PRESIDENTIAL REGULATION OF THE REPUBLIC OF INDONESIA
NUMBER 16 OF 2018
ON
GOVERNMENT PROCUREMENT

BY THE BLESSINGS OF ALMIGHTY GOD
PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering : a. that Government Procurement has an important role in implementing national development to improve public services and develop national and regional economies;

b. that to realize Government Procurement as referred to in point a, it is necessary to regulate the Procurement that provides maximum value for money and contribution in the increase over the use of domestic products, increase over the role of Micro-Scale Enterprise, Small-Scale Enterprise, and Medium-Scale Enterprise and the sustainable development;

c. that Presidential Regulation Number 54 of 2010 on Government Procurement as amended several times and last by Presidential Regulation Number 4 of 2015 on Fourth Amendment to Presidential Regulation Number 54 of 2010 on Government Procurement has not addressed certain matters and it has not accommodated the development of Government's needs for the provisions regarding regulating good Procurement;

d. that based on the considerations as referred to in point a, point b, and point c, it is necessary to issue a Presidential Regulation on Government Procurement;

Observing : 1. Article 4 section (1) of the 1945 Constitution of the Republic of Indonesia;

2. Law Number 1 of 2004 on State Treasury (State Gazette of the Republic of Indonesia of 2004 Number 5, Supplement to the State Gazette of the Republic of Indonesia Number 4355);

3. Law Number 30 of 2014 on Government Administration (State Gazette of the Republic of Indonesia of 2014 Number 292, Supplement to the State Gazette of the Republic of Indonesia Number 5601);

HAS DECIDED:

To issue : PRESIDENTIAL REGULATION ON GOVERNMENT PROCUREMENT.

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Presidential Regulation:

1. Government Procurement, hereinafter referred to as Procurement, means activities of Procurement by Ministries/Institutions/Regional Apparatuses financed by the State Budget, Regional Budget, the process of which commences from the identification of needs to the handover of the work results.
2. State Ministry, hereinafter referred to as the Ministry, means a government apparatus in charge of certain government affairs.
3. Institution means a non-State Ministry organization and other institutions using the budget, which is formed to carry out certain tasks under the 1945 Constitution of the Republic of Indonesia or other legislation.
4. Regional Apparatus means a supporting element of the Head of Region and the Regional House of Representatives in carrying out Government Affairs that are the authority of the Region.

5. Local Government means the region head as an element that administers a Local Government who leads the implementation of government affairs that are the authority of the autonomous region.
6. National Public Procurement Agency (*Lembaga Kebijakan Pengadaan Barang/Jasa Pemerintah*), hereinafter referred to as LKPP, means a Government institution that has the tasks of developing and formulating policies on Procurement.
7. Budget User (*Pengguna Anggaran*), hereinafter referred to as PA, means the official holding the authority to use the budget of the State Ministries/Institutions/Regional Apparatuses.
8. Proxy of Budget User (*Kuasa Pengguna Anggaran*) on the Implementation of the State Budget, hereinafter referred to as KPA, means an official who is authorized by PA to exercise part of the authority and responsibility for using the budget of the relevant State Ministries/Institutions.
9. Proxy of Budget User (*Kuasa Pengguna Anggaran*) on the Implementation of Regional Budget, hereinafter referred to as KPA, means an official who is authorized to exercise part of the authority of PA in carrying out some of the tasks and functions of the Regional Apparatuses.
10. Commitment-Making Officer (*Pejabat Pembuat Komitmen*), hereinafter referred to as PPK, means an official who is authorized by PA/KPA to make decisions and/or take actions that may result in any expenditures of the state budget/regional budget.
11. Procurement Service Unit (*Unit Kerja Pengadaan Barang/Jasa*), hereinafter referred to as UKPBJ, means a working unit within the Ministries/Institutions/Local Governments, which is the center of excellence of Procurement.
12. Selection Committee, means human resources determined by the UKPBJ head to manage the selection of Provider.

13. Procurement Officer means administrative official/functional official/personnel having the tasks of performing Direct Procurement, Direct Appointment, and/or E-purchasing.
14. Deliverables Examination Officer (*Pejabat Pemeriksa Hasil Pekerjaan*), hereinafter referred to as PjPHP, means an administrative official/functional official/personnel having the tasks of examining the administrative matters of the deliverables of Procurement.
15. Deliverables Examination Committee (*Panitia Pemeriksa Hasil Pekerjaan*), hereinafter referred to as PPHP, means a team that has the tasks of examining the administrative matters of the deliverables of Procurement.
16. Procurement Agent means an UKPBJ or Economic Operator that conducts part or all of the works of Procurement which are entrusted by representative Ministries/ Institutions/Regional Apparatuses as an employer.
17. In-house Procurement Organizer means a Team that carries out activities through In-House Procurement.
18. Procurement Official means a Functional Official that is mandated with tasks, responsibilities, authorities, and full powers by the authorized officer to perform Procurement.
19. Annual Procurement Plan (*Rencana Umum Pengadaan Barang/Jasa)*, hereinafter referred to as RUP, means a list of the planned Procurement to be carried out by Ministries/Institutions/Regional Apparatuses.
20. E-marketplace for Procurement (means an electronic market provided to fulfill the government's needs of goods/services.
21. Electronic Procurement Services means information technology management services to facilitate the implementation of electronic Procurement.
22. Government Internal Supervisory Apparatus (*Aparat Pengawas Intern Pemerintah*), hereinafter referred to as APIP, means an apparatus who conducts supervision

through audits, reviews, monitoring, evaluations, and other supervisory activities on the administration of duties and functions of the Government.

23. In-House Procurement means a method to procure goods/services through internal resources within Ministries/Institutions/Regional Apparatuses, by other Ministries/Institutions/Regional Apparatuses, civil society organizations, or community groups.
24. Civil Society Organizations, hereinafter referred to as CSO, means an organization established and formed voluntarily by the community based on the similarity of aspirations, desires, needs, interests, activities and objectives to participate in development to achieve the objectives of the Unitary State of the Republic of Indonesia based on Pancasila.
25. Community Group means a community group that performs Procurement with the support of State Budget/Regional Budget.
26. Procurement through Provider means a method for procuring goods/services provided by an Economic Operator.
27. Economic Operator means any individual or business entity, either in the form of a legal entity or a non-legal entity established and domiciled or engaged in activities within the jurisdiction of the Republic of Indonesia, either individually or jointly through agreements, in various business activities within various economic sectors.
28. Provider of Goods/Services, hereinafter referred to as the Provider, means an Economic Operator that provides goods/services under a contract.
29. Goods mean any object, either tangible or intangible, either movable or immovable, which can be traded, used or utilized by the Property User.
30. Construction Work means the whole or part of activities which include construction, operation, maintenance, demolition and reconstruction of a structure.

31. Consultancy Service means a professional service that requires certain expertise in various fields that utilize the brain ware.
32. Other Services mean non-consultancy services or services that require equipment, special methodologies, and/or skills in a management system that is widely known in the business world to complete a work.
33. Owner Estimate (*Harga Perkiraan Sendiri*), hereinafter referred to as HPS, means an estimated price of goods/services determined by PPK.
34. Research means a series of activities carried out based on systematically scientific principles and methods for obtaining information, data, and information on understanding and proving the truth or untruth of an assumption and/or hypothesis in the field of science and technology and drawing scientific conclusions for the purposes of developing science and/or technology.
35. Electronic Purchasing, hereinafter referred to as the E-purchasing, means a procedure for purchasing goods/services through an electronic catalogue system.
36. Tender means a method for selecting the Provider of Goods/Construction Works/Other Services.
37. Selection of Consultant means a method for selecting Consultant
38. International Tender/Selection of Consultant means a selection of Goods/Service Provider involving participants from national Economic Operators and foreign Economic Operators.
39. Direct Appointment means a method for selecting the Provider of Goods/Construction Works/Consultancy Services/Other Services under certain circumstances.
40. Direct Procurement of Goods/Construction Works/Other Services means a method for selecting the Provider of Goods/Construction Works/Other Services having a maximum value of Rp200,000,000.00 (two hundred million rupiah).

41. Direct Procurement of Consultancy Services means a method for selecting the Consultant having a maximum value of Rp100,000,000.00 (one hundred million rupiah).
42. E-reverse Auction means a method offering price proposal repetitively.
43. Bidding Document means a document determined by the Selection Committee/Procurement Officer/Procurement Agent, which contains information and provisions that must be complied with by the parties in selecting a Provider.
44. Procurement Contract, hereinafter referred to as Contract, means a written agreement between PA/KPA/PPK and Provider or implementer of In-House Procurement.
45. Micro-Scale Enterprise means a productive business owned by an individual and/or individual business entity that meets the criteria for Micro-Scale Enterprises as referred to in the Law on Micro-, Small- and Medium-Scale Enterprises.
46. Small-Scale Enterprise means a productive economic business that is independent and is carried out by individuals or business entities that are not subsidiaries or not company branches owned, controlled by or become part directly or indirectly of Medium-Scale Enterprises or Large-Scale Enterprises that meet the criteria for Small-Scale Enterprises as referred to in the Law on Micro-, Small- and Medium-Scale Enterprises.
47. Medium-Scale Enterprise means a productive economic business that is independent and is carried out by individuals or business entities that are not subsidiaries or not company branches owned, controlled by or become part directly or indirectly of Small-Scale Enterprises or Large-Scale Enterprises with the amount of net assets or annual sale proceeds as regulated in the Law on Micro-, Small- and Medium-Scale Enterprises.
48. Bond Letter, hereinafter referred to as Bond, means a written guarantee issued by a Commercial Bank/Guarantee Company/Insurance Company/special

financial institution that is engaged in the financing, guarantees, and insurance sector to boost national export growth in accordance with the legislation on Indonesian export financing institutions.

49. Blacklist Sanction means a sanction imposed on selection participants/Providers in the form of a prohibition from participating in the Procurement within all Ministries/Institutions/ Regional Apparatuses for a certain period of time.
50. Sustainable Public Procurement means the Procurement which is intended to achieve benefit value that is economically beneficial not only for Ministries/Institutions/Regional Apparatuses as their users but also for the people, and significantly reduce negative impacts upon the environment in the whole cycle of their use.
51. Procurement Consolidation means a strategy for Procurement that combines several similar packages of Procurement.
52. Force Majeure means a condition that occurs beyond the will of the parties to the contract and is previously unforeseeable, resulting the obligations set out in the contract being unable to be fulfilled.
53. Head of Agency means the Head of LKPP.

Article 2

The scopes of applying this Presidential Regulation include:

a. Procurement within Ministries/Institutions/Regional Apparatuses using the State Budget/Regional Budget;
b. Procurement using the State Budget/Regional Budget as referred to in point a, including Procurement of that is partially or wholly financed by domestic loans and/or grants received by the Government and/or the Local Government; and/or
c. Procurement using the State Budget/Regional Budget as referred to in point a including the Procurement that is partially or wholly financed by offshore loans or grants.

