REGULATION OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA
NUMBER 46 OF 2025
ON
THE SECOND AMENDMENT TO REGULATION OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA NUMBER 16 OF 2018 ON GOVERNMENT PROCUREMENT

BY THE GRACE OF ALMIGHTY GOD

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering : that to increase the use of domestic products in Government Procurement, accelerate the implementation of Government Procurement for the optimalisation of the benefits of government spending, and regulate the village Procurement, it is necessary to issue a Presidential Regulation on the Second Amendment to Presidential Regulation Number 16 of 2018 on Government Procurement;

Having regard to :

1. Article 4 paragraph (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 Year 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 Year 2014 Number 292, Supplement to the State Gazette of the Republic of Indonesia Number 5601) as repeatedly amended and most recently by Law Number 6 of 2023 on the Enactment of Government Regulation In Lieu of Law Number 2 of 2022 on Job Creation to Become Law (State Gazette of the Republic of Indonesia Year 2023 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6856);
4. Presidential Regulation Number 16 of 2018 on Government Procurement (State Gazette of the Republic of Indonesia Year 2018 Number 33) as amended by Presidential Regulation Number 12 of 2021 on Amendment to Presidential Regulation Number 16 of 2018 on Government Procurement

(State Gazette of the Republic of Indonesia Year 2021 Number 63);

DECIDES:

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

Section I

Several provisions in Presidential Regulation Number 16 of 2018 on Government Procurement (State Gazette of the Republic of Indonesia Year 2018 Number 33) as amended by Presidential Regulation Number 12 of 2021 on Amendment to Presidential Regulation Number 16 of 2018 on Government Procurement (State Gazette of the Republic of Indonesia Year 2021 Number 63) are amended as follows:

1. The provisions of paragraphs 1, 18b, 20, 35, 38, 40, 45, 46, 49, 50, and 51 of Article 1 are amended; 2 (two) paragraphs, namely paragraphs 5a and 5b, are inserted between paragraphs 5 and 6; two (2) paragraphs, namely paragraphs 18c and 18d, are inserted between paragraphs 18b and 19; one (1) subparagraph, namely paragraph 40a, is inserted between paragraphs 40 and 41; two (2) subparagraphs, namely paragraphs 46a and 46b, are inserted between paragraphs 46 and 47, and the provision of paragraph 54 is deleted, 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/Other Institutions/Village Governments financed by the State Budget, Local Budget, Village 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 laws and regulations.
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.

5a. Other Institution means the institution that uses the State Budget and/or Local Budget other than Ministries/Institutions/Local Governments/Village Governments/state-owned enterprises/local-owned enterprises/village-owned enterprises.

5b. Village Government means the village head or referred to by another name, assisted by the village apparatus as elements of the village government administration.

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 Local 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/local 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 one (1) 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 UKPBJ head to manage the selection of Contractor.

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 Business 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 Service Employees and Non-Civil Service Employees who work in the field of Government Procurement.

18a. Government Procurement Specialist Officer, hereinafter referred to as the Procurement Officer, means a Civil Service Employee who is given full duties, responsibilities, authority, and rights by the delegated appointing officer to carry out the activities of the Procurement.

18b. Personnel other than Government Procurement Functional Official, hereinafter referred to as Other Personnel, means soldiers of Defence Force of Indonesia, members of the Indonesian National Police, or Civil Service Employees in Ministries/Institutions that are exempt from having Procurement Official, who are given full duties, responsibilities, authority and rights by the delegated appointing officer to carry out Procurement.

18c. Competency Certificate means a written statement or evidence resulting from the process of determination and acknowledgment of the achievement of technical competence of resources managing the Procurement function, conducted systematically and objectively through a competency test or training in accordance with the established competency standards.

18d. PPK Competency Certificate means a written statement or evidence resulting from the systematic and objective process of determination and acknowledgment of the achievement of technical competence as a Commitment Making Officer (PPK), through a competency test or training in accordance with the established competency standards.

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 fulfil the government's needs of goods/services.
21. Electronic Procurement Service 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 Organization, 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 under Pancasila.
25. Community Group means a community group that performs Procurement with the support of State Budget/Local Budget.
26. Procurement through Contractor means a method for procuring goods/services provided by an Business Operator.
27. Business Operator means any individual or business entity carrying out certain businesses and/or activities in certain business sector.
28. Contractor of Goods/Services, hereinafter referred to as the Contractor, means an Business 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, utilized, or benefited by the Goods user.

