a rehabilitation-, renovation- and simple construction job amongst others mean painting, construction/hardening of community roads.

Point d

A new, not simple, building includes amongst others the construction of a building with more than 1 (one) floor.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Point i

Sufficiently clear.

Article 32

Sufficiently clear.

Article 33

Sufficiently clear.

Article 34

Section (1)

Point a

In conducting a re-assessment of a job package there may be a change in the total job package value as well as in the Unit Price.

Point b

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Article 35

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

A contest is used for Procurement of Goods and a Prize Contest for the Procurement of Other Services.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Article 36

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

If it is deemed necessary, the ULP may add the publication media amongst others with the print -, radio-, and television media, and invite Providers of Goods/ Services who are considered capable.

Section (4)

Sufficiently clear.

Article 37

Sufficiently clear.

Article 38

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Point a

Included in emergency handling are emergency measures to prevent disasters and/or infrastructural damage which, if not immediately taken care of, would certainly endanger the safety of the people.

Item 1

Sufficiently clear

Item 2

Sufficiently clear

Item 3

Natural disaster control through Direct Appointment may be performed in respect of Provider of Goods/ Construction Jobs/ Other Services who are executing a similar job Contract who are

nearest and/or considered to have the ability, equipment, sufficient staff and good performance.

Described as natural disasters amongst others are earth quakes, tsunami, volcanic eruptions, floods, droughts, typhoons and landslides.

Described as non-natural disasters amongst others are technology failure, extraordinary events (KLB) due to epidemics and diseases.

Described as social conflicts include social conflicts between groups or between communities and terrorism.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Described as “tender to obtain a license” amongst others include the process of appointing one advertising manager in one area/location.

Section (5)

Point a

Sufficiently clear.

Point b

Described as unforeseen conditions mean conditions that are not foreseen and must immediately solved in the implementation of a building construction. For example, adding the number or length of piles due to the

soil condition which was unforeseen before; or the need for soil treatment big enough for a runway which is under construction.

Jobs on construction parts that are not one building construction unit or that can be completed by a new design do not fall under unforeseen conditions. Example: between a bridge abutment and the girders, truss etc.)

Point c

Sufficiently clear

Point d

Sufficiently clear.

Point e

Publication of prices amongst others on the National Procurement Portal and on the website of the several Providers of Goods/Services.

Point f

Sufficiently clear

Point g

Price adjustments that are accountable means, in accordance with the inflation/deflation calculation.

Article 39

Section (1)

Point a

Described as operational needs of M/I/R/O means the routine needs of M/I/RO and not adding to the assets or wealth of the M/I/R/O.

Point b

Sufficiently clear

Point c

Sufficiently clear

Point d

Sufficiently clear

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Article 40

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Described as a team that is skilled in this field means, personnel that have the skill or the ability in the field that is in accordance with the Goods/Construction Job/ Other Services that is to be procured.

The expert team may come from Civil Government employees or non-Civil Government employees.

Section (6)

Sufficiently clear

Article 41

Sufficiently clear.

Article 42

Section (1)

Sufficiently clear.

Section (2)

If necessary, the ULP may add the publication media amongst others with the print-, radio- and television media, and invite Providers of Goods/Services that are considered capable.

Section (3)

Sufficiently clear.

Article 43

Sufficiently clear.

Article 44

Section (1)

Sufficiently clear

Article 44

Section (1)

Sufficiently clear.

Section (2)

Point a

The Procurement of Providers of Consultancy Services for natural disaster control through Direct Appointment may be done in respect of a Provider of Consultancy Services who is executing a similar job contract nearest to the location and/or who is considered to have the capacity, equipment, sufficient staff and good performance.

Point b

Sufficiently clear

Point c

Sufficiently clear

Point d

Sufficiently clear

Section (3)

Sufficiently clear.

Article 45

Sufficiently clear.

Article 46

Section (1)

Sufficiently clear

Section (2)

Sufficiently clear

Section (3)

Sufficiently clear

Section (4)

Described as a team that is skilled in its field means personnel with the skill or ability in the field that is in accordance with the Consultancy Service to be procured.

The expert team may come from Civil Government Employees as well as non-Civil Government Employees.

Section (5)

Sufficiently clear.

