

REGULATION OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA
NUMBER 12 OF 2021

ON

AMENDMENT TO REGULATION OF THE PRESIDENT 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 : that in order to adjust the regulation on the use of products/services for Micro and Small -Scale Enterprise and Cooperatives, and the regulation for the procurement of construction services financed by the State Budget/Regional Budget in the Procurement for ease of doing business based on Law Number 11 of 2020 on Job Creation and adjustments to the provisions of Human Resources for the Procurement, it is necessary to issue a Presidential Regulation on Amendment to Regulation of the President of The Republic of Indonesia Number 16 of 2018 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);
4. Law Number 11 of 2020 on Job Creation (State Gazette of the Republic of Indonesia of 2020 Number 245, Supplement to the State Gazette of the Republic of Indonesia Number 6573);
5. Presidential Regulation Number 16 of 2018 on Government Procurement (State Gazette of the Republic of Indonesia of 2018 Number 33);

HAS DECIDED

To issue : PRESIDENTIAL REGULATION ON AMENDMENT TO PRESIDENTIAL REGULATION NUMBER 16 OF 2018 ON GOVERNMENT PROCUREMENT.

Article I

Some provisions on Presidential Regulations Number 16 of 2018 on Government Procurement (State Gazette of the Republic of Indonesia of 2018 Number 33) are amended as follows:

1. Between Article 1 point 10 and point 11, 1 (one) point is inserted, namely point 10a, the provisions of Article 1 point 14, point 15, and point 47 are deleted, the provision of Article 1 point 18 is amended, between Article 1 point 18 and point 19, 2 (two) points are inserted, namely point 18a and point 18b, between Article 1 point 29 and point 30 1 (one) point is inserted namely point 29a, the provisions of Article 1 point 12, point 27, point 32, point 33, point 35, and point 50

are amended, and added 1 (one) point namely point 35, so that Article 1 reads as follows:

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.
- 10a. Technical Officer (*Pejabat Pelaksana Teknis Kegiatan*), hereinafter referred to as PPTK, means an official in the Regional Apparatus Working Unit (Unit Satuan Kerja Perangkat Daerah/SKPD) who carries out 1 (one) or several activities of a program in accordance with their field of duty.
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 Working Committee, hereinafter referred to as Selection Committee, means human resources

determined by the head of UKPBJ 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. Deleted.
15. Deleted.
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. Human Resources for Government Procurement means Civil State Apparatus and Non-Civil State Apparatus who work in the field of Government Procurement.
- 18a. Government Procurement Functional Official, hereinafter referred to as the Procurement Official, means a State Civil Apparatus who is given full duties, responsibilities, authority, and rights by the authorized official to carry out the activities of the Procurement.
- 18b. Personnel other than Government Procurement Functional Official, hereinafter referred to as Other Personnel, means State Civil Apparatus, Indonesian National Army soldiers, and members of the Indonesian National Police who are given full duties, responsibilities, authority and rights by the authorized official to carry out 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 carrying out certain businesses and/or activities in certain business sector.
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.
- 29a. Products mean goods made or services produced by Economic Operator.
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 which has included the calculation of overhead cost, profit, and Value Added Tax.
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 or online shops.
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. Deleted.
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 and social 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.
 54. Online Shops, hereinafter referred to as Online Shops, means information systems that facilitate the Procurement through trade providers through electronic systems and online retail.
2. The provisions of Article 4 point a, point c, point g, and point h are amended, so that Article 4 reads as follows:

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. increase the participation of Micro-Scale Enterprises, Small-Scale Enterprises, and Cooperatives;
 - 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. realize economic equality and provide business opportunities expansion; and
 - h. increase Sustainable Public Procurement.
3. The provisions of Article 8 point g is deleted, so that Article 8 reads as follows:

Article 8

The Procurement Parties consist of:

- a. PA;
 - b. KPA;
 - c. PPK;
 - d. Procurement Officer;
 - e. Selection Committee;
 - f. Procurement Agent;
 - g. deleted;
 - h. In-House Procurement Organizer; and
 - i. Provider.
4. Between Article 9 section (1) point f and point g, 1 (one) point is inserted, namely point f1, Article 9 section (1) point i is deleted, and Article 9 section (3) is amended, so that Article 9 reads as follows:

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;
 - fl. determine the imposition of Blacklist Sanctions;
 - g. determining the PPK;
 - h. determining the Procurement Officer;
 - i. deleted;
 - 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 f1 to KPA.
5. The provisions of Article 10 section (5) are amended, so that Article 10 reads as follows:

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) KPA may be assisted by Procurement Official.
- (5) KPA on the Procurement that uses the budget from the Regional Budget, can concurrently act as PPK.

