

Indonesian

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By: THE PRESIDENT OF THE REPUBLIC OF INDONESIA
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Reference: LN 2015/5
Title: FOURTH AMENDMENT TO THE PRESIDENTIAL REGULATION NUMBER
54 YEAR 2010 REGARDING PROCUREMENT OF GOVERNMENT
GOODS/SERVICES

BY THE GRACE OF ALMIGHTY GOD

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering:

- a. whereas in the framework of accelerating the implementation of State expenditures in order to accelerate the implementation of development, innovation to the implementation of Procurement of Government Goods/Services that is carried out by the utilization of information technology is needed ;
- b. whereas based on the consideration as referred to in letter a, complementary actions towards the regulation regarding Procurement of Government Goods/Services are needed;
- c. whereas based on considerations as referred to in letter a and letter b, it is necessary to stipulate the Presidential Regulation regarding the Fourth Amendment to the Presidential Regulation Number 54 Year 2010 regarding the Procurement of Government Goods/Services;

In view of:

1. Article 4 paragraph (1) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 1 Year 2004 regarding State Treasury (State Gazette of the Republic of Indonesia Year 2004 Number 5, Supplement to the State Gazette of the Republic of Indonesia Number 4355);
3. Government Regulation Number 29 Year 2000 regarding Administering Construction Services (State Gazette of the Republic of Indonesia Year 2000 Number 64, Supplement to the State Gazette of the Republic of Indonesia Number 3956) as already amended by Government Regulation Number 59 Year 2010 (State Gazette of the Republic of Indonesia Year 2010 Number 95);

4. Presidential Regulation Number 54 Year 2010 regarding the Procurement of Government Goods/Services as already amended several times, the latest by Presidential Regulation Number 172 Year 2014 regarding the Third Amendment to the Presidential Regulation Number 54 Year 2010 regarding the Procurement of Government Goods/Services (State Gazette of the Republic of Indonesia Year 2014 Number 368, Supplement to the State Gazette of the Republic of Indonesia Number 5642);

HAS DECIDED:

To stipulate: THE PRESIDENTIAL REGULATION REGARDING THE FOURTH AMENDMENT TO THE PRESIDENTIAL REGULATION NUMBER 54 YEAR 2010 REGARDING THE PROCUREMENT OF GOVERNMENT GOODS/SERVICES.

Article I

Several provisions in the Presidential Regulation Number 54 Year 2010 regarding the Procurement of Government Goods/Services that have been amended several times by the Presidential Regulation:

- a. Number 35 Year 2011;
- b. Number 70 Year 2012 (State Gazette of the Republic of Indonesia Year 2012 Number 155, Supplement to the State Gazette of the Republic of Indonesia Number 5334); and
- c. Number 172 Year 2014 (State Gazette of the Republic of Indonesia Year 2014 Number 368, Supplement to the State Gazette of the Republic of Indonesia Number 5642);

are amended as follows:

1. Provisions of figure 4 and figure 9 of Article 1 are amended, so that Article 1 shall read as follows:

Article 1

In this Presidential Regulation, referred to as:

1. Procurement of Government Goods/Services, hereinafter referred to as Procurement of Goods/Services, shall be the activity to obtain Goods/Services by the Ministry/Agency/Regional Apparatus Work Unit/Institution in which the process commences from planning of needs up to the completion of all activities to obtain Goods/Services.
2. Ministry/Agency/Regional Apparatus Work Unit/Institution, hereinafter referred to as K/L/D/I, shall be the agency/institution that uses State Revenues and Expenditures Budget (APBN) and/or Regional Revenues and Expenditures Budget (APBD).

3. User of Goods/Services shall be the Official as the holder of authority in using State/Regional Goods and/or Services in the respective K/L/D/I.
4. The Policy Institution for the Procurement of Government Goods/Services, hereinafter referred to as LKPP, shall be a Government institution that has the duties to develop and formulate policies on the Procurement of Goods/Services as referred to in Presidential Regulation Number 106 Year 2007 regarding the Policy Institution for Procurement of Government Goods/Services as amended by the Presidential Regulation Number 157 Year 2014 regarding the Amendment to Presidential Regulation Number 106 Year 2007 regarding the Policy Institution for the Procurement of Government Goods/Services.
 - 4a. Regional Government shall be the Governor, Regent, or Mayor, and the regional apparatus as the executive elements of the regional administration.
5. The Budget User, hereinafter referred to as PA, shall be the Official who holds the authority in using the budget of the Ministry/Institution/Regional Apparatus Work Unit or the equivalent Official at the APBN/APBD Agency.
6. The Proxy of the Budget User, hereinafter referred to as KPA, shall be an official that is set forth/stipulated by PA to use APBN or set forth/stipulated by the Head of the Region to use APBD.
7. Commitment Official, hereinafter referred to as PPK, shall be the official that is responsible for the implementation of Procuring Goods/Services.
8. Procurement Service Unit, hereinafter referred to as ULP, shall be the organizational unit of the Ministry/Institution/Regional Government/Agency whose function is to implement Procurement of Goods/Services that are permanent, independent or embedded in the existing unit.
9. Procurement Official shall be the appointed personnel to implement Direct Procurement, Direct Selection, and *E-Purchasing*.
10. Committee/Receiving Official of the Work Outcomes shall be the committee/official that is designated by PA/KPA and in charge of examining and receiving the outcomes of the work.
11. Government Internal Supervisory Apparatus or the internal supervisor of another agency, hereinafter referred to as APIP, shall be the apparatus that carries out supervision through an audit, review, evaluation, monitoring, and other supervisory activities towards administering duties and organizational functions.
12. Supplier of Goods/Services shall be an enterprise or individual that provides Goods/Construction Works/Consultation Services/Other Services.
13. Integrity Pact shall be a statement letter that contains declaration/pledge to prevent and not to perform collusion, corruption, and nepotism in the Procurement of Goods/Services.