Article 3

(1) Procurement in this Presidential Regulation includes:
   a. Goods;
   b. Construction Works;
   c. Consultancy Services; and
   d. Other Services.

(2) Procurement as referred to in section (1) may be performed on an integrated basis.

(3) Procurement as referred to in section (1) is carried out through:
   a. In-House Procurement; and/or
   b. Provider.

CHAPTER II
PURPOSES, POLICIES, PRINCIPLES, AND ETHICS OF PROCUREMENT

Part One
Purposes of Procurement

Article 4

The purposes of Procurement are to:

a. result in the accurate goods/services from the moneys spent, measured from the aspects of quality, quantity, time, cost, location, and Provider;
b. increase the use of domestic products;
c. encourage the participation of Micro-Scale Enterprises, Small-Scale Enterprises, and Medium-Scale Enterprises;
d. enhance the role of national Economic Operators;
e. support the implementation of researches and utilization of goods/services resulting from researches;
f. improve the participation of creative industries;
g. encourage economic equality; and
h. encourage the Sustainable Public Procurement.

Part Two

Policies on Procurement

Article 5

The policies on Procurement include:

a. improving the quality of planning for Procurement;
b. carrying out the Procurement that is more transparent, open, and competitive;
c. strengthening institutional capacity and human resources for Procurement;
d. developing E-marketplace for Procurement;
e. utilizing information technology and communications, and electronic transactions;
f. encouraging the use of domestic goods/services and Indonesian National Standard (*Standar Nasional Indonesia*, SNI);
g. providing opportunities for Micro-Scale Enterprises, Small-Scale Enterprises, and Medium-Scale Enterprises;
h. encouraging the implementation of research and creative industries; and
i. carrying out the Sustainable Public Procurement.

Part Three

Procurement Principles

Article 6

The Procurement applies the following principles which are:

a. efficient;
b. effective;
c. transparent;
d. open;
e. competitive;
f. fair; and
g. accountable.

Part Four

Procurement Ethics

Article 7

(1) All parties that are involved in the Procurement must comply with the following ethics of:

a. carrying out tasks on an orderly manner, accompanied by a sense of responsibility to achieve the target, the proper execution and fit for purposes of the Procurement;

b. working professionally independently as well as maintaining the confidentiality of information which by its nature must be kept confidential to prevent violations of Procurement ;

c. not influencing each other directly or indirectly which may result in unfair business competition;

d. accepting and taking responsibility for any decisions adopted in accordance with any written agreements of the relevant parties;

e. avoiding and preventing the occurrence of any conflict of interests of related parties, either directly or indirectly, which may result in unfair business competition for the Procurement ;

f. avoiding and preventing lavishness and leakage of state finance;

g. avoiding and preventing abuse of power and/or collusion; and

h. not accepting, offering, or promising to give or receive gifts, rewards, commissions, rebates, and any other matters from or to anyone who is known or reasonably presumed to have relations with the Procurement .

(2) The conflict of interests of the related parties as referred to in section (1) point e, occurs if:

a. the Board of Directors, the Board of Commissioners, or key personnel of a business entity, concurrently serving as the Board of Directors, the Board of

Commissioners, or key personnel of other business entities that participate in the same Tender/Selection of Consultant;

b. the design/supervisory consultant in the Construction Works acting as the contractor of the Construction Works that it designed/supervised, except in the implementation of integrated procurement;

c. the construction management consultant acting as design consultant;

d. the managers/administrators of cooperatives concurrently serving as a PPK/Selection Committee/Procurement Officer in carrying out the Procurement within Ministries/ Institutions/ Regional Apparatuses;

e. the PPK/Selection Committee/Procurement Officer either directly or indirectly controls or carries out a business entity of the Provider; and/or

f. some business entities that participate in the same Tender/Selection of Consultant are controlled either directly or indirectly by the same party, and/or whose share ownership of more than 50% (fifty percent) is controlled by the same shareholders.

CHAPTER III
PROCUREMENT PARTIES

Part One
Procurement Parties

Article 8

The Procurement Parties consist of:

a. PA;

b. KPA;

c. PPK;

d. Procurement Officer;

e. Selection Committee;

f. Procurement Agent;
g. PjPHP/PPHP;
h. In-House Procurement Organizer; and
i. Provider.

Part Two
Budget User

Article 9

(1) PA as referred to in Article 8 point a has the following duties and authority of:
   a. taking actions that result in budget expenditures;
   b. entering into agreements with other parties within the determined budget ceiling;
   c. determining procurement planning;
   d. determining and announcing the RUP;
   e. implementing Consolidation of Procurement;
   f. determining Direct Appointment for failed re-Tender/re-Selection of Consultant;
   g. determining the PPK;
   h. determining the Procurement Officer;
   i. determining the PjPHP/PPHP;
   j. determining the In-House Procurement Organizer;
   k. determining the technical team;
   l. determining the jury/expert team for procurement through a Contest;
   m. declaring that the Tender/Selection of Consultant has failed; and
   n. determining the winner of the selection/Provider for the selection method;
      1) Tender/Direct Appointment/E-purchasing for package of Procurement of Goods/Construction Work/Other Services with a Budget Ceiling value of more than Rp100,000,000,000.00 (one hundred billion rupiah); or
      2) Selection of Consultant/Direct Appointment for package of Procurement of Consultancy Services

with a Budget Ceiling value of more than Rp10,000,000,000.00 (ten billion rupiah).

(2) PA for management of the State Budget can delegate the authority as referred to in section (1) to KPA in accordance with the provisions of the legislation.

(3) PA for management of the Regional Budget can delegate the authority as referred to in section (1) point a to point f to KPA.

Part Three

Proxy of Budget User

Article 10

(1) KPA in the Procurement as referred to in Article 8 point b perform delegation in accordance with delegation from PA.

(2) In addition to the authority as referred to in section (1), the KPA has the authority to respond to the Appeal submitted by Construction Work Tender participants.

(3) The KPA may mandate PPK to exercise the authority as referred to in section (1) relating to:

a. taking actions that result in budget expenditures; and/or

b. entering into agreements with other parties within the determined budget ceiling.

(4) The KPA may be assisted by Procurement Official.

(5) If no personnel can be appointed as PPK, the KPA can concurrently act as PPK.

Part Four

Contract-Making Officer

Article 11

(1) PPK in the Procurement as referred to in Article 8 point c has the following duties:

a. preparing procurement planning;

b. determining technical specifications/Terms of Reference (ToR);

c. determining draft contracts;
d. determining the HPS;
e. determining the amount of advance payment to be paid to Provider;
f. proposing changes to the schedule of activities;
g. determining supporting team;
h. determining team or expert;
i. implementing E-purchasing with value of more than Rp200,000,000.00 (two hundred million rupiah);
j. determining Award Letter of the Goods/Services Provider ;
k. controlling Contract;
l. reporting the implementation and completion of activities to PA/KPA;
m. handover of the activity deliverables to the PA/KPA with minutes of handover ;
n. keeping and maintaining the integrity of all documents on the implementation of activities; and
o. evaluating the Provider's performance.

(2) In addition to carrying out the duties as referred to in section (1), PPK performs the delegation of authority from PA/KPA, including:
a. taking actions that result in budget expenditures; and
b. entering into and stipulating agreements with other parties within the determined budget ceiling.

(3) PPK in performing the duties as referred to in section (1) can be assisted by the Procurement Official.

Part Five
Procurement Officer

Article 12

The Procurement Officer in the Procurement as referred to in Article 8 point d has the following duties:
a. conducting preparation and implementation of Direct Procurement;

b. conducting preparation and implementation of Direct Appointment for the procurement of Goods/Construction Works/Other Services having a maximum value of Rp200,000,000.00 (two hundred million rupiah);
c. conducting preparation and implementation of Direct Appointment for the procurement of the Consultancy Services having a maximum value of Rp100,000,000.00 (one hundred million rupiah); and
d. conducting E-purchasing with a maximum value of Rp200,000,000.00 (two hundred million rupiah).

Part Six
Selection Committee

Article 13

(1) The Selection Committee in the Procurement as referred to in Article 8 point e has the following duties:
    a. conducting preparation and implementation of selection of Provider;
    b. conducting preparation and implementation of selection of Provider for electronic catalogue; and
    c. determining the winner of selection/Provider for selection method:
        1) Tender/Direct Appointment for the package of Procurement of Goods/Construction Works/Other Services with a maximum Budget Ceiling value of Rp100,000,000,000.00 (one hundred billion rupiah); and
        2) Selection of Consultant/Direct Appointment for the package of Procurement of Consultancy Services with a maximum Budget Ceiling value of Rp10,000,000,000.00 (ten billion rupiah).
(2) The Selection Committee as referred to in section (1) must consist of 3 (three) members.

(3) Based on the consideration of the complexity of the selection of Provider, members of the Selection Committee as referred to in section (2) may be added to the extent that the number of members is odd.

(4) The Selection Committee may be assisted by team of experts or individual expert.

Part Seven

Procurement Agent

Article 14

(1) The Procurement Agent as referred to in Article 8 point f may implement Procurement.

(2) The implementation of duties of the Procurement Agent as referred to in section (1) is *mutatis mutandis* to the duties of the Selection Committee and/or PPK.

(3) The implementation of duties of the Selection Committee and/or PPK is carried out in accordance with the provisions of the legislation.

(4) Further provisions regarding the Procurement Agent are regulated by Regulation of the Head of Agency.

Part Eight

Deliverables Examination Officer/ Committee

Article 15

(1) The PjPHP as referred to in Article 8 point g has the task of checking the administration of the deliverables of procurement of Goods/Construction Works/Other Services having a maximum value of Rp200,000,000.00 (two hundred million rupiah) and Consultancy Services having a maximum value of Rp100,000,000.00 (one hundred million rupiah).

(2) PPHP as referred to in Article 8 point g has the task of checking the administration of the results of procurement of Goods/Construction Works/Other Services having a value of more than Rp200,000,000.00 (two hundred

million rupiah) and Consultancy Services having a value of more than Rp100,000,000.00 (one hundred million rupiah).

Part Nine
In-House Procurement Organizer

Article 16

(1) The In-House Procurement Organizer as referred to in Article 8 point h consists of Preparation Team, Implementing Team, and/or Supervisory Team.
(2) The Preparation Team has the task of preparing targets, activity plans, implementation schedules, and budget plan.
(3) The Implementing Team has the tasks of carrying out, recording, evaluating, and regularly reporting the progress of the performance of activities and absorption of the budget.
(4) The Supervisory Team has the task of supervising the preparation and physical implementation as well as the administration of the In-House Procurement.

Part Ten
Provider

Article 17

(1) The Provider as referred to in Article 8 point i must meet the qualifications in accordance with the goods/services to be procured and in accordance with the provisions of the legislation.
(2) The Provider as referred to in section (1) is responsible for the following:
    a. implementation of the Contract;
    b. quality of goods/services;
    c. accuracy in calculating the amount or volume;
    d. punctuality of delivery; and
    e. accuracy of delivery location.