6. The provisions of Article 11 are amended to read as follows:

Article 11

- (1) PPK in the Procurement as referred to in Article 8 point c has the following duties:
- a. preparing procurement planning;
 - b. implementing Procurement Consolidations;
 - c. determining technical specifications/Terms of Reference (ToR);
 - d. determining draft contracts;
 - e. determining the HPS;
 - f. determining the amount of advance payment to be paid to Provider;
 - g. proposing changes to the schedule of activities;
 - h. implementing E-purchasing with value of more than Rp200,000,000.00 (two hundred million rupiah);
 - i. controlling Contract;
 - j. keeping and maintaining the integrity of all documents on the implementation of activities;
 - k. reporting the implementation and completion of activities to PA/KPA;
 - l. handover of the activity deliverables to the PA/KPA with minute of handover;
 - m. evaluating the Provider's performance;
 - n. determining supporting team;
 - o. determining team or expert; and
 - p. determining Award Letter of the Goods/ Services Provider.

- (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) In the event that there is no determination of PPK on the Procurement using the budget from the Regional Budget, PA/KPA mandates PPTK to carry out the duties of PPK as referred to in section (1) point a to point m.
 - (4) PPTK carrying out duties of PPK as referred to in section (3) is obligated to meet the requirements for PPK competence.
7. The provisions of Article 13 section (1) point a and section (4) are amended, and also Article 13 section (1) point b is deleted, so that Article 13 reads as follows:

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 except for E-purchasing and Direct Procurement;
 - b. deleted; 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) consists 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 a team of experts or individual expert.

8. Article 15 is deleted.

9. The provisions of Article 16 are added by 1 (one) section, namely section (5), so that Article 16 reads as follows:

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.
- (5) In-house Procurement Organizer as referred to in section (1) may be assisted by Procurement Official.

10. The provisions of Article 19 are amended to read as follows:

Article 19

- (1) PPK in preparing technical specifications/ToR of goods/services uses:
 - a. domestic products;
 - b. SNI-certified products; and
 - c. products of micro and small businesses and cooperatives from domestic production; and
 - d. environmentally friendly product.
- (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; or
 - d. goods/services in the electronic catalogue or Online Shops.
- (3) The fulfillment of the use of the products as referred to in section (1) is carried out to the extent that it is available.
- (4) Environmentally friendly products as referred to in section (1) point d, using goods and services labelled as environmentally friendly.

11. The provisions of Article 26 section (2), section (3), and section (5) point c are amended, and Article 26 section (4) is deleted, so that Article 26 reads as follows:

Article 26

- (1) HPS is calculated on the basis of expertise and uses accountable data.
- (2) HPS value is non confidential.
- (3) HPS details are confidential.
- (4) Deleted.
- (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.

12. The provisions of Article 27 are amended to read as follows:

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. Framework Contract; and
 - e. Cost Plus Fee.
- (2) Types of the Contract for the Procurement of Construction Works consist of:
 - a. Lump sum;
 - b. Unit Price;
 - c. Combination of Lump Sum and Unit Price;
 - d. Turnkey; and
 - e. Cost Plus Fee.
- (3) Types of the Contract for the Procurement of Non-construction Consultancy Services consist of:
 - a. Lump sum;
 - b. Time-Based Contract; and
 - c. Framework Contract.
- (4) Types of the Contract for the Procurement of Construction Consultancy Services consist of:
 - a. Lump sum; and
 - b. Time-Based Contract.
- (5) 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.

(6) The Unit Price Contract as referred to in section (1) point b and section (2) 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.

(7) The combination of the Lump Sum and Unit Price Contract as referred to in section (1) point c and section (2) 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.