14. Goods shall be every object both tangible and intangible, movable and immovable, tradable, wearable, usable or utilizable by the Goods User.
15. Construction Works shall be all works related to the implementation of building construction works or manufacturing of other physical forms.
16. Consultation Services shall be professional services that require certain expertise in various fields of science promoting the existence of a thinking process (*brainware*).
17. Other Services shall be services that require certain ability to promote skills (*skillware*) in a system of governance that has been widely known in the business world to finish a work or all works and/or provisions of services other than Consultation Services, implementation of Construction Works and procurement of Goods.
18. Creative Industry shall be an industry that originates from the utilization of creativity, original ideas, skills and individual talents to create prosperity as well as employment opportunity through the creation and utilization of creativity and inventiveness.
19. Certificate of Expertise in the Procurement of Goods/Services shall be a proof of government recognition for the competence and professional capability in the field of Procurement of Goods/Services.
20. Self-Management shall be the Procurement of Goods/Services in which the work is planned, performed, and/or self supervised by K/L/D/I itself as the responsible person in charge of the budget, other government agencies and/or community groups.
21. Procurement Document shall be the document that is determined by the ULP Working Group/Procurement Official containing information and provision that must be complied with by the parties in the process of Procuring Goods/Services.
22. Contract on the Procurement of Goods/Services, hereinafter referred to as Contract, shall be a written agreement between PPK and the Supplier of Goods/Services or the Self-Management executioners
23. Public Tender shall be the selection method of the Supplier of Goods/Construction Works/Other Services for all works that can be joined by all eligible Goods/Construction Works/Other Services Providers.
24. Limited Tender shall be a selection method of Goods/Construction Works Providers with the number of capable Providers believed to be able to execute the limited and complex works.
25. Simple Tender shall be a selection method of Supplier of Goods/Other Services for the work with a maximum value of Rp5.000.000.000,00 (five billion rupiah).

26. Direct Selection shall be a selection method of the Construction Works Provider for works with maximum value of Rp5.000.000.000,00 (five billion rupiahs).
27. General Selection shall be the selection method of Consultation Services Provider for works that can be provided and participated by all eligible Consultation Services Providers.
28. Simple Selection shall be the selection method of Consultation Services Provider for Consultation Services with a maximum value of Rp200.000.000,00 (two hundred million rupiahs)
29. Competition shall be the selection method of Services Provider that contends/competes regarding original ideas, creativity and particular innovation in which the price/cost cannot be determined based on a Unit Price.
30. Contest shall be selection method of the Goods Supplier that contends/cause a competition of supplying particular goods/items that do not have market prices and the price/cost cannot be determined based on a Unit Price.
31. Direct Selection/Appointment shall be the selection method of the Supplier of Goods/Services by way of directly selecting/appointing 1 (one) Supplier of Goods/Services.
32. Direct Procurement shall be the direct Procurement of Goods/Services to the Supplier of Goods/Services, without going through a Tender/Auction/Selection/Direct Selection.
33. Micro Business shall be a productive business owned by an individual and/or business entity that complies with the criteria of Micro Business as referred to in the law governing Micro, Small and Medium Sized Business.
34. Small Business shall be a productive economic activity that stands alone and carried out by an individual or business entity that is not a subsidiary or not a branch of a company that is owned, controlled or become part both directly and indirectly of a medium business or large business, which meet the criteria of Small Business as referred to in the law governing Micro, Small and Medium Sized Business.
35. Guaranty Bond, hereinafter referred to as Guaranty, shall be a written guarantee that can be cashed-in or disbursed easily and *unconditional*, which is issued by a Commercial Bank/Underwriting Company/Insurance Company and handed over by Supplier of Goods/Services to PPK/ULP Working Group to guarantee the fulfillment of obligations of the Supplier of Goods/Services.
36. Complex Work shall be work that needs high technology, has high risks, uses specially-designed equipment and/or work valued more than Rp100.000.000.000,00 (one hundred billion rupiahs).