CHAPTER IV
PROCUREMENT PLANNING

Part One
Procurement Planning

Article 18

(1) The procurement planning includes identification of needs, determination of goods/services, methods, schedules, and budgets of Procurement.

(2) The procurement planning which funds are sourced from the State Budget must be carried out simultaneously with the preparation process of Work Plan of the Ministry/Institution (*Renja* K/L) following determination of Indicative Ceiling.

(3) The procurement planning which funds are sourced from the Regional Budget must be carried out simultaneously with the preparation process of Work Plan and Budget of the Regional Apparatus (*Rencana Kerja dan Anggaran Perangkat Daerah, RKA Perangkat Daerah*) after a memorandum of understanding of the General Policy of the Regional Budget and Interim budget priorities and funding ceilings (*Kebijakan Umum APBD serta Prioritas dan Plafon Anggaran Sementara*, KUA-PPAS) is approved.

(4) The procurement planning consists of:
   a. The planning of procurement through In-House Procurement; and/or
   b. The planning of procurement through Provider.

(5) The planning of procurement through In-House Procurement includes:
   a. determination of the type of In-House Procurement;
   b. preparation of technical specifications/ToR; and
   c. preparation of estimated costs/Budget Plan .

(6) The types of In-House Procurement as referred to in section (5) point a consist of:
   a. Type I namely In-House Procurement that is planned, implemented, and supervised by the

Ministries/Institutions/Regional Apparatuses as the parties responsible for the budget;

b. Type II namely In-House Procurement that is planned and supervised by the Ministries/ Institutions/Regional Apparatuses as the parties responsible for budget and implemented by another Ministries/Institutions/Regional Apparatuses as the implementer of the In-House Procurement;

c. Type III namely In-House Procurement that is planned and supervised by the Ministries/Institutions/Regional Apparatuses as the parties responsible for budget and implemented by the CSO as the implementer of the In-House Procurement; or

d. Type IV namely In-House Procurement that is planned by the Ministries/Institutions/Regional Apparatuses as the parties responsible for budget and/or based on the Community Group's proposals, and implemented and supervised by the Community Group as the implementer of the In-House Procurement.

(7) The planning of procurement through Provider includes:

a. preparation of technical specifications/ToR;

b. preparation of estimated cost/Budget Plan;

c. Procurement packaging;

d. Procurement Consolidation; and

e. preparation of supporting cost.

(8) The results of the planning of the Procurement as referred to in section (4) are stated in RUP.

Part Two
Technical Specifications/Terms of Reference

Article 19

(1) Preparing technical specifications/ToR:

a. uses domestic products;

b. uses SNI-certified products; and

c. maximizes the use of green industrial products.

(2) In preparing technical specifications/ToR, it is possible to state trademarks of:
   a. component of goods/services;
   b. spare parts;
   c. part of an existing system;
   d. goods/services in the electronic catalogue; or
   e. goods/services at Quick Tender.

(3) The fulfillment of the use of domestic products as referred to in section (1) point a and SNI-certified products as referred to in section (1) point b is carried out to the extent that it is available and sufficient.

Part Three
Procurement Packaging

Article 20

(1) The packaging of Procurement is carried out with an orientation towards:
   a. output or results;
   b. volume of goods/services;
   c. availability of goods/services;
   d. capabilities of Economic Operator; and/or
   e. availability of budgets expenditures.

(2) In carrying out the Procurement packaging, it is prohibited from:
   a. compiling or centralizing several packages of Procurement that are spread out of several locations/regions which by its nature of work and level of efficiency should be carried out in several locations/respective regions;
   b. compiling several Procurement packages which by its nature and type of work must be separated;
   c. compiling several Procurement packages which the scale of value should be carried out by small businesses; and/or
   d. splitting the Procurement into several packages for the purpose of avoiding Tender/Selection of Consultant.

Part Four

Procurement Consolidation

Article 21

(1) Procurement Consolidation is carried out at the stage of procurement planning, preparation for the Procurement through Provider, and/or preparation for selection of Provider.

(2) The Procurement Consolidation is conducted by PA/KPA/PPK and/or UKPBJ.

Part Five

Announcement of Annual Procurement Plan

Article 22

(1) Announcement of RUP of Ministries/Institutions is made after budget expenditure allocation has been determined.

(2) Announcement of RUP of Regional Apparatuses is made after a draft Regional Regulation on the Regional Budget has been mutually approved by the Local Government and the Regional House of Representatives.

(3) Announcement of RUP as referred to in section (1) and section (2) is made through Annual Procurement Plan Information System (*Sistem Informasi Rencana Umum Pengadaan*, SIRUP).

(4) Announcement of RUP through SIRUP as referred to in section (3) can be included in the official websites of the Ministries/Institutions/Local Governments, official public announcement board, newspapers and/or other media.

(5) Further announcement of RUP is made in the event of any change/revision to the package of procurement or Budget Execution Checklists (*Daftar Isian Pelaksanaan Anggaran*, DIPA)/Budget Execution Documents (*Dokumen Pelaksanaan Anggaran*, DPA).

CHAPTER V
PREPARATION FOR PROCUREMENT

Part One
Preparation for In-House Procurement

Article 23

(1) The preparation for Procurement through In-House Procurement includes the determination of target, In-House Procurement Organizer, activity plan, implementation schedule, and Budget Plan.

(2) The determination of the target of In-House Procurement works as referred to in section (1) must be made by PA/KPA.

(3) The determination of a In-House Procurement Organizer is carried out as follows:

a. In-House Procurement Organizer Type I is determined by PA/KPA;

b. Preparation Team and Supervisory Team Type II are determined by PA/KPA, and the Implementing Team is determined by another Ministries/ Institutions/Regional Apparatuses as the implementer of the In-House Procurement;

c. Preparation Team and Supervisory Team Type III are determined by PA/KPA and the Implementing Team is determined by the head of the CSO as the implementer of the In-House Procurement; or

d. In-House Procurement Organizer Type IV is determined by the head of the Community Group as the implementer of the In-House Procurement.

(4) The activity plan as referred to in section (1) is determined by PPK taking into account certain experts/equipment/ materials, which are made under a separate Contract.

(5) The experts as referred to in section (4) can only be hired in carrying out In-House Procurement Type I and the number of experts must not exceed 50% (fifty percent) of the number of the Implementing Team members.

(6) The results of preparation for the Procurement through In-House Procurement as referred to in section (1) are stated in the ToR of activities/sub-activities/output.

(7) The activity plan that is at the proposal of the Community Group is evaluated and determined by PPK.

Article 24

(1) The costs of the Procurement through In-House Procurement are calculated based on the components of costs for implementing In-House Procurement.

(2) PA may propose cost standard for the input or output of the In-House Procurement to the minister administering government affairs in the state finance sector or the head of a region.

Part Two

Preparation of Procurement through Provider

Article 25

The preparation of Procurement through Provider by PPK includes the following activities:

a. determination of HPS;
b. determination of draft contracts;
c. determination of technical specifications/ToR; and/or
d. determination of advance payment, advance payment bond, performance bond, maintenance bond, guarantee certificate and/or price adjustment.

Article 26

(1) HPS is calculated on the basis of expertise and uses accountable data.

(2) HPS includes the calculation of profit and overhead cost.

(3) HPS value is transparent and non-confidential.

(4) Total HPS value is results of calculation of HPS plus Value-Added Tax (VAT).

(5) HPS is used as:
   a. a tool to evaluate the fairness of bid price and/or the fairness of unit price;
   b. the basis for determining the highest limit of valid proposal in the Procurement of Goods/Construction Works/Other Services; and
   c. the basis for determining the Performance Bond for contract price less than 80% (eighty percent) of the HPS value.

(6) HPS is not used as the basis for calculating the amount of state loss.

(7) The preparation for HPS is exempted for Procurement having a maximum Budget Ceiling of Rp10,000,000.00 (ten million rupiah), E-purchasing, and integrated work Tender.

(8) The determination of HPS is not later than 28 (twenty-eight) work days prior to the deadline for:
   a. submission of proposal for selection with post-qualification; or
   b. submission of qualification documents for selection with prequalification.

Article 27

(1) Types of the Contract for the Procurement of Goods/Construction Works/Other Services consist of:
   a. Lump sum;
   b. Unit Price;
   c. Combination of Lump Sum and Unit Price;
   d. Turnkey; and
   e. Framework Contract.

(2) Types of the Contract for the Procurement of Consultancy Services consist of:
   a. Lump Sum;
   b. Time-Based Contract; and
   c. Framework Contract.

(3) The Lump Sum Contract as referred to in section (1) point a and section (2) point a is a contract with definite

and fixed scope of work and total price within certain time limit, with the following conditions:

a. all risks are fully borne by the Provider;
b. output orientation; and
c. payments are based on the stage of product/output produced in accordance with the Contract.

(4) The Unit Price Contract as referred to in section (1) point b is a contract for the Procurement of Goods/Construction Works/Other Services with fixed unit price for any unit or element of work with certain technical specifications for the completion of the entire work within the prescribed time limit with the following conditions:

a. volume or quantity of work is still predictable in nature upon the signing of a Contract;
b. payments are based on joint measurement results in respect of the realization of volume of work; and
c. the final contract value is determined after the entire work has been completed.

(5) The combination of the Lump Sum and Unit Price Contract as referred to in section (1) point c is a Contract for the Procurement of Goods/Construction Works/Other Services combining Lump Sum and Unit Price in 1 (one) single work as agreed.

(6) The Turnkey Contract as referred to in section (1) point d is a Contract for the Procurement of Construction Works upon completion of the entire work within certain time limit, with the following conditions:

a. the price is definite and fixed until the entire work has been completely undertaken; and
b. payment can be made on the basis of specified output as agreed in the Contract.

(7) The Framework Contract as referred to in section (1) point e and section (2) point c may take the form of unit price contract within specified period of time for goods/services, which volume and/or time of delivery has not yet been determined upon the signing of the Contract.

(8) The Time-Based Contract as referred to in section (2) point b is a Consultancy Services Contract for works which scope cannot be defined in sufficient details and or the time of completion of work cannot be assured.

(9) The Multi Years Contract is a Contract for Procurement, which is funded by more than one Budget Year which is undertaken after obtaining approval from the competent officials in accordance with the provisions of the legislation, and may take the form of:

a. works which are completed more than 12 (twelve) months or more than 1 (one) Budget Year; or

b. works which provide more benefits if contracted for a period of more than 1 (one) Budget Year and a maximum of 3 (three) Budget Years.

Article 28

(1) The Contract forms consist of:

a. receipts;

b. invoice;

c. Work Order;

d. agreement; and

e. purchase order.