(8) The Framework Contract as referred to in section (1) point d and section (3) 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.

- (9) The Turnkey Contract as referred to in section (2) point d is an agreement regarding the construction of a project in the event that the Provider agrees to build the project entirely up to its completion including the installation of all equipment so that the project is ready to be operated or occupied.
- (10) The Cost Plus Fee Contract as referred to in section (1) point e and section (2) point e is a type of Contract used for the procurement of Goods/Construction Works/Other Services in the context of handling emergencies with the value of the Contract being a calculation of the actual cost plus a fee based on a fixed percentage of the actual cost or a fee based on a fixed amount.
- (11) The Time-Based Contract as referred to in section (3) point b and section (4) 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.
- (12) The Multi Years Contract is a Contract for Procurement, which is funded by more than 1 (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;
 - b. works which are completed more than 1 (one) budget year; or
 - c. 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.

13. Between Article 27 and Article 28, 1 Article is inserted, namely Article 27A that it reads as follows:

Article 27A

- (1) PPK may use other than the type of Contract as referred to in Article 27 in accordance with the characteristics of the work to be carried out.
- (2) PPK in determining the type of Contract as referred to in section (1) must pay attention to the principles of efficiency, effectiveness and not contrary to the provisions of the legislations.

14. The provisions of Article 28 section (1) point c, section (4), and section (7) are amended, so that Article 28 reads as follows:

Article 28

- (1) The Contract forms consist of:
 - a. receipts;
 - b. invoice;
 - c. work order;
 - d. agreement; and
 - e. purchase order.
- (2) The 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) The 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) The 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 at least 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) The purchase order as referred to in section (1) point e is used for the Procurement through E-purchasing.
 - (7) Provisions regarding supporting document for each form of Contract as referred to in section (1) are carried out in accordance with the regulation of the minister administering government affairs in the field of state finance or the regulation of the minister administering affairs in the field of home affairs.
15. The Provisions of Article 30 section (2) and section (7) are amended, and between section (2) and section (3), 1 (one) section is inserted, namely section (2a), so that Article 30 reads as follows:

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 is for the procurement of Construction Works and for the integrated procurement of goods/services.
- (2a) The Appeal Bond as referred to in section (1) point b is 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.

16. The provisions of Article 31 are amended to read as follows:

Article 31

- (1) The Bid Bond as referred to in Article 30 section (2) is applicable to the 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 HPS value.
- (3) For integrated Procurement, 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.

17. The provisions of Article 32 are amended, to read as follows:

Article 32

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

18. The provisions of Article 33 section (2) point a, section (3) and section (4) are amended, so that Article 33 reads as follows:

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 are 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 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 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.
19. The provisions of Article 38 section (2) and section (6) are amended, and added 1 (one) point on section (5) namely point i, so that Article 38 reads as follows:

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 or Online Shops.
- (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;

- h. Goods/Construction Works/Other Services failed on re-Tender; or
- i. the selection of providers to continue the procurement of Goods/Construction Work/Other Services in the event of termination of the Contract.

(6) The Quick Tender as referred to in section (1) point d is carried out in the event that the Economic Operators has been qualified in the Provider Performance Information System for procurement that:

- a. specifications and volume of work may have been determined in detail; or
- b. it is possible to state trademarks as regulated in Article 19 section (2) point b and point c.

(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.

20. The provisions of Article 39 section (3) are amended, so that Article 39 reads as follows:

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 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.
21. The provisions of Article 41 section (5) is added by 4 (four) points, namely point e, point f, point g, and point h, so that Article 41 reads as follows:

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;
 - d. repeat order for the same Consultant;
 - e. Consultancy Services failed on re-Selection;
 - f. selection of a provider to continue Consultancy Services in the event of termination of the Contract;
 - g. Consultancy Services that are confidential in accordance with the provisions of the legislation;
or
 - h. expert Services of Construction Dispute Board.
- (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.

22. The provisions of Article 50 section (4) point b and section (7) point b are amended, so that Article 50 reads as follows:

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 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.