Article 47

Section (1)

Sufficiently clear.

Section (2)

Point a

The one envelope method means the submission of the bid document comprising the administration- and technical requirements and the bid price put into 1 (one) sealed envelope to the ULP/Procurement Official.

Point b

The two envelopes method means the submission of the bid documents while putting the administration and technical requirements in sealed

envelope I, whereas the bid price is put in sealed envelope II, furthermore envelope I and envelope II are put in 1 (one) cover envelope and submitted to ULP.

Point c

The two phase method means the submission of the bid documents while putting the administration and technical requirements in sealed envelope I, whereas the bid price is put in sealed envelope II, and the submission takes place in 2 (two) separate phases and at different times.

Section (3)

Point a

Sufficiently clear.

Point b

The procurement of simple Consultancy Services, for example the job of planning a simple building, the job of supervising the construction of a simple building, and procurement of individual consultancy services.

Point c

The one envelope method may be used for the selection of Providers of Goods/Construction Jobs/Other Services, for example procurement of cars, motorcycles and construction of a building.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

An example of Procurement of Goods/Construction Jobs/Other Services that uses the two-phase bid submission method amongst others for the procurement of aircraft, the construction of electric power plants, design of a broad-deck bridge and event organiser of international exhibitions.

Article 48

Section (1)

Point a

The elimination system is a bid evaluation by means of examining and comparing the Bid Document against compliance with the requirements stipulated in the Selection Document of Providers of Goods/Services where the evaluation process begins from evaluating the administration requirements, the technical requirements and fairness of the price. Providers of Goods/Construction Jobs/Other Services who do not pass the evaluation at any phase are declared eliminated.

Point b

The value system is a bid evaluation by means of assigning a certain score value to every element that is evaluated, pursuant to the criteria and weight stipulated in the Selection Document of Providers of Goods/Construction Jobs/Other Services, and then compare the total score value of the participants.

The value system bid evaluation is used by calculating the technical advantages in line with the price, bearing in mind that the price is greatly influenced by the technical quality.

Point c

The cost evaluation system based on economic life is a bid evaluation by means of assigning a score value to the technical elements and the price being evaluated according to the economic life of the goods being offered pursuant to the criteria and value stipulated in the Selection Document of Providers of Goods/Construction Jobs/Other Services, then the value of said elements is converted into a certain currency unit, and compared to the total value of each bid of the participant with the bids of other participants.

Section (3)

Sufficiently clear

Section (4)

Sufficiently clear

Section (5)

Sufficiently clear

Article 49

Section (1)

Point a

The evaluation method based on quality means a bid evaluation based on the best technical bid quality, followed by clarification and technical negotiations and cost.

Point b

The evaluation method based on quality and cost means a bid evaluation based on a combination of the best technical bid and the corrected price, followed by clarification and technical negotiations and cost.

Point c

The Budget Ceiling based bid evaluation means a bid evaluation based on the best technical bid quality from the participants whose corrected cost bid is smaller or equal to the Budget Ceiling, followed by clarification and technical negotiations and cost.

Point d

The lowest cost based bid evaluation means an evaluation of the Procurement of Consultancy Services based on the lowest corrected cost bid from the consultant whose technical bid value is above the threshold limit of the stipulated technical requirements, followed by clarification and technical negotiations and cost.

Section (2)

The selection of Providers of Consultancy Services through quality based bid evaluation for example, Consultancy Services of a macro study character (master plan, road map), advisory services, planning and supervision of a complicated job,

such as the design of building an electric power generating plant, planning of an undersea tunnel and the design for the development of an international airport.

Section (3)

The selection of Providers of Consultancy Services through quality and cost bid evaluation for example, the design of prime irrigation network, road design, feasibility study, management consultancy and supervision of non-building constructions.

Section (4)

The selection of Providers of Consultancy Services through Budget Ceiling based evaluation, for example design and supervision of a building construction job and small scale survey and mapping jobs.

Point a

Sufficiently clear

Point b

Jobs that can be specified correctly in this section encompass clear details regarding the assignment term, the need for expert staff and other input.

Point c

Sufficiently clear.

Section (5)

The selection of Providers of Consultancy Services through the lowest cost based evaluation for example, design and/or supervision of a simple building and small scale measuring.