(2) Receipts as referred to in section (1) point a is used for the Procurement of Goods/Other Services having a maximum value of Rp10,000,000.00 (ten million rupiah).

(3) Invoice as referred to in section (1) point b are used for the Procurement of Goods/Other Services having a maximum value of Rp50,000,000.00 (fifty million rupiah).

(4) Work Order as referred to in section (1) point c is used for the Procurement of Consultancy Services having a maximum value of Rp100,000,000.00 (one hundred million rupiah), Procurement of Goods/Other Services with a value of more than Rp50,000,000.00 (fifty million rupiah) up to the maximum value of Rp200,000,000.00 (two hundred million rupiah), and Procurement of Construction Work having a maximum value of Rp200,000,000.00 (two hundred million rupiah).

(5) The Agreement as referred to in section (1) point d is used for the Procurement of Goods/Construction Works/Other Services with a value of more than Rp200,000,000.00 (two hundred million rupiah) and for the Procurement of Consultancy Services with a value of more than Rp100,000,000.00 (one hundred million rupiah).

(6) Purchase order as referred to in section (1) point e is used for the Procurement through E-purchasing or purchase via online shops.

(7) Further provisions regarding the forms of contract as referred to in section (1) and the Contract supporting documents, are regulated in a regulation of the minister administering government affairs in the field of state finance and/or minister administering home affair.

Article 29

(1) Advance payment can be provided for the preparation of work implementation.

(2) Advance payment as referred to in section (1) is provided with the following conditions:
   a. maximum of 30% (thirty percent) of the contract value for small businesses;
   b. maximum of 20% (twenty percent) of the contract value for non-small businesses and Consultant; or
   c. maximum of 15% (fifteen percent) of the contract value for Multi Years Contract.

(3) The provision of advance payment is stated in the draft contracts contained in the Bidding Documents.

Article 30

(1) Security of the Procurement consists of:
   a. Bid Bond;
   b. Appeal Bond;
   c. Performance Bond;
   d. Advance Payment Bond; and
   e. Maintenance Bond.

(2) The Bid Bond as referred to in section (1) point a and the Appeal Bond as referred to in section (1) point b are only for the procurement of Construction Works.

(3) The Bonds as referred to in section (1) may take the form of bank guarantee or surety bond.

(4) The forms of Bonds as referred to in section (3) are:
   a. unconditional;
   b. easily liquidated ; and
   c. to be liquidated by the bond issuer not later than 14 (fourteen) work days after a liquidation order from the Selection Committee/PPK/Parties granted power of attorney by the Selection Committee/PPK has been received.

(5) The Procurement of Consultancy Services does not require any Bid Bond, Appeal Bond, Performance Bond, and Maintenance Bond.

(6) Guarantees from Commercial Bank, Guarantee Company, Insurance Company, special financial institution that is engaged in the field of finance, guarantee and insurance to foster Indonesian exports in accordance with the provisions of the legislation on Indonesian export financial institution, can be used for all types of Bonds.

(7) Guarantee Company, Insurance Company, and special financial institution that is engaged in the field of finance, guarantee and insurance to foster Indonesian exports in accordance with the provisions of the legislation on Indonesian export financial institution as referred to in section (6), are the Bond Issuing Companies that hold a business license and suretyship product registration in the Financial Services Authority.

Article 31

(1) The Bid Bond as referred to in Article 30 section (2) is applicable to the total HPS value of more than Rp10,000,000,000.00 (ten billion rupiah).

(2) The amount of Bid Bond as referred to in section (1) is from 1% (one percent) to 3% (three percent) of the total HPS value.

(3) For the integrated Construction Work, the amount of Bid Bond as referred to in section (1) is from 1% (one percent) to 3% (three percent) of the Budget Ceiling value.

Article 32

(1) The amount of Appeal Bond as referred to in Article 30 section (2) is 1% (one percent) of the total HPS value.

(2) For the integrated Construction Works, the amount of the Appeal Bond as referred to in Article 30 section (2) is 1% (one percent) of the Budget Ceiling value.

Article 33

(1) The Performance Bond as referred to in Article 30 section (1) point c is applicable to the Contract for the Procurement of Goods/Construction Work/Other Services with a value of more than Rp200,000,000.00 (two hundred million rupiah).

(2) The Performance Bond as referred to in section (1) is required, in the event that:
   a. the Procurement of Other Services which Provider's assets is under the possession of the User; or
   b. the Procurement via E-purchasing.

(3) The amount of the Performance Bond is as follows:
   a. for corrected bid price from 80% (eighty percent) to 100% (one hundred percent) of the HPS, the amount of Performance Bond is 5% (five percent) of the contract value; or
   b. for corrected bid price less than 80% (eighty percent) of the HPS, the amount of Performance Bond is 5% (five percent) of the total HPS.

(4) The amount of Performance Bond for integrated work is as follows:
   a. for bid price from 80% (eighty percent) to 100% (one hundred percent) of the Budget Ceiling value, the amount of Performance Bond is 5% (five percent) of the contract value; or

b. for bid price below 80% (eighty percent) of the Budget Ceiling value, the amount of Performance Bond is 5% (five percent) of the Budget Ceiling value.

(5) The Performance Bond is applicable until the handover of work on the Procurement of Goods/Other Services or the provisional hand over of Construction Works.

Article 34

(1) The Advance Payment Bond as referred to in Article 30 section (1) point d must be delivered by the Provider to the PPK in the same amount of the advance payment.

(2) The Advance Payment Bond value as referred to in section (1) may be gradually reduced proportionally in accordance with the remaining advance payment received.

Article 35

(1) The Maintenance Bond as referred to in Article 30 section (1) point e is applicable to the Construction Works or Other Services requiring maintenance period, in the event that the Provider receives the retention money upon the Provisional Hand Over of work.

(2) The Maintenance Bond as referred to in section (1) is returned 14 (fourteen) work days after the completion of maintenance period.

(3) The amount of the Maintenance Bond is 5% (five percent) of the contract value.

Article 36

(1) The Guarantee Certificate is delivered for the worthiness of goods until a specified period of time in accordance with the provisions of the Contract.

(2) Guarantee Certificate as referred to in section (1) is issued by the producer or party duly appointed by the producer.

Article 37

(1) Price Adjustment may be made with the following conditions:
   a. applicable to Multi Years Contract with the type of the Contract Unit Price or the Time-Based Contract in accordance with the terms and conditions set out in the Bidding Documents and/or amendment to the Bidding Documents; and
   b. procedures for calculating price adjustment must be clearly stated in the Bidding Documents and/or amendment to the Bidding Documents as an integral part of the Contract.

(2) The requirements and procedures for calculating price adjustment as referred to in section (1) consist of:
   a. price adjustment is applied to Multi Years Contract which its time for completion are more than 18 (eighteen) months;
   b. price adjustment as referred to in point a is applied on the 13th (thirteenth) month as of the commencement date;
   c. unit price adjustment is applied to all payment activities/items other than the component of profit, overhead cost and over unit price as stated in the proposal;
   d. unit price adjustment is applied in accordance with the implementation schedule set out in the Contract;
   e. unit price adjustment for components of works originating from abroad uses the price adjustment index from the country of origin of the goods;
   f. types of new work with new unit price as a result of an addendum to contract can be given with adjusted price commencing from the 13th (thirteenth) month after the addendum to contract has been signed; and
   g. the index used in the case of delayed Contract implementation caused by the Providers' fault is the lowest index between the schedule of the contract and the realization of work.

Article 38

(1) The methods for selection of a Provider of Goods/Construction Work/Other Services consist of:
   a. E-purchasing;
   b. Direct Procurement;
   c. Direct Appointment;
   d. Quick Tender; and
   e. Tender.

(2) The E-purchasing as referred to in section (1) point a is made for Goods/Construction Work/Other Services that have been stated in the electronic catalogue.

(3) The Direct Procurement as referred to in section (1) point b is performed for Goods/Construction Work/Other Services having a maximum value of Rp200,000,000.00 (two hundred million rupiah).

(4) The Direct Appointment as referred to in section (1) point c is made for Goods/Construction Work/Other Services under certain circumstances.

(5) The criteria of Goods/Construction Work/Other Services under certain circumstances as referred to in section (4) include:
   a. implementation of sudden activities to follow up an international commitment attended by the President/Vice President;
   b. goods/services that are confidential in nature in the interest of the State including intelligence, witness protection, the security of the President and the Vice President, Former Presidents and Former Vice Presidents and their families as well as state guests that have the same level as the head of state/head of government, or goods/other services that are confidential in nature in accordance with the provisions of the legislation;
   c. Construction Work of structures as an integral part of the construction system and responsibility for risks of structure failure cannot be previously planned/calculated in whole;

d. Goods/Construction Works/Other Services that can only be provided by 1 (one) capable Economic Operator;
e. procurement and distribution of superior seeds including seeds of rice, corn, soybean and fertilizers including Urea, NPK and ZA to farmers to ensure the availability of seeds and fertilizers on an appropriate and prompt basis for the purpose of enhancing food security;
f. public infrastructure, facility and utility works in housing complex for Low-Income Community, which are performed by the relevant developer;
g. Goods/Construction Works/Other Services that are specific and can only be undertaken by a patent holder or party that has obtained a license from the patent holder or party that wins a tender to obtain a license from the government; or
h. Goods/Construction Works/Other Services failed on re-Tender.

(6) The Quick Tender as referred to in section (1) point d is made in the event that:
a. the work specification and volume may have been determined in detail; and
b. the Economic Operator has been qualified in the Provider Performance Information System.

(7) The Tender as referred to in section (1) point e is made in the event that the procurement is not eligible for using the method for selecting a Provider as referred to in section (1) point a to point d.

Article 39

(1) `The method of proposal evaluation for Goods/Construction Works/Other Services is implemented by:
a. Value System;
b. Economic Life Cycle Cost Evaluation; or
c. Lowest Price.

(2) The Merit System evaluation method is applied for the Procurement of Goods/Construction Works/Other Services that considers the technical evaluation and price.

(3) The Economic Life Cycle Cost evaluation method is applied for the Procurement of Goods/Construction Works/Other Services that considers the factors of economic life cycle, price, operational costs, maintenance costs, and residual value within a specified operational period.

(4) The Lowest Price evaluation method is applied for the Procurement of Goods/Construction Works/Other Services in the event that the price is used as the basis for determining a winner among proposal whose have fulfilled technical requirements.

Article 40

(1) The method of proposal submission for Goods/Construction Works/Other Services is made through:
   a. 1 (one) file;
   b. 2 (two) files; or
   c. 2 (two) stages.

(2) The one file method is made for the Procurement of Goods/Construction Works/Other Services applying the Lowest Price evaluation method.

(3) The two files method is made for the Procurement of Goods/Construction Works/Other Services that require prior technical evaluation.

(4) The two stages method is made for the Procurement of Goods/Construction Work/Other Services that have the following characteristics:
   a. its technical specifications have not yet been determined in certainty;
   b. having several alternative system of usages and different technology application designs;

c. enabling the change to technical specifications based on the clarifications to the submitted technical proposal; and/or
d. requiring technical equalization.