37. Electronic Procurement or *E-Procurement* shall be the Procurement of Goods/Services that is implemented by using information technology and electronic transaction in accordance with the provisions of the laws and regulations.
 38. Electronic Procurement Service, hereinafter referred to as LPSE, shall be the work unit of K/L/D/I that is established to administer an electronic service system for Procurement of Goods/Services.
 39. *E-Tendering* shall be a procedure for selecting the Supplier of Goods/Services that is carried out openly and can be participated by all registered Suppliers of Goods/Services in the electronic procurement system by submitting a 1 (one) time bid within the determined time.
 40. Electronic catalogue or *E-Catalogue* shall be an electronic information system that contains a list, type, technical specification and price of particular goods from various Suppliers of Government Goods/Services.
 41. *E-Purchasing* shall be procedures for purchasing Goods/Services through an electronic catalogue system.
 42. Portal of National Procurement shall be the gate of the electronic information system related to the information of the Procurement of Goods/Services nationwide that is managed by LKPP.
2. Provision of paragraph (2) letter h figure 1) of Article 17 is amended and the Elucidation of paragraph (1a) is amended, so that Article 17 shall read as follows:

Article 17

- (1) Head of ULP/Member of the ULP Working Group/Procurement Official shall comply with the following requirements:
 - a. has integrity, discipline, and responsibility in implementing the duties;
 - b. comprehend the work that will be carried out;
 - c. comprehend the type of particular work that becomes the duty of the corresponding ULP/ULP Working Group/Procurement Official;
 - d. comprehend the content of the documents, methods and procedures of Procurement;
 - e. has a Certificate of Expertise for the Procurement of Goods/Services in accordance with the required competence; and
 - f. signs the Integrity Pact.
- (1a) Requirement of Expertise Certification for the Procurement of Goods/Services as referred to in paragraph (1) letter e may be excepted/exempted for the Head of the ULP.

- (2) Principal duties and authorities of the ULP Working Group/Procurement Official shall comprise:
- a. to formulate a plan on the selection of the Supplier of Goods/Services;
 - b. to determine the Document of Procurement;
 - c. to determine the nominal value of the Bid Bond;
 - d. to announce the implementation of the Procurement of Goods/Services in the respective website of the Ministry/Institution/Regional Government/Agency and official announcement board for the public as well as to deliver/convey to the LPSE to be announced in the Portal of National Procurement;
 - e. to assess the qualification of the Supplier of Goods/Services through pre-qualification or post qualification;
 - f. to carry out administrative, technical and price evaluation towards the incoming bids;
 - g. specific for ULP Working Group:
 - 1) to answer disclaimer;
 - 2) to determine the Supplier of Goods/Services for:
 - a) Tender or Direct Selection/Appointment for the package of the Procurement of Goods/Construction Works/Other Services with a maximum value of Rp100.000.000.000,00 (one hundred billion rupiahs); or
 - b) Selection or Direct Selection for the package of Consultation Services Procurement with a maximum value of Rp10.000.000.000,00 (ten billion rupiahs);
 - 3) to deliver/convey the result of the Selection and copy of the Selection Document of the Goods/Services Supplier to PPK;
 - 4) to keep the original selection document of the Goods/Services Supplier;
 - 5) to generate a report regarding the process of the Procurement to the Head of the ULP.
 - h. specific for the Procurement Official:
 - 1) to determine the Supplier of Goods/Services for:

- a) the Direct Procurement or Direct Selection for the package of the Goods/Construction Works/Other Services Procurement with a maximum value of Rp200.000.000,00 (two hundred million rupiahs); and/or
 - b) Direct Procurement or Direct Selection for the package of the Consultation Services Procurement with a maximum value of Rp50.000.000,00 (fifty million rupiahs);
 - 2) to deliver/convey the Selection result and the copy of the Selection Document of the Goods/Services Supplier to PPK;
 - 3) to deliver the original selection document of the Goods/Services Supplier to PA/KPA; and
 - 4) to generate the report regarding the process of Procurement to PA/KPA.
 - i. to provide accountability for the implementation of the Procurement of Goods/Services activities to PA/KPA.
- (2a) Principal duties and authorities of the Head of ULP shall comprise :
 - a. to lead and coordinate all activities of ULP;
 - b. to formulate the work program and budget of ULP;
 - c. to supervise all activities of the Procurement of Goods/Services at ULP and report it if there is a presence of distortion and/or indication of distortion;
 - d. to generate an accountability report regarding the implementation of Procurement activities of Goods/Services to the Minister/Institution Leader/Head of the Region/Agency Leader/Executive;
 - e. to implement development and cultivation of Human Resources of ULP;
 - f. to assign/place/transfer members of the Working Group in accordance with the workload of the respective ULP Working Group; and
 - g. to propose the dismissal of the member of the Working Group assigned to the ULP to PA/KPA/Head of the Region, if proven having violated the laws and regulations and/or conducting KKN.
- (3) Other than the principal duties and authorities as referred to in paragraph (2), in case necessary, the ULP Working Group/Procurement Official may propose to PPK:
 - a. change of HPS; and/or