Section (6)

Sufficiently clear

Section (7)

Sufficiently clear

Section (8)

Sufficiently clear

Article 50

Sufficiently clear

Article 51

Section (1)

Procurement of Goods/Services that can be executed through a Lump Sum

Contract includes:

1. procurement of motor vehicles;
2. procurement of statues
3. construction of simple buildings such as class rooms;
4. making computer applications.

Section (2)

Sufficiently clear

Section (3)

For a job that in part may use a Lump Sum contract and for the other part must use a Unit Price contract, for example procurement of a building using a pile foundation (the upper structure uses a Lump Sum contract and the foundation part uses the Unit Price contract).

Section (4)

A Percentage Contract is used for a job that already has percentage references, for example planning and supervision of the construction of a government building, advocates, and assessment consultants.

Section (5)

A Turnkey Contract is used to buy a finished good or installation that is only needed one time, and does not prioritise the need for further transfer of technology.

Article 52

Section (1)

Sufficiently clear

Section (2)

Sufficiently clear

Section (3)

Described as the provisions of the laws and regulations means the laws and regulations of the regional government, the regional finances, etceteras.

Article 53

Section (1)

Sufficiently clear.

Section (2)

A Joint Procurement Contract is made in the frame of implementing the Procurement of Goods/Services that is financed by several M/I/R/O (co-financing) by several PPK from different financial resources (APBD-APBD, APBN-APBD).

The elucidation regarding the responsibility and distribution of the budget load is arranged in the Contract in accordance with the characteristics of the job.

A Joint Procurement Contract is meant to enhance efficient execution as well as of the budget, for example the procurement of office supplies, drugs, office equipment, and computers.

Section (3)

The Procurement of Goods/Services through a Framework Contract amongst others is done for the procurement of office supplies (stationery), the job of procuring service vehicles, catering, travel agents and other similar jobs/ services.

Section (4)

Sufficiently clear.

Article 54

Section (1)

Sufficiently clear.

Section (2)

An Integrated Job Procurement Contract model amongst others may have the following form:

1. A Performance Based Contract, which is a Contract for the Procurement of Goods/ Services based on the achievement of a certain level of services, which may constitute a combination of job packages that are in general executed separately.
2. A Design & Build Contract is a Procurement Contract encompassing design and building.

3. An Engineering Procurement Construction/EPC Contract is a procurement contract that encompasses design, procurement and construction.
4. A Design-Build-Operate-Maintain Contract is a procurement contract that encompasses design, building, operation and maintenance.
5. A Service Contract is a procurement contract to serve certain service needs.
6. An Asset Management Contract is a contract for the management of assets, so that the asset which is owned may be utilised optimally.
7. An Operation and Maintenance Contract is a procurement contract that encompasses the operation and maintenance of a certain asset that is owned.

Article 55

Sufficiently clear

Article 56

Sufficiently clear

Article 57

Sufficiently clear

Article 58

Sufficiently clear

Article 59

Sufficiently clear

Article 60

Section (1)

Point a

The publication of a Limited Tender must contain the names of the prospective Providers of Goods/Services who are considered able.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Point i

Sufficiently clear

Point j

Sufficiently clear.

Point k

Sufficiently clear.

Point l

Sufficiently clear

Section (2)

Sufficiently clear

Section (3)

Sufficiently clear

Article 61

Sufficiently clear

Article 62

Sufficiently clear

Article 63

Sufficiently clear

Article 64

Section (1)

Point a

The Qualification Document constitutes a document stipulated by ULP/ Procurement Official as the basis for evaluating competencies, business capacity and compliance with other specific requirements by the Provider of Goods/Services.

Point b

Described as the Selection Document means the document stipulated by ULP/ Procurement Official containing the provisions for the implementation of Providers of Goods/Services.

Section (2)

Sufficiently clear

Section (3)

Sufficiently clear

Section (4)

Point a

Sufficiently clear

Point b

Item 1

Sufficiently clear

Item 2

Sufficiently clear

Item 3

Sufficiently clear

Item 4

Sufficiently clear

Item 5

Described as other documents amongst others are the Guarantee Letter, Minutes of Supplement, and Minutes of Elucidation.

Point c

Sufficiently clear.