Article 41

(1) The methods for selecting the Consultant consist of:
a. Selection of Consultant;
b. Direct Procurement; and
c. Direct Appointment.
(2) The Selection of Consultant as referred to in section (1) point a is made for Consultancy Services with a value of more than Rp100,000,000.00 (one hundred million rupiah).
(3) The Direct Procurement as referred to in section (1) point b is carried out for the Consultancy Services with a maximum value of Rp100,000,000.00 (one hundred million rupiah).
(4) The Direct Appointment as referred to in section (1) point c is made for Consultancy Services under certain circumstances.
(5) The criteria of the Consultancy Services under certain circumstances as referred to in section (4) include:
a. Consultancy Services that can only be performed by 1 (one) capable Economic Operator;
b. Consultancy Services that can only be performed by 1 (one) registered copyright holder or party that has obtained a license from the copyright holder;
c. Consultancy Services in the area of law including a legal consultant/advocacy or provision of an arbitrator that is previously not planned, to deal with any claim and/or legal proceedings from certain parties, which by the nature of performance of work and/or defense must be prompt and cannot be postponed; or
d. Repeat order for the same Consultant.

(6) In the event of Direct Appointment for the Consultant as referred to in section (5) point d, a maximum limit applies of 2 (two) times.

Article 42

(1) The methods of proposal evaluation for Consultant are made by:
   a. Quality and Cost;
   b. Quality;
   c. Budget Ceiling; or
   d. Lowest Cost.

(2) The Quality and Cost based evaluation method is used for works which scope of work, type of experts, and work completion period can be described in certainty in the ToR.

(3) The Quality based evaluation method is used for works which scope of work, type of experts, and work completion period cannot be described in certainty in the ToR or for works of Individual Consultant.

(4) The Budget Ceiling evaluation method is only applied for a simple scope of work that can be described in certainty in the ToR and the proposal is not allowed to exceed the Budget Ceiling.

(5) The Lowest Cost evaluation method is only applied for standard and routine works, the practice and standard of the work performance of which are already established.

Article 43

(1) The submission method of proposal for Consultancy Services through Direct Procurement and Direct Appointment uses one file method.

(2) The submission method of proposal for Selection of Consultant uses two files method.

Article 44

(1) Qualification is the evaluation of competencies, business capabilities and fulfillment of requirements as a Provider.

(2) Qualification is implemented through a post-qualification or prequalification.

(3) Post-qualification is implemented in the following selections:
   a. Tender of Goods/Construction Works/Other Services for non-complex Procurement; or
   b. Selection of Individual Consultant.

(4) Qualification for post-qualification as referred to in section (3) is undertaken simultaneously with the proposal evaluation by applying pass and fail system.

(5) Prequalification is undertaken in the following selection:
   a. Tender of Goods/Construction Work/Other Services for complex Procurement;
   b. Selection of Consulting Firm; or
   c. Direct Appointment of Procurement of Goods/Construction Works/Consulting Firm/ Individual Consultant/Other Services.

(6) Qualification for prequalification as referred to in section (5) is undertaken prior to the proposal submission by applying the following methods:
   a. pass and fail system for Provider of Goods/Construction Work/Other Services; or
   b. weighting system with a threshold for a Consultant.

(7) The results of prequalification produce:
   a. list of participants of Tender of Goods/Construction Works/Other Services; or
   b. short list of Consulting Firm.

(8) If the Economic Operator has been qualified in the Provider Performance Information System, verification of qualification is not required.

(9) The Selection Committee is prohibited from adding discriminative and subjective qualification requirements.

(10) The complex Procurement as referred to in section (5) point a is the procurement of Goods/Construction Works/Other Services that have high risks, require high technology, use specially designed equipment and/or are difficult to technically define how to fulfill the needs and objectives of the Procurement.

Article 45

The selection schedule for each stage is determined by the sufficient amount of time for Selection Committee and selection participants in accordance with complexity of works.

Article 46

The Bidding Document consists of:

a. Qualification Documents; and
b. Tender/Selection of Consultant/Direct Appointment/ Direct Procurement Documents.

CHAPTER VI

IMPLEMENTATION OF PROCUREMENT THROUGH IN-HOUSE PROCUREMENT

Part One

Implementation

Article 47

(1) In-House Procurement type I is performed with the following conditions:
    a. PA/KPA may hire other Ministries/ Institutions/Regional Apparatuses employees and/or experts;
    b. Hiring of experts must not exceed 50% (fifty percent) of the number of an Implementing Team; and
    c. If Procurement through a Provider is required, it must be performed in accordance with the provisions of this Presidential Regulation.
(2) In-House Procurement type II is performed with the following conditions:
    a. PA/KPA enters into a cooperation agreement with the other Ministries/Institutions/Regional Apparatuses as the implementer of In-House Procurement; and
    b. PPK enters into a Contract with the Head of the In-House Procurement Implementing Team in accordance with the mutual agreement as referred to in point a.

(3) In-House Procurement type III must be performed under a Contract between PPK and the head of the CSO.

(4) In-House Procurement type IV is performed under a Contract between PPK and the head of the Community Group.

(5) For In-House Procurement type II as referred to in section (2), type III as referred to in section (3), and type IV as referred to in section (4), the work value contained in the Contract includes the needs for the goods/services obtained through a Provider.

Part Two

Payment of In-House Procurement

Article 48

Payment of In-House Procurement is made in accordance with the provisions of the legislation.

Part Three

Supervision and Accountability

Article 49

(1) Implementing Team periodically reports the progress on In-House Procurement and the application of finance to PPK.

(2) Implementing Team submits results of the In-House Procurement work to PPK recorded by Minutes of Handover.

(3) The In-House Procurement is periodically supervised by the Supervisory Team.

CHAPTER VII
PROCUREMENT THROUGH PROVIDER

Part One
Selection of Provider

Article 50

(1) The Tender/Selection of Consultant includes the following stages:
   a. Qualification;
   b. Announcement and/or Invitation;
   c. Registration and Collection of Bidding Document;
   d. Pre-Bid Meeting;
   e. Submission of Proposal;
   f. Evaluation of Proposal;
   g. Determination and Announcement of Winners; and
   h. Objection.

(2) In addition to the provisions as referred to in section (1), for the tender of Construction Works, an Appeal stage is added.

(3) For Selection of Consultant as referred to in section (1), clarification and negotiation for the technical and price proposals are made after the end of the objection period.

(4) Quick Tender is conducted with the following provisions:
   a. participant has been qualified in the Provider Performance Information System;
   b. participant only submits price proposal;
   c. evaluation of price proposal is undertaken through an application; and
   d. determination of the winner is based on the lowest price proposal.

(5) E-purchasing is required to be made for the goods/services related to the fulfillment of national and/or strategic needs determined by the minister, the head of institution, or the head of a region.

(6) Direct Appointment is made by inviting 1 (one) selected Economic Operator, followed by technical and price negotiation.

(7) Direct Procurement is conducted by the following methods:
   a. direct purchase/payment to the Provider for the Procurement of Goods/Other Services using evidence of purchase or receipts; or
   b. request for proposal along with a clarification as well as technical and price negotiation from the Economic Operator for Direct Procurement using a Work Order.

(8) Selection may be made immediately after the RUP has been announced.

(9) For the goods/services which contract must be signed at the beginning of the year, the selection may be implemented after:
   a. the determination of Ministerial/Institutional Budget Ceiling; or
   b. the approval of Regional Apparatus' RKA in accordance with the provisions of the legislation.

(10) The selection as referred to in section (9) is made after the RUP has been initially announced through SIRUP application.

(11) Offering of price proposal may be made through E-reverse Auction.

Part Two

Failed Tender/Selection of Consultant

Article 51

(1) Prequalification is considered failed if:
   a. after the granting of time extension, there is no participant submitting qualification documents; or
   b. the number of participants that pass the prequalification is less than 3 (three) participants.

(2) Tender/Selection of Consultant is considered failed if:
   a. any mistake is found in the evaluation process;
   b. no proposal after extension of proposal submission deadline;
   c. no proposal pass the evaluation;

d. any mistake is found in the Bidding Documents or it is not in accordance with the provisions of this Presidential Regulation;
e. all participants are involved in Corruption, Collusion and Nepotism (*Korupsi, Kolusi dan Nepotisme*, KKN);
f. all participants are involved in unfair business competition;
g. all of the bid price for the Tender of Goods/Construction Works/Other Services are above the HPS;
h. price negotiation during the Selection of Consultant is not reached; and/or
i. the Selection Committee/PPK is involved in KKN.

(3) Failed prequalification as referred to in section (1) and failed Tender/Selection of Consultant as referred to in section (2) point a to point h is declared by the Selection Committee.

(4) Failed Tender/Selection of Consultant as referred to in section (2) point i is declared by PA/KPA.

(5) To follow up the failed prequalification as referred to in section (1), the Selection Committee immediately conduct a re-prequalification with the following provisions:
a. after the re-prequalification, if there are 2 (two) participants that pass, the Tender/Selection of Consultant process; is continued or
b. after the re-prequalification, if there is 1 (one) participant that passes, it is continued with the Direct Appointment process.

(6) To follow up the failed Tender/Selection of Consultant referred to in section (2), the Selection Committee will immediately:
a. re-evaluate the proposal;
b. re-submission the proposal; or
c. re-Tender/Selection of Consultant.

(7) Re-evaluate proposal as referred to in section (6) point a is conducted if any mistake found in the proposal evaluation.

(8) Re-submission proposal as referred to in section (6) point b is conducted for the failed Tender/Selection of Consultant as referred to in section (2) point d and point h.

(9) Re-Tender/Selection of Consultant as referred to in section (6) point c is conducted for the failed Tender/Selection of Consultant as referred to in section (2) point b, point c, point e, f, point g, and point i.

(10) In the event that re-Tender/Selection of Consultant as referred to in section (9) fails, the Selection Committee with the approval of PA/KPA makes Direct Appointment with the following criteria:
   a. the needs cannot be postponed; and
   b. there is insufficient time to perform the Tender/Selection of Consultant.

Part Three
Implementation of Contract

Article 52

(1) Implementation of Contract consists of:
   a. Determination of Appointment Letter of the Goods/Services Provider (*Penetapan Surat Penunjukan Penyedia Barang/Jasa*, SPPBJ);
   b. Signing of Contract;
   c. Making advance payment;
   d. Payment of work performance;
   e. Contract Amendment;
   f. Price adjustment;
   g. Postponement or Expiry of Contract;
   h. Contract Termination;
   i. Handover of Deliverable; and/or
   j. Handling of Force Majeure Events.

(2) PPK is prohibited from entering into a contractual agreement or signing a Contract with the Provider, if the budget expenditure is still unavailable or insufficient which may result in exceeding the budget ceiling available for the activities financed by the State Budget/Regional Budget.