- b. change of technical specifications of the work.
- (4) Head of ULP/Member of the ULP Working Group/Procurement Official who are originally Civil Servants, both from the agency itself and from other agencies
- (5) Excepted/exempted from the provisions of paragraph (4), for:
 - a. APBN-/APBD-User Institution/Agency that has limited employees with the status of Civil Servant, the Head of ULP/member of ULP Working Group/Procurement Official may originally be permanent employees of the APBN-/APBD-User Institution/Agency that are originally not a Civil Servant.
 - b. Self-Managed Implementing Community Group, the Head of ULP/member of the ULP Working Group/Procurement Official may originally be a non-Civil Servant.
- (6) In the event that Procurement of Goods/Services is special in nature and/or requires special expertise, the ULP Working Group/Procurement Official may use expert staffs originally be a Civil Servant or be a private sector employee.
- (7) Head of the ULP and Member of the ULP Working Group shall be prohibited to occupy/handle :
 - a. PPK;
 - b. Signatory Official of Payment Instruction (PPSPM);
 - c. Treasurer; and
 - d. APIP, except becoming a Procurement Official/member of ULP for the Procurement of Goods/Services needed by their agency.
- 3. Provision of paragraph (1) letter l of Article 19 is amended and between paragraph (2) and paragraph (3) is inserted 1 (one) paragraph namely paragraph (2a), so that Article 19 shall read as follows:

Article 19

- (1) Supplier of Goods/Services in the implementation of the Procurement of Goods/Services shall be obliged to comply with the following requirements:
 - a. to comply with the provisions of laws and regulations to conduct their activities/business;
 - b. to have the expertise, experience, technical and managerial capabilities to supply Goods/Services;

- c. to obtain at least 1 (one) job/task as Supplier of Goods/Services within the latest 4 (four) years period, both within the government as well as the private sector, including sub-contract experience;
- d. provision as referred to in letter c, shall be excepted/exempted for new Suppliers of Goods/Services that are established less than 3 (three) years;
- e. has have human resources, capital, equipment and other facilities needed in the Procurement of Goods/Services;
- f. in the event that the Supplier of Goods/Services will carry out a partnership, the Supplier of Goods/Services must have a joint operation/partnership agreement containing the percentage of the partnership and company that represents the partnership;
- g. to have the capability in the field of work that is appropriate for Micro Business, Small Business and small cooperative as well as capability in the sub-field of work that is appropriate for a non-small business;
- h. to have Basic Capability (KD) for non-small business, except for Procurement of Goods and Consultation Services;
- i. specific for Tender and Direct Selection of Procurement of Construction Works, has financial support from the bank;
- j. specifically for Procurement of Construction Works and Other Services, the following Outstanding Package Capability (SKP) must be taken into account:

$$SKP = KP - P$$

KP = value of the Package Capability, under the condition that:

- a) for Small Business, the value of Package Capability (KP) is determined as many as 5 (five) work packages; and
- b) for non-small business, the value of Package Capability (KP) is determined as many as 6 (six) or 1,2 (one point two) N.

P = total volume of ongoing work packages.

N = total maximum volume of work packages that can be handled at the same time during the latest period of 5 (five) years.

- k. is not being under court supervision, not bankrupt, its business activities are not being suspended and/or the Board of Directors that act for and in the name of the company is not undergoing criminal sanctions, as proven with a statement that is signed by the Supplier of Goods/Services;

- l. has Taxpayer Registration Number (NPWP) and has fulfilled the taxation obligations in the last year;
 - m. legally has the capacity to bind himself to the Contract;
 - n. not included in the Black List;
 - o. to have permanent and clear address as well as reachable by courier services; and
 - p. to sign the Integrity Pact.
- (1a) By constantly prioritizing the principles of good procurement and business norms, requirement for foreign Supplier of Goods/Services shall be excepted/exempted from the provisions of paragraph (1) letter d, letter j, and letter l.
 - (2) Requirements as referred to in paragraph (1) letter c, letter d, letter f, letter h, and letter i, shall be excepted/exempted for individual an Supplier of Goods/Services.
 - (2a) Requirement on fulfillment of taxation obligations in the last year as referred to in paragraph (1) letter l, shall be excepted/exempted for Direct Procurement by using the purchase evidence or receipt.
 - (3) Employees of K/L/D/I shall be prohibited to become the Supplier of Goods/Services, unless the concerned takes a leave without any obligations of K/L/D/I.
 - (4) Supplier of Goods/Services in which the participation causes a conflict of interest shall be prohibited of becoming the Supplier of Goods/Services.
4. Provision of paragraph (1a) of Article 25 is amended, so that Article 25 shall read as follows:

Article 25

- (1) PA shall announce the General Plan of the Procurement of Goods/Services to the respective Ministry/Agency/Institution openly to the general public following the approved work and budget plan of the Ministry/Agency/Institution by DPR.
- (1a) PA at the Regional Government shall announce the General Plan of Procurement of Goods/Services openly to the general public following the draft of regional regulation regarding APBD that constitutes the annual financial plan of the Regional Government which is jointly approved by the Regional Government and DPRD.
- (1b) PA as referred to in paragraph (1) and paragraph (1a) shall re-announce the General Plan on Procurement, if there are revisions/additions to DIPA/DPA.
- (2) Announcement as referred to in paragraph (1) shall contain at least:

- a. name and address of the Budget User;
 - b. work package to be implemented;
 - c. work location; and
 - d. estimated amount of costs.
 - (3) Announcement as referred to in paragraph (2), shall be promulgated in the respective website of the Ministry/Institution/Regional Government/Agency, official announcement board for the public, and Portal of National Procurement through LPSE.
 - (4) K/L/D/I shall announce the plan on the implementation of the Procurement of Goods/Services in which the Contract will be implemented in the following/next Budgeting Year.
5. Provision of paragraph (1) of Article 45 is amended, so that Article 45 shall read as follows:

Article 45

- (1) Direct Procurement may be carried out for Procurement of Consultation Services with a maximum value of Rp50.000.000,00 (fifty million rupiahs).
 - (2) Direct Procurement shall be implemented by 1 (one) Procurement Official.
 - (3) PA/KPA shall be prohibited to use the Direct Procurement method as the reason to split the procurement package into several packages with the purpose of avoiding Selection.
6. Provision of paragraph (1) of Article 55 is added by 1 (one) letter namely letter e and 1 (one) paragraph namely paragraph (6), so that Article 55 shall read as follows:

Article 55

- (1) Proof of the agreement shall consist of:
 - a. purchase evidence;
 - b. receipt;
 - c. Work Order (SPK);
 - d. agreement letter/contract; and
 - e. Purchase Order.
- (2) Purchase evidence as referred to in paragraph (1) letter a, shall be used for Procurement of Goods/Services with a value of up to Rp10.000.000,00 (ten million rupiahs).
- (3) Receipt as referred to in paragraph (1) letter b, shall be used for Procurement of Goods/Services with a value of up to Rp50.000.000,00 (fifty million rupiahs).

- (4) SPK as referred to in paragraph (1) letter c, shall be used for Procurement of Goods/Construction Works/Other Services of up to Rp200.000.000,00 (two hundred million rupiahs) and for Consultation Services with a value of up to Rp50.000.000,00 (fifty million rupiahs).
 - (5) Agreement Letter/Contract as referred to in paragraph (1) letter d, shall be used for Procurement of Goods/Construction Works/Other Services with a value of more than Rp200.000.000,00 (two hundred million rupiahs) and for Consultation Services with a value of more than Rp50.000.000,00 (fifty million rupiahs).
 - (6) Purchase Order as referred to in paragraph (1) letter e shall be used for the Procurement of Goods/Services through *E-Purchasing* and *online* purchasing.
7. Provision of Article 70 paragraph (2) is amended, so that Article 70 shall read as follows:

Article 70

- (1) Performance Bond shall be requested by the PPK to the Supplier of Goods/Construction Works for Contracts valued more than Rp200.000.000,00 (two hundred million rupiahs).
- (2) Performance Bond shall not be necessary for:
 - a. Procurement of Goods/Construction Works/Other Services that are implemented by the method of Direct Procurement, Direct Selection/Appointment for Emergency Handling/Surmounting, Contest, or Competition(including skill competition);
 - b. Procurement of Other Services, where the assets of the Supplier are mastered/controlled by the User; or
 - c. Procurement of Goods/Services are in accordance with the Electronic Catalog through *E-Purchasing*.
- (3) Performance Bond as referred to in paragraph (1) and paragraph (2) shall be given following the issuance of SPPBJ and prior to the signing of the Procurement Contract of Goods/Construction Works/Other Services.
- (4) Amount of value of the Performance Bond shall be as follows:
 - a. for values of the bid corrected between 80% (eighty percent) up to 100% (one hundred percent) of the total value of HPS, the Performance Bond shall be 5% (five percent) of the Contract value; or
 - b. for values of the bid corrected under 80% (eighty percent) of the total value of HPS, the amount of the Performance Bond shall be 5% (five percent) of the total value of HPS.

- (5) Performance Bond shall be valid as from the date of the Contract up to the delivery and acceptance of Goods/Other Services or the first delivery and acceptance/hand-over of the Construction Works.
 - (6) Performance Bond shall be returned after:
 - a. the delivery of Goods/Other Services and Guarantee Certificate; or
 - b. delivery of the Maintenance Bond amounting to 5% (five percent) of the Contract value especially for the Provider of Construction Works/Other Services.
8. Provisions of paragraph (1) and paragraph (2) of Article 73 are amended, so that Article 73 shall read as follows:

Article 73

- (1) The ULP Working Group shall announce forthwith the implementation of the selection of the Goods/Services Supplier to the public widely following the announcement of RUP.
 - (2) For the particular Procurement of Goods/Services, the ULP Working Group may announce the selection implementation of the Goods/Services Supplier to the public widely prior to the announcement of RUP.
 - (3) Implementation of the Tender/Selection shall be announced openly by announcing widely at least through the:
 - a. website of the Ministry/Institution/Regional Government/Agency;
 - b. official announcement board for the public; and
 - c. Portal of National Procurement through LPSE.
9. Between paragraph (2) and paragraph (3) of Article 86 is inserted 1 (one) paragraph namely paragraph (2a), and paragraph (3) is amended, so that Article 86 shall read as follows:

Article 86

- (1) PPK shall complete the draft of the Procurement Contract of Goods/Services to be signed.
- (2) The signing of the Procurement Contract of Goods/Services shall be made after the determination of DIPA/DPA.