Article 65

Section (1)

In preparing the draft Contract for the Procurement of Goods/Services,
PPK may receive input from ULP/Procurement Official.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Article 66

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Described as the total HPS value means the calculation outcome of the total job volume times the Unit Price plus the total tax burden and profit. The details of the unit price in calculating the HPS is confidential.

Section (4)

Sufficiently clear

Section (5)

Point a

Sufficiently clear

Point b

The highest limit of such bid includes the overhead costs encompassing amongst others the industrial safety and health costs, profit and tax burden.

Point c

Sufficiently clear.

Section (6)

Sufficiently clear

Section (7)

Point a

Sufficiently clear

Point b

Sufficiently clear

Point c

Sufficiently clear

Point d

Sufficiently clear

Point e

Sufficiently clear

Point f

Sufficiently clear

Point g

Sufficiently clear

Point h

The index norms constitute the scope of the lowest price value and the highest price of a certain Good/Service published by the relevant technical agency or the local Regional Government

Point i

Sufficiently clear

Section (8)

An example of profit and overhead costs considered appropriate for a Construction Job is maximum 15% (fifteen percent).

Article 67

Section (1)

Sufficiently clear

Section (2)

For Procurement of Consultancy Services no Bid Bond, Performance Bond and Maintenance Bond are required. For Procurement of Goods no Maintenance Bond is required but a Warranty Certificate must be supplied.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Section (7)

Sufficiently clear.

Article 68

Sufficiently clear.

Article 69

Sufficiently clear.

Article 70

Sufficiently clear.

Article 71

Sufficiently clear.

Article 72

Sufficiently clear.

Article 73

Section (1)

Sufficiently clear.

Section (2)

The remark regarding implementation of the Tender/Selection after the work program and budget of the M/I/R/O is approved by the Parliament/ Regional Legislative Council, but the DIPA/DPA is not yet ratified, for example “This publication precedes the approval of DIPA/DPA of the Fiscal Year (state the Fiscal Year) so that in the event that the ratified budget document the fund is not available, or not sufficiently available, the Procurement of Goods/Services may be

cancelled and the Provider of Goods/Services cannot claim compensation for damages in any form whatsoever”.

Section (3)

In the event it is necessary, the publication of the Tender/Selection may be extended by M/I/R/O via newspapers, national as well as provincial newspapers.

Section (4)

Sufficiently clear.

Article 74

Sufficiently clear.

Article 75

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Described as mass pre-qualification for the Procurement of Goods/Services within a specific period means the implementation of pre-qualification conducted simultaneously on all prospective Providers of Goods/Services who have registered by issuing a registration proof of having passed the pre-qualification or the like, which is valid during a specific period, for example 1 (one) Fiscal Year and is only valid for the issuing M/I/R/O.

Article 76

Sufficiently clear

Article 77

Sufficiently clear

Article 78

Section (1)

Submission of the Bid Document is done via mail/carrier service or putting directly into the box prepared by ULP/Procurement Official

Section (2)

Sufficiently clear

Section (4)

Sufficiently clear

Article 79

Section (1)

Sufficiently clear

Section (2)

Post-bidding actions mean changing, adding, replacing and/or diminishing the Procurement Documents and/or Bid Documents after the dead line for submitting bids.

Article 80

Sufficiently clear.

Article 81

Section (1)

Point a

Described as a deviation from the provisions and procedure are:

- a. not meeting the requirements; and
- b. not following the sequence of the process

Point b

Described as certain engineering means the efforts made leading to unsound competition, for example:

- a. the preparation of specifications leading to a specific product, except for spare parts
- b. evaluation criteria that are not detailed thus enabling unfair and non-transparent evaluation; and
- c. adding other requirements beyond the provisions arranged in the Regulation of the President.

Point c

Described as abuse of authority means measures intentionally taken beyond the authority related to the procurement process. Described as other authorised officials are PA/KPA, Regional Head, PPK, Supporting Team and Technical Team.

Section (2)

Sufficiently clear

Section (3)

Sufficiently clear

Section (1)

Sufficiently clear

Section (2)

Sufficiently clear

Section (3)

Sufficiently clear

Section (4)

Sufficiently clear

Section (5)

The suggestions, opinions and recommendation for the settlement of the objection appeal from LKPP are copied to the relevant parties.