Part Four

Payment of Work Performance

Article 53

(1) Payment of Work Performance is made to the Provider after it has been deducted by the installments of advance payment, retention, and fines.

(2) The retention as referred to in section (1) in the amount of 5% (five percent) is used as Maintenance Security for Construction Work or Maintenance Security for Other Services that requires maintenance period.

(3) In the event that the Provider submits part of the work to a subcontractor, the payment request must be completed by an evidence of payment to the subcontractor in accordance with the work performance.

(4) Payment of Work Performance may be made in the form of:

a. monthly payment;

b. payments are due on clearly specified outputs and milestones; or

c. single payment after the completion of work.

(5) The payment may be made prior to the work performance for the Procurement which by its nature the payment is made before the goods/services are received, after the Provider has submitted a security for the payment to be made.

(6) Payment may be made for uninstalled equipment and/or materials which become part of the deliverables of the work located on the work site and have been stated in the Contract.

(7) Provisions on the pre-work performance payment as referred to in section (5) are in accordance with the provisions of the legislation.

Part Five
Contract Amendment

Article 54

(1) If discrepancies arise between the field conditions during performance period and the drawings and/or the technical specifications/ToR as specified in the Contract document, PPK and Provider may amend the contract, which includes:
   a. increasing or decreasing the volume contained in the Contract;
   b. increasing and/or reducing the type of activities;
   c. changing technical specifications in accordance with the field conditions; and/or
   d. changing the implementation schedule.

(2). If the contract amendment as referred to in section (1) results in an increase in the contract value, the contract will be amended provided that the increase in the final contract value does not exceed 10% (ten percent) of the price stated in the initial Contract.

Part Six
Force Majeure

Article 55

(1) In the event of a force majeure, the implementation of Contract may be postponed.

(2) In the event that the implementation of Contract continues, the parties may amend the contract.

(3) Time extension for completion of the Contract due to force majeure events may exceed the Budget Year.

(4) The follow-up after the force majeure events is stipulated in the Contract.

Part Seven

Contract Completion

Article 56

(1) In the event that the Provider fails to complete the work until the end of the implementation of Contract period; however, PPK assesses that the Provider is able to complete the work; PPK gives the Provider the opportunity to complete the work.

(2) The giving of opportunity to the Provider to complete the work as referred to in section (1) is set forth in an addendum to the contract in which stipulates the time to complete the work, the imposition of fines for delay to the Provider, and the extension of the Performance Bond.

(3) The giving of opportunity to the Provider to complete the work as referred to in section (1) may exceed Budget Year.

Part Eight

Handover of Deliverables

Article 57

(1) After the work has been completed 100% (one hundred percent) in accordance with the provisions set out in the Contract, Provider submits a written request to PPK for the handover of goods/services.

(2) PPK examines the delivered goods/services.

(3) PPK and Provider sign the Minutes of Handover.

Article 58

(1) PPK delivers the goods/services as referred to in Article 57 to PA/KPA.

(2) PA/KPA requests PjPHP/PPHP to carry out administrative examination on the goods/services to be handed over.

(3) The results of the examination as referred to in section (2) are recorded in a Minute.

CHAPTER VIII
SPECIAL PROCUREMENT

Part One
Procurement in the Handling of Emergency Conditions

Article 59

(1) The handling of emergency conditions is conducted for the safety/protection of Indonesian people or citizens residing within the country and/or abroad, the implementation of which cannot be postponed and must be carried out immediately.

(2) Emergency conditions include:
   a. natural disasters, disasters other than natural disasters, and/or social disasters;
   b. performance of search and rescue operations;
   c. damage to means/infrastructures that may interfere with public service activities;
   d. natural disasters, disasters other than natural disasters, social disasters, the development of political and security situation abroad, and/or the enactment of foreign government policies that have a direct impact upon the safety and the order of Indonesian citizens abroad; and/or
   e. provision of humanitarian assistance to other affected countries.

(3) The determination of an emergency condition as referred to in section (2) point a is carried out in accordance with the provisions of the legislation.

(4) The emergency conditions as referred to in section (2) point a include emergency alert, emergency response, and emergency transition to recovery.

(5) For the handling of emergency conditions as referred to in section (2), PPK appoints the nearest Provider performing the similar Procurement or another Economic Operator that is deemed capable and qualified to carry out the similar Procurement .

(6) The handling of emergency conditions may be carried out by the utilization of permanent construction, in the event the transfer of permanent work is still within the emergency period.

(7) The handling of emergency conditions may only be overcome by permanent construction, the completion of work may exceed the emergency period.

Part Two

Procurement Abroad

Article 60

(1) The procurement performed abroad refers to the provisions of this Presidential Regulation.

(2) In the event that the provisions of this Presidential Regulation as referred to in section (1) cannot be implemented, the Procurement is adjusted to the provisions of Procurement in the relevant country.

(3) Further provisions regarding the procedures for Procurement Abroad are regulated by a minister administering government affairs in the foreign affair following consultation with the LKPP.

Part Three

Exceptions

Article 61

(1) The followings are excluded from the provisions of this Presidential Regulation:

a. Procurement by a Public Service Agency;

b. Procurement carried out based on tariffs published widely to the public;

c. Procurement carried out in accordance with the established business practices; and/or

d. Procurement regulated in the provisions of other legislation.

(2) Procurement by a Public Service Agency is separately regulated by a regulation of the head of Public Service Agency.

(3) Further provisions regarding exceptions for the Procurement as referred to in section (1) point b, section (1) point c, and section (1) point d are regulated in Head of Agency Regulation.

Part Four

Research

Article 62

(1) Research is conducted by:
   a. PA/KPA in Ministries/Institutions/Regional Apparatuses as research organizer; and
   b. research implementer.

(2) The research organizer as referred to in section (1) point a has the authority to:
   a. determine a strategic research plan which refers to the direction of national research development;
   b. determine an annual research program which refers to the strategic research plan and/or support the formulation and arrangement of national development policies; and
   c. conduct a quality assurance of research performance.

(3) The research implementer as referred to in section (1) point b includes:
   a. Individual/group of individuals including Civil State Apparatuses/Non-Civil State Apparatuses;
   b. Ministries/Institutions/Regional Apparatuses;
   c. Higher Education;
   d. CSO; and/or
   e. Business Entities.

(4) The research implementer as referred to in section (3) is determined on the basis of the results of competition or appointment.

(5) The competition as referred to in section (4) is held through the selection of research proposal.

(6) The appointment as referred to in section (4) is determined by the research organizer for a special research.

(7) The research may utilize budget expenditure and/or facilities originating from 1 (one) or more than 1 (one) research organizer.

(8) The research may be conducted under a research contract for 1 (one) Budget Year or more than 1 (one) Budget Year.

(9) Payment of research performance may be made gradually or in a single manner in accordance with the research contract.

(10) The payment as referred to in section (9) is made based on the output product in accordance with the provisions of the research contract.

(11) Further provisions regarding the research are regulated in a regulation of the minister who administers government affairs in the field of research, technology, and higher education.

Part Five
International Tender/Selection of Consultant and Foreign Loans or Grants

Article 63

(1) International Tender/Selection of Consultant may be carried out for:

a. the Procurement of Construction Work with a value of more than Rp1,000,000,000,000.00 (one trillion rupiah);

b. the Procurement of Goods/Other Services with a value of more than Rp50,000,000,000.00 (fifty billion rupiah);

c. the Procurement of Consultancy Services with a value of more than Rp25,000,000,000.00 (twenty-five billion rupiah); or

d. Procurement financed by Export Credit Agency or Foreign Private Creditors.

(2) International Tender/Selection of Consultant is implemented for the value less than the limit as referred to in section (1) point a, point b, and point c, in the event of no a capable and eligible domestic Economic Operator.

(3) Foreign business entity which takes part in International Tender/Selection of Consultant as referred to in section (1), must conduct cooperation with the national business entity in the form of a consortium, subcontract, or other forms of cooperation.

(4) Foreign business entity that performs the Procurement of Goods/Construction Work, must cooperate with the domestic industry in the manufacture of spare parts and the performance of after-sales service.

(5) Procurement of Goods/Construction Works/Consultancy Services/Other Services undertaken through an International Tender/Selection of Consultant is announced on the website of the Ministries/Institutions/Local Governments and the international community website.

(6) Bidding Documents through International Tender/Selection of Consultant are prepared in at least 2 (two) languages, Bahasa Indonesia and English.

(7) In the event of a different interpretation of the Bidding Documents as referred to in section (6), the Indonesian document is used as reference.

(8) Contract Payment through an International Tender/Selection of Consultant may be made in rupiah currency and/or in accordance with the provisions of the legislation.

Article 64

(1) The provisions as regulated in this Presidential Regulation are applicable to the Procurement for the activities whose funds is sourced from foreign loans or grants, unless otherwise regulated in an foreign loan agreement or foreign grant agreement.
(2) Process of Procurement for the activities whose funds is sourced from foreign loans may be carried out before a foreign loan agreement is made (advance procurement).
(3) Formulating the agreement as referred to in section (1), may be consulted with LKPP.

CHAPTER IX
SMALL BUSINESSES, DOMESTIC PRODUCTS,
AND SUSTAINABLE PUBLIC PROCUREMENT

Part One
Small Business Participation

Article 65

(1). Small businesses consist of Micro-Scale Enterprises and Small-Scale Enterprises.
(2). In the Procurement, PA/KPA broadens the participation of small businesses.
(3). Packaging is carried out by determining as many packages for small businesses without neglecting the principles of efficiency, fair business competition, unity of the system, and the quality of technical skills.
(4). The package of Procurement of Goods/Construction Work/Other Services with a maximum value of Rp2,500,000,000.00 (two billion and five hundred million rupiah), is reserved and designated for small businesses, except for work packages requiring technical capabilities that small-scale businesses cannot fulfill.
(5). LKPP and the Ministries/Institutions/Local Governments broaden the participation of small businesses by including goods/services of small business production in an electronic catalogue.

(6). The non-small business Provider that carries out the work may undertake business cooperation with small businesses in the form of partnerships, subcontracts, or other forms of cooperation, if there is a small business that has the capability in the relevant field.

Part Two

Use of Domestic Products

Article 66

(1) The Ministries/Institutions/Regional Apparatuses is obligated to use domestic products, including national design and engineering.

(2) The obligation to use domestic products as referred to in section (1) is performed if there are participants that offer goods/services with the National Contribution Value (*Tingkat Komponen Dalam Negeri*, TKDN) plus the Corporate Contribution Value (*Bobot Manfaat Perusahaan*, BMP) of a minimum of 40% (forty percent).

(3) Calculation of TKDN and BMP as referred to in section (2) is conducted in accordance with the provisions of the legislation.

(4) The provisions as referred to in section (2) and section (3) are included in RUP, technical specifications/ToR, and Bidding Documents.