29a. Products mean Goods made or services produced by Business Operator.

30. Construction Work means the whole or part of activities which include construction, operation, maintenance, demolition and reconstruction of a structure.
31. Consultancy Services 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 through Business Operator or In-House Procurement Organizer, hereinafter referred to as the E-purchasing, means a procedure for purchasing/procuring goods/services through an electronic catalogue system.
36. Tender means a method for selecting the Contractor of Goods/Construction Works/Other Services.
37. Selection of Consultant means a method for selecting Consultant.
38. International Procurement means a Procurement financed by the State Budget or Local Budget including Procurement that is partially or wholly financed by offshore loans or grants that is open to both national and foreign Business Operator.
39. Direct Appointment means a method for selecting the Contractor of Goods/Construction Works/Consultancy Services/Other Services under certain circumstances.
40. Direct Procurement of Goods/Other Services means a method for selecting the Contractor of Goods/Other Services having a maximum value of Rp200,000,000.00 (two hundred million rupiah).

40a. Direct Procurement of Construction Works means a method for selecting the Contractor of Construction Works having a maximum value of Rp400,000,000.00 (four hundred million rupiah).

41. Direct Procurement of Consultancy Services means a method for selecting Consultancy Services 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 Contractor.
44. Procurement Contract, hereinafter referred to as Contract, means a written agreement between PA/KPA/PPK and Contractor 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 Government Regulation on facilitation, protection, and empowerment of cooperatives and 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 Government Regulation on

facilitation, protection, and empowerment of cooperatives and micro-, small-, and medium-scale enterprises.

46a. Domestic Product means Goods and services, including design and engineering, produced or manufactured by companies that invest and produce in Indonesia, using all or part of the Indonesia workforce, and processes that use raw materials or components that are wholly or partly sourced domestically.

46b. Environmentally Friendly Product means Products and services including technology that have implemented the principles of environmental conservation, protection, and management.

47. Deleted.

48. Bond Letter, hereinafter referred to as Bond, means a written guarantee issued by a Commercial Bank/Bonding 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 laws and regulations on Indonesian export financing institutions.

49. Blacklist Sanction means a sanction imposed on selection participants/Contractors in the form of a prohibition from participating in the Procurement within all Ministries/Institutions/Regional Apparatuses/Other Institutions for a certain period of time.

50. Sustainable Public Procurement means the Procurement which is intended to achieve benefit value that is economically beneficial and promote good corporate governance not only for Ministries/Institutions/Regional Apparatuses/Other Institutions/Village Governments as users but also for the community, and significantly reduce negative impacts on the environment and society throughout the whole cycle of its use.

51. Procurement Consolidation means a strategy for Procurement that combines the needs for Goods and/or services to achieve effective and efficient results.

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. Deleted.

2. The provisions of Article 2 is amended to read as follows:

Article 2

The scopes of applying this Presidential Regulation include:

a. Procurement within Ministries/Institutions/Regional Apparatuses/Other Institutions/Village Governments

that use expenditure budgets where part or all of the funds originate from the State Budget/Local Budget/Village Budget;

b. Procurement using the State Budget/Local Budget/Village Budget as referred to in subparagraph a, including Procurement that is partially or wholly financed by domestic loans and/or grants; and/or

c. Procurement using the State Budget/Local Budget as referred to in subparagraph a including Procurement that is partially or wholly financed by offshore loans or grants.

3. The provisions of Article 5 subparagraphs d and h are amended, so that Article 5 reads as follows:

Article 5

The policies on Procurement include:

a. improving the quality of planning for Procurement;
b. carrying out the Procurement in a more transparent, open, and competitive manner;
c. strengthening institutional capacity and human resources for Procurement;
d. developing E-marketplace for Procurement;
e. utilizing information technology and communications, and electronic transactions;
f. encouraging the use of domestic Goods/services and Indonesian National Standard (*Standar Nasional Indonesia, SNI*);
g. providing opportunities for Micro-Scale Enterprises, Small-Scale Enterprises, and Medium-Scale Enterprises;
h. encouraging research and the creative industry, as well as utilizing the results of inventions, innovations, and research, development, assessment, and application of science and technology; and
i. carrying out the Sustainable Public Procurement.