- (2a) In the event that the selection process of the Supplier of Goods/Services is carried out ahead of the ratification of DIPA/DPA and budget allocation in DIPA/DPA is not approved or stipulated less than the value of the Procurement of Goods/Services that is implemented , the selection process of the Supplier of Goods/Services shall be proceeded to the stage of contract signing after conducting revisions to DIPA/DPA or the selection process of the Supplier of Goods/Services is being cancelled.
 - (3) The parties shall sign the Contract after the Supplier of Goods/Services submits the Performance Bond.
 - (4) The signing of the complex Contract on the Procurement of Goods/Services and/or valued more than Rp100.000.000.000,00 (one hundred billion rupiahs) shall be carried out after obtaining opinions from legal experts on the Contract.
 - (5) Party authorized to sign the Contract on the Procurement of Goods/Services on behalf of the Supplier of Goods/Services shall be the Board of Directors whose names are listed in the Deed of Establishment/Articles of Association of the Supplier of Goods/Services, which have been registered in accordance with the laws and regulations.
 - (6) Other party than the Board of Directors or whose names are not listed in the Deed of Establishment/Articles of Association as referred to in paragraph (5), may sign the Contract on the Procurement of Goods/Services, insofar as such party is the management/employee of the company with the status of a permanent employee and obtains a valid power or delegation of authority from the Board of Directors or from a valid party based on the Deed of Establishment/Articles of Association to sign the Contract on the Procurement of Goods/Services.
10. Provisions of paragraph (2) and paragraph (4) of Article 89 are amended, and between paragraph (2) and paragraph (3) is inserted 1 (one) paragraph namely paragraph (2a), as well as between paragraph (4) and paragraph (5) is inserted 1 (one) paragraph namely paragraph (4a), so that Article 89 shall read as follows:

Article 89

- (1) Payment of work achievement may be given in the form of:
 - a. monthly payment;
 - b. payment based on the completion stage/phase of the work (payment period/stage); or
 - c. one time payment in full after the completion of work .
- (2) Payment of work achievement given to the Supplier of Goods/Services equivalent with the worth of work achievement received which is deducted with the returned installment of Advance Payment and fine if any, as well as the tax.

- (2a) Payment for Construction Works, shall be made equivalent with the installed work.
 - (3) Request for payment to PPK for Contracts that use a sub-contract, must be furnished with a proof of payment to all sub-contractors in accordance with the progress of work.
 - (4) Excepted/exempted from the provisions as regulated in paragraph (2) and paragraph (2a), payment may be made prior to the work performance which is accepted/installed for the:
 - a. provision of Advance Payment to the Supplier of Goods/Services by providing an Advance Payment Guarantee;
 - b. Procurement of Goods/Services in which by its nature can be made by advance payment, prior to the Goods/Services are received, after the Supplier of Goods/Services delivers the guarantee for the payment to be made;
 - c. payment for equipment and/or materials that are part of the work result to be handed over, but not yet installed.
 - (4a) Further provisions regarding payment procedures as referred to in paragraph (4) letter b, including form of guarantee shall be regulated by the Minister of Finance.
 - (5) PPK shall withhold partial payment of the work achievement as retention money as Maintenance Bond of Construction Works and Other Services that require a maintenance period.
11. Provision of paragraph (2) of Article 91 is deleted and Elucidation of paragraph (1) is amended, so that Article 91 shall read as follows:

Article 91

- (1) Force Majeure shall be a state that occurs beyond the will/wishes of the parties and was previously unpredictable, so that the obligations as set forth/stipulated in the Contract become incompliant.
- (2) Deleted.
- (3) In the event of an occurrence of Force Majeure, the Supplier of Goods/Services shall notify the occurrence of the Force Majeure to PPK in writing within a period of no later than 14 (fourteen) calendar days as from the occurrence of the Force Majeure, by enclosing the copy of a statement of Force Majeure that is issued by the competent party/agency in accordance with the provisions of the laws and regulations.
- (4) Excluded as Force Majeure shall be detrimental matters caused by the actions or negligence of the parties.