(5) Procurement of imported goods may be conducted, in the event that:

a. the goods cannot be produced domestically; or

b. domestic production volume is unable to meet the demand.

(6) LKPP and/or the Ministries/Institutions/Local Governments expand the inclusion of domestic products in the electronic catalogue.

Article 67

(1) A price preference is an incentive for domestic products in the selection of a Provider in the form of acceptable high price.
(2) The price preference applies to Procurement having value of more than Rp1,000,000,000.00 (one billion rupiah).
(3) The price preference applies to goods/services having a minimum TKDN of 25% (twenty-five percent).
(4) The price preference for goods/services is a maximum of 25% (twenty-five percent).
(5) The price preference for Construction Works conducted by national business entities is a maximum of 7.5% (seven point five percent) above the lowest bid price of foreign business entities.
(6) The price preference is taken into account in the evaluation of the bid price that has satisfied the administrative and technical requirements.
(7) Determination of the winner is based on the lowest price order of Final Evaluation Price (*Hasil Evaluasi Akhir*, HEA).
(8) HEA is calculated by the formula:
KP = maximum TKDN preference
KP is Coefficient of Preference
HP is the Bid Price after the arithmetic correction.
(9) If there are 2 (two) or more proposal with the same lowest HEA, the bidder with the larger TKDN is determined as the winner.

Part Three
Sustainable Public Procurement

Article 68

(1) Procurement is carried out with due observance of the sustainability aspects.
(2) The sustainability aspects as referred to in section (1) consist of:

a. economic aspects including the cost of producing goods/services throughout the life of the relevant goods/services;
b. social aspects including empowerment of small businesses, guarantees of fair working conditions, empowerment of local communities/businesses, equality, and diversity; and
c. environmental aspects including the reduction of negative impacts upon health, air quality, soil quality, water quality, and use of natural resources in accordance with the provisions of the legislation.

(3) Sustainable Public Procurement is performed by:
a. PA/KPA in planning and budgeting the Procurement;
b. PPK in preparing technical specifications/ToR and draft contracts in the Procurement ; and
c. the Selection Committee/Procurement Officer/Procurement Agent in preparing the Bidding Documents.

CHAPTER X
ELECTRONIC PROCUREMENT

Part One
Electronic Procurement

Article 69

(1). Electronic Procurement is carried out by using an information system consisting of Electronic Procurement System (*Sistem Pengadaan Secara Elektronik*, SPSE) and supporting system.
(2). LKPP develops the SPSE and supporting system.

Article 70

(1) Electronic Procurement utilizes E-marketplace.
(2) E-marketplace for Procurement provides technical infrastructure and transaction support services for the Ministries/Institutions/Local Governments and the Provider in the form of:

a. Electronic Catalogues;
b. Online Shops; and
c. Selection of Provider.

(3) LKPP has the authority to develop, guide, manage, and supervise the implementation of E-marketplace for Procurement.

(4) In order to develop and manage the E-marketplace for Procurement, LKPP may cooperate with UKPBJ and/or the Economic Operator.

(5) In order to develop the E-marketplace as referred to in section (4), LKPP formulates and determine a development roadmap for E-marketplace for Procurement.

Article 71

(1) The scope of SPSE consists of:
a. Procurement Planning;
b. Procurement Preparation;
c. Selection of Provider;
d. Implementation of Contract;
e. Handover of Work;
f. Provider Management; and
g. Electronic Catalogue.

(2) SPSE as referred to in section (1) has interconnection with the information system of planning, budgeting, payment, asset management, and other information systems related to SPSE.

(3) SPSE supporting systems includes:
a. National Procurement Portal;
b. Human Resources Management of Procurement;
c. Management of advocacy and settlement of legal issues;
d. Community participation management;
e. Learning resources management; and
f. Monitoring and Evaluation.

Article 72

(1) Electronic catalogue may take the form of national electronic catalogue, sectoral electronic catalogue, and local electronic catalogue.

(2) Electronic catalogue as referred to in section (1) contains information in the form of list, type, technical specifications, TKDN, domestic products, SNI-certified products, green industrial products, country of origin, price, Provider, and other information on goods/services.

(3) The selection of products included in the electronic catalogue is carried out by the Ministries/Institutions/Local Governments or LKPP.

(4) The selection of products listed in the electronic catalogue is made through:
   a. Tender; or
   b. Negotiation.

(5) Further provisions regarding management of electronic catalogue as referred to in section (1) are regulated in Head of Agency Regulation.

Part Two

Electronic Procurement Services

Article 73

(1) The Ministries/Institutions/Local Governments carry out the function of electronic procurement services.

(2) The functions of electronic procurement services as referred to in section (1) include:
   a. management of all information systems of Procurement and its infrastructure;
   b. registration and verification of users of all information systems of Procurement; and
   c. development of information systems required by stakeholders.

(3) LKPP determines service standards, capacity, and information security of SPSE and supporting systems.

(4) LKPP provides guidance and supervision of electronic procurement services.

(5) Further provisions regarding the function of electronic procurement as referred to in section (2) are regulated in Head of Agency Regulation.

CHAPTER XI
HUMAN RESOURCES AND INSTITUTIONS

Part One
Human Resources for Procurement

Article 74

(1) Human Resources for Procurement consist of:
   a. Procurement Official within the Ministries/Institutions/Local Governments;
   b. Civil State Apparatus/Indonesian National Army/Indonesian National Police within the Ministry of Defense and Indonesian National Police; and/or
   c. personnel other than those as referred to in point a and point b.

(2) The Human Resources for Procurement as referred to in section (1) point b and section (1) point c must have the competence in the field of Procurement.

(3) The Human Resources for Procurement as referred to in section (1) are in UKPBJ.

(4) Based on the consideration of the size of the workload or the range of control of the organization, the Human Resources for Procurement as referred to in section (1) acting as PPK, the Procurement Officer, PjPHP/PPHP may be outside UKPBJ.

Part Two
Institutions of Procurement

Article 75

(1) The Minister/Head of Institution/Head of Local Government must establish UKPBJ that has the task of carrying out the support of procurement at the Ministries/Institutions/Local Governments.
(2) In order to undertake the tasks of the UKPBJ as referred to in section (1), UKPBJ has the functions of:
    a. managing the Procurement;
    b. managing electronic procurement services;
    c. developing Human Resources and institutions of the Procurement ;
    d. implementing assistance, consultancy, and/or technical guidance; and
    e. performing other duties assigned by the minister/head of institution/head of local government.
(3) UKPBJ as referred to in section (1) is organized in a structural form and determined in accordance with the provisions of the legislation.
(4) The management functions of electronic procurement services as referred to in section (2) point b may be carried out by a separate work unit.

CHAPTER XII
SUPERVISION, COMPLAINTS, SANCTIONS,
AND LEGAL SERVICES

Part One
Internal Supervision

Article 76

(1) The Minister/head of institution/head of a local government is obligated supervise Procurement through the internal supervisory apparatus at the respective Ministries/Institutions/Local Governments.

(2) Supervision as referred to in section (1) may be conducted through audits, reviews, monitoring, evaluations, and/or implementation of whistleblowing system.

(3) Supervision of Procurement as referred to in section (2) commences from the planning, preparation, selection of Provider, implementation of Contract, and handover of work.

(4) The scope of supervision of Procurement includes:
   a. fulfillment of maximum value of benefits;
   b. compliance with regulations;
   c. attainment of TKDN;
   d. the use of domestic products;
   e. reserve and designation of packages for small businesses; and
   f. Sustainable Public Procurement.

(5) The supervision as referred to in section (4) may be undertaken together with the relevant technical ministry and/or agency having the duty of administering government affairs in the field of supervision of state/regional finance and national development.

(6) The results of supervision are used as a means of controlling the implementation of Procurement.

Part Two
Public Complaints

Article 77

(1). The public may submit complaints to APIP accompanied by factual, credible, and authentic items of evidence.

(2). Law Enforcement Officer forwards the complaints submitted by the community to APIP for follow-up.

(3). The APIP as referred to in section (1) and section (2) follows up the complaints in accordance with its authority.

(4). APIP reports the results of the follow-up on complaint to the minister/head of institution/head of local government.

(5). The minister/head of institutions/head of local government reports to the authorized institution, in the event of an indication of corruption, collusion, and nepotism (*Korupsi, Kolusi dan Nepotisme*, KKN) which causes damage to the state finances.

(6). The minister/head of institutions/head of local government facilitates the public in supervising the implementation of Procurement.

(7). LKPP develops a complaint system for the Procurement.

Part Three

Sanctions

Article 78

(1) The actions or conducts by the selection participants that is subject to sanctions in the selection of Provider are:
   a. submitting false/incorrect documents or information to meet the requirements determined in the Bidding Documents;
   b. indicated to commit a conspiracy with other participants to set the bid price;
   c. indicated to commit KKN in the Selection of Provider; or
   d. withdrawing for reasons that cannot be accepted by the Procurement Officer/Selection Committee/ Procurement Agent.

(2) The actions or conducts by the selection winner that has received the SPPBJ which may be subject to a sanction is if the winner of the selection withdraws prior to signing of the Contract.

(3) The actions or conducts of the Provider that will be subject to sanctions are:
   a. not implementing the Contract, not completing the work, or not fulfilling the obligations within the maintenance period;
   b. causing a structural failure;
   c. submitting a Bond that cannot be liquidated;

d. making a mistake in calculating the volume of work result based on the audit result;
e. delivering goods/services whose quality is not in accordance with the Contract based on the audit results; or
f. being late in completing the work in accordance with the Contract.

(4) The actions or conducts as referred to in section (1), section (2), and section (3) are subject to:
a. disqualified sanction from the selection;
b. bond liquidated sanction;
c. Blacklist Sanction;
d. compensation for damages sanction; and/or
e. fines.

(5). The violations of the provisions as referred to in:
a. section (1) point a to point c are subject to disqualified sanctions from the selection, Bid Bond liquidated sanction, and Blacklist Sanction for 2 (two) years;
b. section (1) point d is subject to Bid Bond liquidated sanction, and Blacklist Sanction for 1 (one) year;
c. section (2) is subject to Bid Bond liquidated sanction, and Blacklist Sanction for 1 (one) year;
d. section (3) point a is subject to Performance Bond liquidated sanction or Maintenance Bond liquidated sanction, and Blacklist Sanction for 1 (one) year;
e. section (3) point b to point e is subject to compensation for damages sanction in the amount of the losses arising; or
f. section (3) point f is subject to fines for delay.

Article 79

(1). The Blacklist Sanction as referred to in Article 78 section (5) point a is determined by PA/KPA at the recommendation of the Procurement Officer/Selection Committee/ Procurement Agent.

(2). The Blacklist Sanction as referred to in Article 78 section (5) point b is determined by PA/KPA at the recommendation of the Procurement Officer/Selection Committee/ Procurement Agent.