23. The provisions of Article 51 are amended to read as follows:

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 participants that submit proposal after extension of proposal submission deadline;
 - c. no participants that pass the proposal 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/or nepotism;
 - 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 corruption, collusion, and/or nepotism.
- (3) The Quick Tender is considered failed if:

- a. no participant that submit proposal or only 1 (one) participant submitting proposal after deadline extended;
 - b. the winner or runner-up does not attend the verification of qualification data;
 - c. any mistake is found in the Bidding Documents or it is not in accordance with the provisions of this Presidential Regulation;
 - d. all participants are involved in corruption, collusion, and/or nepotism;
 - e. all participants are involved in unfair business competition; and/or
 - f. the Selection Committee/PPK is involved in corruption, collusion, and/or nepotism.
- (4) 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.
- (5) Failed Tender/Selection of Consultant as referred to in section (2) point i is declared by PA/KPA.
- (6) 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.
- (7) To follow up the failed Tender/Selection of Consultant referred to in section (2), the Selection Committee will immediately:

- a. re-evaluate the proposal; or
 - c. re-Tender/Selection of Consultant.
- (8) Re-evaluate of proposal as referred to in section (7) point a is conducted if any mistake is found in the proposal evaluation.
- (9) Re-Tender/Selection of Consultant as referred to in section 7 point b is conducted for the failed Tender/Selection of Consultant as referred to in section (2) point b until 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.
- (11) To follow up the failed Quick Tender referred to in section (3), the Selection Committee will review the cause of the failure of the Quick Tender and conduct the repeat Quick Tender or replace it with another selection method as regulated in Article 38 section (1).

24. The provisions of Article 58 are amended to read as follows:

Article 58

- (1) PPK delivers the goods/services as referred to in Article 57 to PA/KPA.
- (2) The handover as referred to in section (1) is recorded in a minute.

25. The provisions of Article 61 section (1), section (2) and section (3) are amended, and between section (2) and section (3) is inserted 1 (one) section namely section (2a), so that Article 61 reads as follows:

Article 61

- (1) The followings are excluded from the provisions of this Presidential Regulation:
 - a. Procurement by a Public Service Agency/Regional 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/Regional Public Service Agency as referred to in section (1) point a is separately regulated by a regulation of the head of Public Service Agency/Regional Public Service Agency.
- (2a) In the event that the Public Service Agency and the Regional Public Service Agency have not adopted any regulation on the procurement of goods/services, the implementation of the procurement of goods/services at the Public Service Agency and the Regional Public Service Agency is guided by this Presidential Regulation.
- (3) Further provisions regarding exceptions for the Procurement as referred to in section (1) is regulated in the Regulation of the Head of Agency.

26. The provisions of Article 65 are amended to read as follows:

Part One

Participation of Small Businesses and Cooperatives

Article 65

- (1) Small businesses consist of Micro-Scale Enterprises and Small-Scale Enterprises.
- (2) Ministries/Institutions/Local Governments are obligated to use small business products and cooperatives from domestic production.
- (3) The Ministries/Institutions/Local Governments as referred to in section (2) are obligated to allocate at least 40% (forty percent) of the budget for goods/services expenditures of The Ministries/Institutions/Local Governments.
- (4) The packages of Procurement of Goods/Construction Work/Other Services with maximum Budget Ceiling value of up to Rp15,000,000,000.00 (fifteen billion rupiah) are designated for small businesses and/or cooperatives.
- (5) The procurement Budget Ceiling Value as referred to in section (4) is excluded work packages requiring technical capabilities that small-scale businesses and cooperatives cannot fulfill.
- (6) Ministry administering government affairs in the field of cooperatives and small businesses and Local Governments broaden the participation of small businesses and cooperatives by including goods/services produced by small businesses and cooperatives in an electronic catalogue.
- (7) Providers of non-small businesses or cooperatives that carry out the work conduct business cooperation with small businesses and/or cooperatives in the form of partnerships, subcontracts, or other forms of

cooperation, if there are small businesses or cooperatives that possess the capability in the relevant field.

- (8) Cooperation with small businesses and/or cooperatives as referred to in section (7) is included in the Bidding Document.