- (5) Delay of the work implementation due to the occurrence of a Force Majeure shall not be subject to sanctions.
 - (6) Following the occurrence of a Force Majeure, the parties can make a deal, as incorporated in the amendment of Contract.
12. Between paragraph (1) and paragraph (2) of Article 93, 1 (one) paragraph is inserted, namely paragraph (1a), and added with 1 (one) paragraph namely paragraph (3), as well as an Elucidation of paragraph 1 letter a.2 which is amended, so that Article 93 shall read as follows:

Article 93

- (1) PPK may terminate the Contract unilaterally, if:
 - a. the need for Goods/Services cannot be postponed beyond the expiration limit of the Contract;
 - a.1. based on the investigation of PPK, the Supplier of Goods/Services will not be able to complete the overall work although given an opportunity up to 50 (fifty) calendar days as from the expired period of work implementation for completing the work;
 - a.2. after giving the opportunity to complete the work up to 50 (fifty) calendar days as from the expired period of work implementation, the Supplier of Goods/Services is unable to complete the work;
 - b. Supplier of the Goods/Services is negligent/commits a breach of the contract in implementing his obligations and does not correct his negligence within a predetermined time;
 - c. Supplier of Goods/Services is proven of conducting KKN, fraud, and/or forgery in the process of the Procurement as stipulated by the competent agency; and/or
 - d. complaints regarding procedure irregularities, presumption of KKN, and/or violations of fair competition in the implementation of the Procurement of Goods/Services which is declared to be true by the competent agency.
- (1a) Provision of opportunities to the Supplier of Goods/Services to complete the work up to 50 (fifty) calendar days, as from the expiration of work implementation as referred to in paragraph (1) letter a.1. and letter a.2., may exceed the Fiscal Year.
- (2) In the event that a termination/severance of the Contract is carried out due to the mistakes of the Supplier of Goods/Services:
 - a. Performance Bond shall be disbursed/cashed-in;

- b. the remaining Advance Payment must be fully paid by the Supplier of Goods/Services or Advance Payment Guarantee shall be disbursed/cashed-in;
 - c. Supplier of Goods/Services shall pay the delay fine; and
 - d. Supplier of Goods/Services shall be included in the Black List.
 - (3) In the occurrence of a termination/severance of Contract unilaterally by PPK due to the mistakes of the Supplier of Goods/Services as referred to in paragraph (1), the ULP Working Group may perform a Direct Selection/Application to the next alternative winner in the same work package or the Supplier of Goods/Services that is capable and eligible.
13. Provision of Article 106 paragraph (1) is amended, so that Article 106 shall read as follows:

Article 106

- (1) Procurement of Government Goods/Services shall be carried out electronically.
 - (2) Electronic Procurement of Goods/Services shall be carried out using the *E-Tendering* or *E-Purchasing* method.
14. Provision of Article 108 is added with 2 (two) paragraphs namely paragraph (3) and paragraph (4), so that Article 108 shall read as follows:

Article 108

- (1) LKPP shall develop an Electronic Procurement of Government Goods/Services System.
 - (2) LKPP shall set/stipulate the Information System Architecture that supports the implementation of electronic Procurement of Government Goods/Services.
 - (3) K/L/D/I shall use the Procurement of Government Goods/Services System developed by LKPP electronically.
 - (4) Further provisions regarding the Electronic Procurement of Government Goods/Services shall be set forth/develop by LKPP.
15. Provision of Article 109 is added with 2 (two) paragraphs namely paragraph (7) and paragraph (8), so that Article 109 shall read as follows:

Article 109

- (1) Scope of *E-Tendering* shall cover/embody the process of announcement of the Procurement of Goods/Services up to the announcement of the winner.

- (2) The parties involved in *E-Tendering* as referred to in paragraph (1) shall be PPK, ULP/Procurement Official, and Supplier of Goods/Services.
 - (3) *E-Tendering* shall be implemented by using the electronic procurement system that is administered by LPSE.
 - (4) *E-Tendering* application shall comply with, at least, element of protection of the Intellectual Property Right and confidentiality in document exchange, as well as the availability of a security system and storage of electronic documents that assures the electronic documents are only readable at the determined time.
 - (5) *E-Tendering* system that is administered by LPSE shall be obliged to comply with the following requirements:
 - a. referring to standards that embodies interoperability and integration electronically with the Procurement of Goods/Services system;
 - b. referring to the electronic procurement process standard; and
 - c. not tied/bound to a particular license (*free license*).
 - (6) ULP/Procurement Official may use the electronic system for the Procurement of Goods/Services that is administered by the nearest LPSE.
 - (7) Implementation of *E-Tendering* is carried out under the following provisions:
 - a. it does not need a Bid Bond;
 - b. it does not need a disclaimer/rebuttal qualification;
 - c. if the bids are having less than 3 (three) participants, the selection of the provider is carried out by technical and price/cost negotiation;
 - d. it does not need disclaimer appeal/rebuttal appeal;
 - e. for the selection of the Consultation Services Provider:
 - 1) short list totaling 3 (three) up to 5 (five) Consultation Services providers;
 - 2) simple selection is carried out using a post -qualification method.
 - (8) Further provisions regarding *E-Tendering* shall be set forth/stipulated by LKPP.
16. Between the provisions of Article 109 and Article 110, 1 (one) Article is inserted namely Article 109A that shall read as follows:

Article 109A

- (1) Acceleration in the implementation of *E-Tendering* shall be carried out by utilizing Information on the Performance of the Supplier of Goods/Services
 - (2) Implementation of E-Tendering as referred to in paragraph (1) shall be carried out only by submitting a price quotation for Procurement of Goods/Services that does not need a qualification, administrative and technical assessments, as well as there is no rebuttal and rebuttal appeal.
 - (3) Stages of *E-Tendering* as referred to in paragraph (1) shall consist of, at least:
 - a. invitation;
 - b. submission of price quotation;
 - c. winner announcement.
17. Provision of Article 110 paragraph (3) is deleted and paragraph (4) is amended, as well as added with 2 (two) paragraphs namely paragraph (5) and paragraph (6), so that Article 110 shall read as follows:

Article 110

- (1) In the framework of *E-Purchasing*, electronic catalogue system (*E-Catalogue*) shall contain , at least, technical information and price of Goods/Services.
 - (2) Electronic catalogue system as referred to in paragraph (1) shall be administered by LKPP.
 - (2a) Goods/Services indicated in the electronic catalogue shall be set/determined by the Head of LKPP.
 - (3) Deleted.
 - (4) K/L/D/I shall be obliged to carry out *E-Purchasing* for Goods/Services that are contained in the electronic catalogue system in accordance with the needs of K/L/D/I.
 - (5) *E-Purchasing* shall be implemented by Procurement Official/PPK or official that is determined by the Leader of the Agency/Institution.
 - (6) Further provisions regarding *E-Purchasing* shall be determined by LKPP.
18. Provision of Article 115 is added with 2 (two) paragraphs namely paragraph (3) and paragraph (4), so that Article 115 shall read as follows:

Article 115

- (1) K/L/D/I shall be prohibited to exercise collections in any form whatsoever in the implementation of the Procurement of Goods/Services.
- (2) Leader of K/L/D/I shall be obliged to report periodically the realization of the Procurement of Goods/Services to LKPP.

- (3) The Leader/Executive of K/L/D/I shall be obliged to provide legal services to PA/KPA/PPK/ULP/Procurement Official/PPHP/PPSPM/Treasurer/APIP when encountering legal issues in the scope of the Procurement of Government Goods/Services.
 - (4) Specific for criminal acts and violation of business competition, legal services as referred to in paragraph (3) shall be provided only up to the investigation phase.
19. Provision of Article 129 is added with 2 (two) paragraphs namely paragraph (6) and paragraph (7), so that Article 129 shall read as follows:

Article 129

- (1) Provision on Procurement of Goods/Services that is carried out through a cooperation scheme between the government and private enterprises in the framework of the Procurement of public Goods/Services, shall be regulated by a separate Presidential Regulation.
- (2) Provision on Land Procurement shall be regulated by separate laws and regulations.
- (3) Regulation of Procurement of Goods/Services that is financed by APBN, if followed up by a Decree of the Minister/Head of Agency/Institution as APBN User, must be constantly based on as well as not in conflict with the provisions of this Presidential Regulation.
- (4) Regulation of the Procurement of Goods/Services that is financed by APBD, if followed up by a Regional Regulation/Decision of the Head of the Region/Head of the Institution as APBD User, must be constantly based on as well as not in conflict with the provisions of this Presidential Regulation.
- (5) Procurement of Consultation Services and/or Other Services in the framework of financing APBN through a debt, the debt portfolio management, cash/treasury management, and management of loan agreement, shall be further regulated by the Minister of Finance.
- (6) Provision on the Procurement of Goods/Services in the Village shall be regulated by the regulation of the Regent/Mayor which refers to the guidelines determined by LKPP.
- (7) The Leader/Executive of K/L/D/I shall encourage the consolidation of the implementation of the Procurement of Government Goods/Services.

Article II

With the applicability of this Presidential Regulation:

1. The Process of the selection of the Supplier of Government Goods/Services that is ongoing, shall be continued by constantly based on the provision prior to being amended by virtue of this Presidential Regulation.
2. Agreement/Contract that was signed prior to the enforcement of this Presidential Regulation, shall remain applicable up to the expiration of the Agreement/Contract.
3. This Presidential Regulation shall come into effect as from the date of its enactment.

For public cognizance, ordering the promulgation of this Presidential Regulation in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta
on January 16, 2015

PRESIDENT OF THE REPUBLIC OF INDONESIA,

sgd.
JOKO WIDODO

Enacted in Jakarta
on January 16, 2015

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

Sgd
YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2015 NUMBER 5

Issued in accordance with the original copy
CABINET SECRETARIAT OF RI
Deputy for Economic Division,

sgd.
Ratih Nurdianti

NOTE

Source: LOOSE LEAF OF THE STATE SECRETARIAT YEAR 2015.