Section (6)

The Minister/Leadership of the Organisation/ Head of the Region/ Leadership of the Institution in responding to the objection appeal may request suggestions and opinions from the relevant APIP M/I/R/O or from a work unit that does not create conflict of interest.

Section (7)

Sufficiently clear

Section (8)

Sufficiently clear

Section (9)

Sufficiently clear

Section (1)

Sufficiently clear

Section (2)

In the event that the General Selection fails because there are no participants who meet the technical requirements, the following steps may be taken:

- a. improvement of the KAK and the Procurement Document,
- b. renewed publishing of the Procurement of Consultancy Services; and/or
- c. renewed conducting pre-qualification and renewed preparation of the consultant's short list.

In the event that the General Selection fails because there are no participants who approve/agree with the clarification and technical and price negotiations, the following steps may be taken:

- a. renewed publishing of the Procurement of Consultancy Services; and/or
- b. renewed conducting pre-qualification and renewed preparation of the consultant's short list, excluding the consultants who were already short-listed before.

Section (3)

Sufficiently clear

Section (4)

Sufficiently clear

Section (5)

Sufficiently clear

Section (6)

Sufficiently clear

Article 84

Sufficiently clear

Article 85

Sufficiently clear

Article 86

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear

Section (3)

The Performance Bond is delivered only for the Procurement of Goods/Services that require the necessity of delivering a Performance Bond.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Article 87

Section (1)

Sufficiently clear

Section (2)

Sufficiently clear

Section (3)

Sufficiently clear

Section (4)

Sufficiently clear

Section (5)

Administrative problems described in this section amongst others: replacement of PPK, changes in the account of the recipient.

Article 88

Sufficiently clear.

Article 89

Section (1)

Sufficiently clear

Section (2)

Sufficiently clear

Section (3)

Sufficiently clear

Section (4)

Monthly/term payments are effected to the value of the installed job means that payment does not have to take into account the material available on the site.

Section (5)

Sufficiently clear.

Article 90

Sufficiently clear

Article 91

Section (1)

Sufficiently clear

Section (2)

Point a

Included in natural disasters amongst others: earth quakes, tsunami, volcanic eruptions, floods, draughts, typhoons, and land slides.

Point b

Included in non-natural disasters amongst others: technological failure, epidemics and diseases.

Point c

Included in social disasters amongst others: social conflicts between groups or between communities, and terrorism.

Point d

Sufficiently clear

Point e

Sufficiently clear

Point f

The Minister of Finance and the relevant line Minister issue a Joint Decree after receiving considerations from APIC, LKPP and BPS

Section (3)

Sufficiently clear

Section (4)

Sufficiently clear

Section (5)

Sufficiently clear

Section (6)

Sufficiently clear

Article 92

Section (1)

Point a

Sufficiently clear

Point b

Sufficiently clear

Point c

A discrepant Unit Price means a bid unit price that is more than 110% of the Self-Estimated Unit Price after clarification has been made.

Section (2)

Point a

Sufficiently clear

Point b

Sufficiently clear

Point c

Sufficiently clear

Point d

Sufficiently clear

Point 3

Sufficiently clear

Point f

The schedule is the time frame that has been specified after the joint field inspection. The initial schedule is the schedule stipulated in the Contract or the schedule agreed upon in the preparatory meeting for the execution of the Contract and laid down in a Contract supplement.

Section (3)

The component coefficient is the comparison between the value of material, staff and work equipment in respect of the Unit Price from HPS weighting in the Procurement Document.

Price adjustment does not apply to the type of jobs that are contracted for example a Lump Sum job.

The price index used originates from formal publications of the Central Statistic Bureau (BPS) and that have been published.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Section (7)

The volume calculated in the price adjustment is the installed volume according to the physical progress report ratified by the relevant parties.

Article 93

Sufficiently clear.

Article 94

Section (1)

Sufficiently clear.

Section (2)

Arbitration means a method of settling a dispute outside a general court that is based on an arbitration agreement made in writing by the disputing parties.

Alternative settlements of a dispute are through a dispute- or difference of opinion settlement organisation outside the court through a procedure agreed upon by the parties.