27. The provisions of Article 66 section (2), section (3) and section (4) are amended, and between section (3) and section (4) added 1 (one) section namely section (3a), so that Article 66 reads as follows:

Article 66

- (1) The Ministries/Institutions/Regional Apparatuses are 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 domestic products that have the sum of 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) The value of TKDN and BMP as referred to in section (2) refers to the list of inventories of domestically produced goods/services issued by the ministry administering government affairs in the industrial field.
- (3a) The obligation to use domestic products as referred to in section (2) is carried out at the stage of Procurement Planning, Procurement Preparation, or Selection of a Provider.

- (4) The provisions as referred to in section (3a) is included in RUP, technical specifications/ToR, and Bidding Document.
- (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.

28. The provisions of Article 67 are amended to read as follows:

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 HPS value of more than Rp1,000,000,000.00 (one billion rupiah).
- (3) The price preference applies to Goods procurement, as follow :
 - a. It applies to goods having a minimum TKDN of 25% (twenty-five percent);
 - b. It applies with maximum 25% (twenty-five percent);
 - c. It is taken into account in the evaluation of the bid price that has satisfied the administrative and technical requirements;

d. determination of the winner is based on the lowest price order of Final Evaluation Price (Hasil Evaluasi Akhir, HEA);

e. HEA is calculated by the formula $HEA = (1-KP) \times HP$ with:

KP = maximum TKDN preference

KP is Coefficient of Preference

HP is the Bid Price after the arithmetic correction;
and

f. In the event that there are 2 (two) or more proposals with the same lowest HEA, the bidder with the higher TKDN is determined as the winner.

(4) For Construction Works under the International Tender selection method, the price preference is given to a maximum of 7.5% (seven point five percent) to national business entities above the lowest bid price of foreign business entities.

29. The provisions of Article 72 section (2), section (3) and section (5) are amended, and section (4) is deleted, so that Article 72 reads as follows:

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 lists, types, technical specifications, TKDN, domestic products, SNI-certified products, environmentally friendly

products, countries of origin, prices, Providers, and other information on goods/services.

- (3) Electronic catalogue management is carried out by the Ministries/Institutions/Local Governments or LKPP.
- (4) Deleted.
- (5) Further provisions regarding management of electronic catalogue as referred to in section (1) are regulated in Head of Agency Regulation.

30. Between Article 72 and Article 73, 1 Article is inserted, namely Article 72A so that it reads as follows:

Article 72A

- (1) Goods/services transacted through Online Shops have the following criteria:
 - a. standardized or can be standardized;
 - b. have a low risk nature; and
 - c. have prices already established in the market.
- (2) The goods/services as referred to in section (1) are not displayed in the electronic catalogue.
- (3) Further provisions regarding Online Shops are regulated in Head of Agency Regulation.

31. The provisions of Article 74 are amended so that it reads as follows:

Article 74

- (1) Human Resources for the Procurement of Goods/Services consist of:

- a. Resources for the Management of the Procurement Function;
 - b. Resources for Policy Makers and Procurement Systems; and
 - c. Resources for Supporting Procurement Ecosystem.
- (2) Resources for the Management of the Procurement Function as referred to in section (1) point a are human resources who carry out the function of the procurement of goods/services within the Ministry/Institution/Local Government.
- (3) Resources for Policy Makers and Procurement Systems as referred to in section (1) point b are human resources who carry out the design of policies and Procurement.
- (4) Resources for Supporting Procurement Ecosystem as referred to in section (1) point c are human resources consisting of certain expertise in supporting the Procurement implementation.
- (5) Provisions regarding Human Resources for the Procurement as referred to in section (1) point b and point c are in accordance with the provisions of the legislation.
32. Between Article 74 and Article 75, 2 (two) articles are inserted, namely Article 74A and Article 74B to read as follows:

Article 74A

- (1) Resources for the Management of the Procurement Function as referred to in Article 74 section (1) point a, consist of:

- a. Procurement Official; and
 - b. Other Personnel.
- (2) Ministries/Institutions/Local Governments are obligated to have a Procurement Official as referred to in section (1) point a as Selection Committee/Procurement Officer.
- (3) Procurement Official can be assigned as PPK, to assist PA/KPA tasks, to carry out preparations for the inclusion of goods/services in electronic catalogue, and to be assigned as Resources for Supporting Procurement Ecosystem.
- (4) The obligations as referred to in section (2) are excluded for Ministries/Institutions in the event of:
- a. the value or number of procurement packages at the Ministries/Institutions is not sufficient to meet the achievement of the minimum annual credit limit for the Procurement Official; or
 - b. Resources for the Management of the Procurement is carried out by soldiers of the Indonesian National Army or members of the Indonesian National Police.
- (5) In the event of exceptions as referred to in section (4), the management of the procurement of Goods/Services is carried out by Other Personnel as referred to in section (1) point b.
- (6) The Other Personnel as referred to in section (5) are obligated to have a competency certificate in Procurement.
- (7) In the event that Other Personnel do not have a certificate of competence in the field of Procurement as referred to in section (6), they are obligated to have a basic level/level -1 expertise certificate in Procurement

- (8) Resources for the Management of the Procurement Function are in UKPBJ.
- (9) Based on the consideration of authority, the Resources for the Management of the Procurement Function which assigned as PPK may be outside UKPBJ.

Article 74B

- (1) The Ministries/Institutions/Local Governments that are obligated to have a Procurement Official prepare a Procurement Official fulfillment action plan.
- (2) In the event that the number of Procurement Official within the Ministry/Institution/Local Government is not sufficient according to the action plan for Procurement Official fulfilment as referred to in section (1), then:
 - a. the implementation of the duties of the Selection Committee is carried out with the following conditions:
 - 1. The Selection Committee for each procurement package is obligated to consist of at least 1 (one) Procurement Official; and
 - 2. Members of the Selection Committee other than the Procurement Official are carried out by Civil Servants who have competency certificate and/or Basic Level/level-1 expertise certificate in Procurement.
 - b. the implementation of the duties of the Procurement Officer which cannot be carried out by the Procurement Official, is carried out by Civil Servants who have competency certificate and/or Basic Level/level-1 expertise certificate in Procurement.

- (3) In the event that the Ministry/Institution/Local Government does not yet have a Procurement Official, until the availability of a Procurement Official based on action plan for Procurement Official fulfilment as referred to in section (1), the implementation of the duties of the Procurement Officer/Selection Committee is carried out by:
 - a. Civil Servants who have competency certificate and/or basic level/level -1 expertise certificate in Procurement.; and/or
 - b. Procurement Agent.
 - (4) Further provisions regarding the action plan for Procurement Official fulfilment as referred to in section (1) are regulated in the Regulation of the Head of Agency.
33. The provisions of Article 75 section (1) are amended, between section (3) and section (4), 1 (one) section is inserted namely section (3a), and 3 (three) sections are added to the provisions of Article 75, so that Article 75 reads as follows:

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.
- (3a) Head of UKPBJ is obligated to meet job competency standards which include technical competence in the field of Procurement.
- (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.
- (5) The establishment of UKPBJ as referred to in section (1) is excluded for Institutions that do not meet the criteria to form UKPBJ.
- (6) UKPBJ of Ministries/Institutions/Local Governments implement UKPBJ capability improvement through the UKPBJ maturity model to go to the center of excellence for the Procurement.
- (7) Further provisions regarding Institutions that do not meet the criteria for establishing UKPBJ as referred to in section (5) and implementation of UKPBJ capability improvement through the UKPBJ maturity model as referred to in section (6) are regulated in the Regulation of the Head of Agency.

34. The provisions of Article 78 are amended to read as follows:

Article 78

- (1) In the event that a selection participant is:
 - 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 corruption, collusion, and/or nepotism in the selection of Provider; or
 - d. withdrawing for reasons that cannot be accepted by the Procurement Officer/Selection Committee/ Procurement Agent,

the selection participant is subject to administrative sanctions.
- (2) In the event that the winner of the selection withdraws for unacceptable reasons prior to signing of the Contract, the winner of the election is subject to administrative sanctions.
- (3) In the event that a Provider is:
 - 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 amount/volume of work result based on the audit result;
 - e. delivering goods/services having the quality not in accordance with the Contract based on the audit result; or

- f. being late in completing the work in accordance with the Contract,

the Provider is subject to administrative sanctions.

