

## Procurement of Goods/Services - Upstream Business Activities

The Executive Agency for Upstream Oil and Gas Activities has issued a Decision Letter, No. Kpts-13/BP00000/2007-SO in order to facilitate the operations of joint work contracts as contained in Work Team Guidelines No. 007/PTK/VI/2004. The Decision Letter amends Chapter I letter D of Book II on work plans and budgets.

Goods and Services procurement plans must be based on a Work Program and Budget (WP&B) and / or an Authorization for Expenditure (AFE) that has been agreed by the Executive Agency for Upstream Oil and Gas Activities (BP Migas).

For all activities that need an AFE the rules are set out in the Decision Letter including the need for a procurement plan that is agreed by BP Migas and the opening of the offer cover. If there is any disparity between the agreed AFE and the results of the procurement, then these results do not bind BP Migas.

For those procurement processes that do not require an AFE can commence with just the use of a WP&B all associated activities and budget matters will then be in accord with the WP&B.

For procurement processes that exceed 1 year and where the funds are to be divided across a number of activities that remain to a degree uncertain then the procurement process can commence with a pre-AFE once the requisite approval is garnered and agreement is given by BP Migas.

This Letter is in force and currents as of 15 February 2007. 

### ❖ Past Issues

- PT. Newmont Minahasa Raya - Legal Procedure in Environmental Cases (Issue 568 - 30/04/2007)
- Medical Practice Licenses - Implementation (Issue 567 - 27/04/2007)
- Import Duties for Raw Materials Reduced to 0% - Motor Vehicle Components (Issue 566 - 27/04/2007)
- Intellectual Property - Reporting Procedures - Education / Research & Development (Issue 565 - 27/04/2007)

### ❖ Documents

BPMIGAS Decision No. Kpts-13/BP00000/2007-SO  
(SKKP\_BPMIGAS\_KEP13BP000002007SO\_2007.pdf - 18.Kb)

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Puri Imperium Office Plaza UG 15  
Kuningan, Jakarta 12319  
to subscribe, call 62-21-83701827 or fax to 62-21 83701826  
or email [layanan@hukumonline.com](mailto:layanan@hukumonline.com)