(3). The Blacklist Sanction as referred to in Article 78 section (5) point c and Article 78 section (5) point d is determined by PA/KPA at the recommendation of PPK.

(4). The sanction of fines for delay as referred to in Article 78 section (5) point f is determined by PPK in the Contract amounting to 1‰ (one per-mille) of the contract value or part of the contract value for each day of delay.

(5). The contract value or part of the contract value as referred to in section (4) does not include Value Added Tax (VAT).

(6). The Blacklist Sanction as referred to in section (1) to section (3) are effective as of the date of its imposition.

Article 80

(1) The actions or conducts of the selection participants which subject to sanctions in the catalogue process are:
   a. submitting false/incorrect documents or information to meet the requirements determined in the Bidding Documents;
   b. indicated to commit a conspiracy with other participants to set the bid price;
   c. indicated to commit KKN in the selection of Provider;
   d. withdrawing for reasons that cannot be accepted by the Selection Committee/Procurement Agent; or
   e. withdrawing from or not signing a catalogue contract.

(2) The actions or conducts by the Provider that subject to sanction in the E-purchasing process are in the form of not fulfilling its obligations under the contract of the electronic catalogue or purchase order.

(3) The actions or conducts as referred to in section (1) and section (2) are subject to:

a. disqualified sanction from the selection;
b. Blacklist Sanction;
c. temporary suspension sanction in E-purchasing transaction system; and/or
d. having its name as Provider removed from the electronic catalogue.

(4) The violations of the provisions as referred to in:
a. section (1) point a to point c are subject to disqualified sanction from the selection and Blacklist Sanction for 2 (two) years;
b. section (1) point d and point e is subject to Blacklist Sanction for 1 (one) year;
c. section (2) for the violation of purchase order is subject to temporary suspension sanction in the E-purchasing transaction system for 6 (six) months; or
d. section (2) for the breach of contract in the electronic catalogue is subject to Provider removal sanction from the electronic catalogue for 1 (one) year.

(5) The imposition of sanctions as referred to in section (4) are stipulated by Ministries/Institutions/Regional Apparatuses at the proposal of the Selection Committee/Procurement Officer/Procurement Agent and/or PPK.

Article 81

In the event of any violations as referred to in Article 78 section (1) point a to point c and Article 80 section (1) point a to point c, UKPBJ submits a criminal claim.

Article 82

(1). Administrative sanction is imposed on PA/KPA/PPK/Procurement Officer/Selection Committee/ PjPHP/PPHP who fails to perform its obligations.

(2). The administrative sanction as referred to in section (1) is imposed by Personnel Development Officer/authorized officer in accordance with the provisions of the legislation.

(3). Mild, moderate or severe disciplinary sanctions are imposed on the PA/KPA/PPK/Procurement Officer/Selection Committee/PjPHP/PPHP who is proven to have violated the integrity pact based on the decision of the Supervisory Commission for Business Competition, General Courts, or State Administration Court.

Part Four
National Blacklist

Article 83

(1) The PA/KPA submits the identity of the selection participants/Providers that are subject to a Blacklist Sanction, to the work unit that performs electronic procurement service functions, to be included in the National Blacklist.
(2) The LKPP administers the National Blacklist.

Part Five
Legal Services for Parties of the Procurement

Article 84

(1) The Ministries/Institutions/Regional Governments must provide the Parties of Procurement with legal services involved in facing legal issues on Procurement.
(2) The legal services as referred to in section (1) are provided from the investigation process until a court decision is rendered.
(3) The Procurement Parties as referred to in section (1) do not include Providers, CSO, community groups as In-House Procurement Organizer, and the Economic Operator acting as the Procurement Agent.

Part Six

Contract Dispute Resolution

Article 85

(1) Contract dispute Resolution between the PPK and the Provider in the implementation of Contract can be carried out by services for contract dispute resolution, arbitration, or court proceedings.

(2) The LKPP provides services for contract dispute resolution as referred to in section (1).

CHAPTER XIII

OTHER PROVISIONS

Article 86

(1) The Minister/head of institutions may follow up the implementation of this Presidential Regulation for the procurement financed by the State Budget under regulations of the minister/head of agency.

(2) The Head of Region may follow up the implementation of this Presidential Regulation for the procurement financed by the Regional Budget under regional regulation/ regulation of the head of a region.

Article 87

(1) The LKPP develops a system and policy on the Procurement in accordance with the developments and needs, with due observance to the objectives, policies, principles and Procurement ethics.

(2) The results of development of the system and policy as referred to in section (1) are determined in Head of Agency Regulation of the.

CHAPTER XIV
TRANSITIONAL PROVISIONS

Article 88

Upon this Presidential Regulation coming into effect:

a. The Selection Committee/Procurement Officer position must be held by the Government Procurement Officer as referred to in Article 74 section (1) point a not later than 31 December 2020.
b. The PPK/Selection Committee/Procurement Officer position held by Civil State Apparatus/Indonesian National Army/State Police of the Republic of Indonesia as referred to in Article 74 section (1) point b must possess competency certification on Procurement not later than 31 December 2023.
c. The PPK/Selection Committee/Procurement Officer position held by other personnel as referred to in Article 74 section (1) point c must possess competency certification on Procurement not later than 31 December 2023.
d. The PPK/Selection Committee/Procurement Officer must possess a Basic Level Competency Certification on Procurement, to the extent that it has not yet possessed a competency certification on Procurement until 31 December 2023.

Article 89

Upon this Presidential Regulation coming into force:

1. Procurement which the preparation and performance are carried out prior to 1 July 2018 can be carried out under Presidential Regulation Number 54 of 2010 on Government Procurement as amended several times and last by Presidential Regulation Number 4 of 2015 on Fourth Amendment to Presidential Regulation Number 54 of 2010 on Government Procurement.

2. Any Contract signed pursuant to Presidential Regulation Number 54 of 2010 on Government Procurement as amended several times and last by Presidential Regulation Number 4 of 2015 on Fourth Amendment to Presidential Regulation Number 54 of 2010 on Government Procurement remains effective until the expiry of the Contract.

Article 90

(1). Procurement of Defense and Security Equipment is performed in accordance with the provisions of the prevailing laws and regulations on defense industry.

(2). If a Presidential Regulation on the requirements and procedures for the Procurement of Defense and Security Equipment is not yet available, the Procurement of Defense and Security Equipment is performed in accordance with the provisions of this Presidential Regulation.

CHAPTER XV

CLOSING PROVISIONS

Article 91

(1) Further provisions regarding:

a. the type and description of goods/services as referred to in Article 3;
b. procurement parties as referred to in Article 8;
c. Procurement Agent as referred to in Article 14;
d. the procurement planning as referred to in Article 18;
e. Consolidation of Procurement as referred to in Article 21;
f. the preparation for In-House Procurement as referred to in Article 23, and performance of In-House Procurement as referred to in Article 47;
g. the preparation for Procurement through a Provider as referred to in Article 25;

h. the types of the Contract for the Procurement as referred to in Article 27;
i. the methods for selecting Provider of Goods/Construction Works/Other Services as referred to in Article 38, and Consultancy Services as referred to in Article 41;
j. the method of proposal evaluation for Goods/ Construction Works/Other Services as referred to in Article 39, and Consultancy Services as referred to in Article 42;
k. the method of proposal submission for Goods/Construction Works/Other Services as referred to in Article 40, and Consultancy Services as referred to in Article 43;
l. qualification of Provider as referred to in Article 44;
m. the selection schedule for Provider as referred to in Article 45;
n. the Bidding Documents of Provider as referred to in Article 46;
o. implementation of Procurement through Provider as referred to in Article 50 until Article 58;
p. Procurement in the handling of emergency conditions as referred to in Article 59;
q. exceptions as referred to in Article 61;
r. International Tender/Selection of Consultant as referred to in Article 63;
s. electronic catalogue as referred to in Article 72;
t. Human Resources for Procurement as referred to in Article 74;
u. Institutional Procurement of as referred to in Article 75;
v. sanctions as referred to in Article 78 until Article 82;
w. the National Blacklist as referred to in Article 83;
x. services for contract dispute resolution as referred to in Article 85; and
y. development of system and policy on the Procurement as referred to in Article 87,

are issued by Regulation of the Head of Agency not later than 90 (ninety) days as of the promulgation of this Presidential Regulation.

(2) Further provisions on the forms of Contract and the Contract supporting documents as referred to in Article 28 for the financing sourced from the State Budget, and the giving of opportunity to a Provider to complete the work as referred to in Article 56 are regulated in a regulation of the minister who administers governmental affairs in the field of state finance not later than 90 (ninety) days as of the promulgation of this Presidential Regulation.

(3) Further provisions regarding the Contract supporting documents as referred to in Article 28 for the financing that is sourced from the Regional Budget, and the giving of opportunity to Provider to complete the work as referred to in Article 56 are to be stipulated in a regulation of the minister administering government affairs in the home affairs sector not later than 90 (ninety) days as of the promulgation of this Presidential Regulation.

(4) Further provisions regarding guidelines and procedures for the Procurement Abroad as referred to in Article 60 are regulated in a regulation of the minister who administers governmental affairs in the foreign affair sector not later than 90 (ninety) days as of the promulgation of this Presidential Regulation.

(5) Further provisions on research as referred to in Article 62 are regulated in a regulation of the minister who administers government affairs in the research and higher education sector not later than 90 (ninety) days as of the promulgation of this Presidential Regulation.

Article 92

Presidential Regulation Number 54 of 2010 on Government Procurement as amended several times and last amended by Presidential Regulation Number 4 of 2015 on the Fourth

Amendment to Presidential Regulation Number 54 of 2010 on Government Procurement, is repealed and declared effective.

Article 93

When this Presidential Regulation comes into effect, all implementing regulations of Presidential Regulation Number 54 of 2010 on Government Procurement as amended several times and last amended by Presidential Regulation Number 4 of 2015 on the Fourth Amendment to Presidential Regulation Number 54 of 2010 on Government Procurement, are declared to remain effective to the extent not contrary to and/or has not yet been replaced by the provisions of this Presidential Regulation.

Article 94

This Presidential Regulation comes into force on the date of its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Presidential Regulation by its placement in the State Gazette of the Republic of Indonesia.

Issued in Jakarta
on 16 March 2018

PRESIDENT OF THE REPUBLIC OF INDONESIA,

signed

JOKO WIDODO

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2018 NUMBER 33

Promulgated in Jakarta
on 22 March 2018

MINISTER OF LAW AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA,

signed

YASONNA H. LAOLY

Jakarta, 28 April 2020
Has been translated as an Official Translation
On behalf of Minister of Law and Human Rights
of the Republic of Indonesia,
DIRECTOR GENERAL OF LEGISLATION,

DIREKTORAT JENDERAL PERATURAN PERUNDANG-UNDANGAN KEMENTERIAN HUKUM DAN HAK ASASI MANUSIA RI PENGAYOMAN

WIDODO EKATJAHJANA