- (4) The actions or conducts as referred to in section (1), section (2), and section (3) are subject to administrative sanctions in the form of:

- a. disqualification from the selection;
- b. bond liquidation;
- 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 disqualification from the selection, Bid Bond liquidation, and Blacklist Sanction for 2 (two) years;
- b. section (1) point d is subject to Bid Bond liquidation, and Blacklist Sanction for 1 (one) year;
- c. section (2) is subject to Bid Bond liquidation, and Blacklist Sanction for 1 (one) year;
- d. section (3) point a is subject to Performance Bond liquidation or Maintenance Bond liquidation, 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.

- 35. The provisions of Article 80 section (1) point c and point e are amended to read as follows:

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 corruption, collusion, and/or nepotism in the selection of Provider;
 - d. withdrawing for reasons that cannot be accepted by the Selection Committee/Procurement Agent; or
 - e. 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) is stipulated by Ministries/Institutions/Regional Apparatuses at the proposal of the Selection Committee/Procurement Officer/Procurement Agent and/or PPK.
36. The provisions of Article 82 section (1) and section (3) are amended Article 82 to read as follows:

Article 82

- (1) Administrative sanction is imposed on PA/KPA/PPK/Procurement Officer/Selection Committee 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 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.

37. The provisions of Article 83 section (1) are amended Article 83 to read as follows:

Article 83

- (1) PA/KPA displays participants/Providers that are subject to Blacklist Sanction in the National Blacklist.
- (2) The LKPP administers the National Blacklist.

38. The provisions of Article 85 are amended to read as follows:

Article 85

- (1) Contract dispute resolution between the PPK and the Provider in the implementation of Contract can be carried out by:
 - a. services for Contract dispute resolution;
 - b. arbitration;
 - c. Construction Dispute Board; or
 - d. court proceedings.
- (2) The Contract dispute resolution services as referred to in section (1) point a are provided by LKPP.
- (3) The provisions regarding the Construction Dispute Board as referred to in section (1) point c are regulated by a regulation of the minister administering government affairs in the field of public works and public housing.

Article II

1. At the time this Presidential Regulation comes into force, the obligation to have a competency certificate for Other

Personnel as referred to in Article 74A section (6) is implemented not later than 31 December 2023.

2. At the time this Presidential Regulation comes into force, the management functions of electronic procurement services carried out by separate work unit as referred to in Article 75 section (4) are valid until 31 December 2023.
3. At the time this Presidential Regulation comes into force, the Procurement of Construction Works/Procurement of Construction Consultancy Services/Integrated Construction Works remains to be carried out in accordance with:
 - a. Regulation of the Minister of Public Works and Housing Number 14 of 2020 on Standards and Guidelines for Construction Procurement Through Service Providers and its implementing regulations; and
 - b. Regulation of the Minister of Public Works and Housing Number 1 of 2020 on Standards and Guidelines for Procurement of Integrated Construction Works Design and Build Through Providers as amended by Regulation of the Minister of Public Works and Housing Number 25 of 2020 on Amendment to Regulation of the Minister of Public Works and Housing Number 1 of 2020 on Standards and Guidelines for Procurement of Integrated Construction Works Design and Build Through Providers and its implementing regulations; until the issuance of Regulation of the Head of Agency regarding the Procurement of Construction Works/Procurement of Construction Consultancy Services/Integrated Construction Works.
4. 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 2 February 2021

PRESIDENT OF THE REPUBLIC OF
INDONESIA,

signed

JOKO WIDODO

Promulgated in Jakarta
on 2 February 2021

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

signed

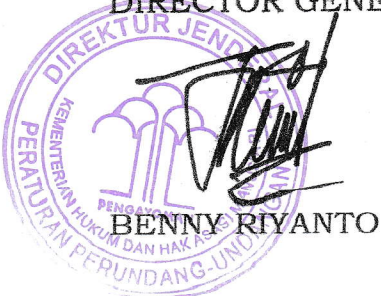
YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2021 NUMBER 63

Jakarta, 6 January 2022

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,



BENNY RIYANTO