Alternative settlements of a dispute comprise:

- a) negotiations;
- b) mediation;
- c) conciliation; and
- d) expert evaluation.

Settlement in court is a method of settling a dispute originating from their legal relationship sentenced by the court. The court decision is binding to both parties.

Article 95

Section (1)

Sufficiently clear

Section (2)

Sufficiently clear

Section (3)

Sufficiently clear

Section (4)

Sufficiently clear

Section (5)

Point a

The maintenance period of the job must be allowed sufficient time, observing the character and type of the job.

Point b

Described as a permanent job means a job with a planned lifetime of more than 1 (one) year,

Described as a semi-permanent job means a job with a planned lifetime of less than 1 (one) year.

Point b

Sufficiently clear.

Section (6)

Sufficiently clear

Section (7)

For the procurement of goods, the parties follow the term stipulated by the manufacturer (manufacturer's guarantee)

Section (8)

Sufficiently clear

Section (9)

Sufficiently clear

Article 96

Section (1)

Sufficiently clear

Section (2)

Sufficiently clear

Section (3)

Sufficiently clear

Section (4)

Sufficiently clear

Section (5)

Sufficiently clear

Section (6)

Sufficiently clear

Section (7)

Sufficiently clear

Section (8)

Sufficiently clear

Section (9)

Procurement of import goods is equipped with:

- a) Certificate of Origin; and
- b) Supporting Letter from the manufacturer/principal.

Section (10)

Described as services that are available domestically amongst others: insurance services, transportation, shipment services, banking services.

Article 97

Section (1)

The TKDN is calculated on the basis of ratio between the price of the Goods/ Services less the overseas component price in respect of the described price of the Goods/ Services.

Section (2)

Corporate Benefit Weight value (BMP) constitutes the value of appreciation of the company for investing in Indonesia, empowering Micro Enterprises and Small Enterprises as well as small cooperatives via partnership, maintain industrial health and safety and the environment (OHSAS 18000/ISO 14000), community development, and providing after sales service facilities.

Section (3)

Sufficiently clear

Section (4)

Sufficiently clear

Section (5)

Sufficiently clear

Article 98

Sufficiently clear

Article 99

Sufficiently clear

Article 100

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear

Section (3)

Described as technical competency means possessing the capacity of human resources, technical, capital and adequate equipment, for example: the procurement of vehicles, high-precision electronic equipment, printer with security paper, although the value is less than Rp 2.500.000.000 (two billion five hundred million Rupiah), is assigned to a Provider of Goods/Services that is not a Micro-, Small- or Medium Enterprise as well as a small cooperative.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Article 101

Section (1)

For international Procurement of Goods/Services performed overseas via an International Tender/Selection, to the maximum possible national Providers of Goods/Services are engaged to participate.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

If export credit, other credits and/or international grants are accompanied with the condition that the implementation of Procurement of Goods/Services can only be done in the country providing the credit, other credits and/or grant, efforts should still be made to the maximum use of domestic Goods/Services and engaging national Providers of Goods/Services to participate.

Section (5)

Sufficiently clear

Section (6)

Sufficiently clear

Article 102

Sufficiently clear

Article 102

Section (1)

Sufficiently clear

Section (2)

Sufficiently clear

Section (3)

The Priority Plan List for International Loans/ Grants (DRPPHLN) is issued by the Ministry of National Development Planning/ The National Development Planning Agency (BAPPENAS) and executed after the Minister of Finance issues a stipulation of finance resources from Export Credit Underwriter Organisations or Foreign Private Credits.

Section (4)

The provisions and norms that are internationally in force amongst others: the provisions of the Overseas Economic Cooperation for Development (OECD) that amongst others involves the types of projects qualifying for funding from export credits as well as trade-related aid, the maximum allowed term of repayment, the amount of the insurance premium, interest rate etceteras.

Section (5)

The effective cost calculation method amongst others: discounted cost/net present value.

Article 104

Section (1)

Point a

Sufficiently clear

Point b

If the procurement of Goods/Other Services with a value of less than Rp 20.000.000.000,00 (twenty billion Rupiah) cannot be performed by a

domestic Provider of Goods/Other Services, the Procurement may be taken part in by foreign companies and published on the international community website, for example: research equipment, technology books, research journals, research applications.

Point c

If the procurement of Consultancy Services with a value of less than Rp 10.000.000.000,00 (ten billion Rupiah) cannot be performed by a domestic Provider of Consultancy Services, the Procurement may be taken part in by foreign companies and published on the international community website.

Section (2)

Sufficiently clear.

Article 105

Sufficiently clear

Article 106

Section (1)

The electronic procurement of Goods/Services is guided by Law Number 11 of the year 2008 on Electronic Information and Transactions.

Section (2)

Sufficiently clear.

Article 107

Sufficiently clear

Article 108

Section (1)

Sufficiently clear

Section (2)

Described as the architecture of the information system means the basic framework of an overall character and providing direction, form, development and structure for the implementation of electronic Procurement of Goods/Services.

Article 109

Sufficiently clear

Article 110

Section (1)

E-purchasing is arranged with the purpose:

- a. the creation of direct Selection of Goods/Services via an E-Catalogue, thus enabling all ULP/Procurement Officials to select the best available choice of Goods/Services; and
- b. cost- and time efficiency in the process of Selection of Goods/Services from the side of the Provider of Goods/Services and the User of Goods/Services.

Section (2)

Sufficiently clear

Section (3)

Pursuant to the Framework Contract LKPP will broadcast the pricelist of goods along with specifications and prices on the electronic catalogue system at the address www.e-katalog.lkpp.go.id.

Article 111

Section (1)

Sufficiently clear

Section (2)

Sufficiently clear

Section (3)

Sufficiently clear

Section (4)

Sufficiently clear

Section (5)

Sufficiently clear

Section (6)

Guidance and control exercised by LKPP includes the method of e-tendering, implementation of operational standard procedure implemented by LPSE related to registration, verification, electronic certificates and other operational procedures.

Article 112

Section (1)

The National Procurement Portal is developed and managed with the following objectives:

- a. to provide information on the Procurement plans;
- b. to provide information on the publication of Procurement; and
- c. to give the facility of access to the overall LPSE.

Section (2)

Sufficiently clear

Section (3)

Sufficiently clear

Article 113

Sufficiently clear

Article 114

Sufficiently clear

Article 115

Sufficiently clear

Article 116

Supervision and examination of the Procurement of Goods/Services is meant to support the Government efforts to:

- a. enhance the performance of Government apparatus, create a professional, clean and responsible apparatus;
- b. eradicate abuse of authority and CCN practices; and
- c. enforce the regulations that are in force and secure the state finances.

Community supervision may function as:

- a. a barometer to measure and find out public trust in the performance of government apparatus, in particular regarding the Procurement of Goods/Services.
- b. Offer correction on deviations in the execution of the Procurement of Goods/Services; and

- c. Offer input in the formulation of policies regarding planning, budgeting, implementation and supervision in the Procurement of Goods/Services.

Article 117

Sufficiently clear.

Article 118

Section (1)

Sufficiently clear

Section (2)

Sufficiently clear

Section (3)

Sufficiently clear

Section (4)

Sufficiently clear

Section (5)

Sufficiently clear

Section (6)

Sufficiently clear

Section (7)

Sufficiently clear

Article 119

Sufficiently clear.

Article 120

Sufficiently clear.

Article 121

Sufficiently clear.

Article 122

Sufficiently clear.

Article 123

Sufficiently clear.

Article 124

The Black List may be used when the Provider of Goods/Services appears intentionally to forge domestic component data.

Article 125

Sufficiently clear.

Article 126

Section (1)

In the event that special skills are needed, LKPP may cooperate with another institution

Section (2)

Sufficiently clear

Article 127

Sufficiently clear.

Article 128

Sufficiently clear.

Article 129

Sufficiently clear.

Article 130

Sufficiently clear.

Article 131

Sufficiently clear.

Article 132

Item 1

Sufficiently clear.

Item 2

Sufficiently clear.

Item 3

In this provision, all Contracts including loan agreements and contracts appointing a newspaper to broadcast tender publications, remaining force until the expiry of the agreement/Contract.

Item 4

Sufficiently clear.

Article 133

Sufficiently clear.

Article 134

Sufficiently clear.

Article 135

Sufficiently clear.

Article 136

Sufficiently clear.