4. The provisions of Article 7 paragraph (2) subparagraphs b, d, and f are amended, so that Article 7 reads as follows:

Article 7

(1) All parties that are involved in the Procurement must comply with the following ethics of:
    a. carrying out tasks on an orderly manner, accompanied by a sense of responsibility to achieve the target, the proper execution and fit for purposes of the Procurement;
    b. working professionally, independently, and maintaining the confidentiality of information which by its nature must be kept confidential to prevent violations of Procurement;
    c. not influencing each other directly or indirectly which may result in unfair business competition;
    d. accepting and taking responsibility for any decisions adopted in accordance with any written agreements of the relevant parties;

e. avoiding and preventing the occurrence of any conflict of interests of related parties, either directly or indirectly, which may result in unfair business competition for the Procurement;
f. avoiding and preventing lavishness and leakage of state finance;
g. avoiding and preventing abuse of power and/or collusion; and
h. not accepting, offering, or promising to give or receive gifts, rewards, commissions, rebates, and any other matters from or to anyone who is known or reasonably presumed to have relations with the Procurement.

(2) The conflict of interests of the related parties as referred to in paragraph (1) subparagraph e, occurs if:
a. the Board of Directors, the Board of Commissioners, or key personnel of a business entity, concurrently serving as the Board of Directors, the Board of Commissioners, or key personnel of other business entities that participate in the same Tender/Selection;
b. the design/supervisory consultant in the Procurement of Goods/Construction Works/Other Services acting as the implementer of the Goods/Construction Works/Other Services that it designed/supervised, except in the implementation of integrated procurement;
c. the construction management consultant acting as design consultant;
d. the managers/administrators of cooperatives concurrently serving as a PPK/Selection Committee/Procurement Officer in carrying out the Procurement within Ministries /Institutions/Regional Apparatuses/Other Institutions;
e. the PPK/Selection Committee/Procurement Officer either directly or indirectly controls or carries out a business entity of the Contractor; and/or
f. some business entities that participate in the same Tender/Selection meet the criteria of Beneficial Ownership in accordance with the provisions of laws and regulations on the Application of Know-Your-Beneficial Owner principles from Corporation in the Prevention and Suppression of Money Laundering and Terrorism Financing.

5. The provisions of Article 9 paragraph (1), one (1) subparagraph, namely subparagraph f2, is added and the provision of paragraph (3) is amended, so that Article 9 reads as follows:

Article 9

(1) PA as referred to in Article 8 subparagraph a has the following duties and authority:

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;
f1. determine the imposition of Blacklist Sanctions;
f2. adjusting procedures/processes/stages, methods, types of the Contract, and/or Contract forms in the procurement process with consideration to fill legal gaps and/or overcome government stagnation for the benefit and public interest;
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 competition/contest;
m. declaring that the Tender/Selection of Consultant has failed; and
n. determining the winner of the selection/Contractor for the selection method:
    1. Tender/Direct Appointment/E-purchasing for package of Procurement of Goods/Construction Works/Other Services with a budget ceiling value more than Rp 100,000,000,000.00 (one hundred billion rupiah); or
    2. Selection of Consultant/Direct Appointment for package of Procurement of Consultancy Services with a budget ceiling value 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 paragraph (1) to KPA in accordance with the provisions of laws and regulations.

(3) PA for management of the Local Budget can delegate the authority as referred to in paragraph (1) subparagraphs a to f2 to KPA.

6. The provisions of Article 10 paragraphs (1) and (5) are amended and one (1) paragraph, namely paragraph (6), is added, so that Article 10 reads as follows:

Article 10

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

(2) In addition to the authority as referred to in paragraph (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 paragraph (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, being able to concurrently act as PPK.
(6) KPA as referred to in paragraph (5) being required to possess knowledge about Procurement and PPK.

7. The provision of Article 11 paragraph (1) subparagraph i is amended; one (1) paragraph, namely paragraph (2a), is inserted between paragraphs (1) and (3), and two (2) paragraphs, namely paragraphs (5) and (6), are added, so that Article 11 reads as follows:

Article 11

(1) PPK in the Procurement as referred to in Article 8 subparagraph c has the following duties:
   a. preparing procurement planning;
   b. implementing Procurement Consolidations;
   c. determining technical specifications/terms of reference;
   d. determining draft Contracts;
   e. determining the HPS;
   f. determining the amount of advance payment to be paid to Contractor;
   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. inputting e-Contracts and 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. hand over the activity deliverables to the PA/KPA with minutes of handover;
   m. evaluating the Contractor's performance;
   n. determining supporting team;
   o. determining team or expert; and
   p. determining letter of Contractor appointment.
(2) In addition to carrying out the duties as referred to in paragraph (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.

(2a) PPK as referred to in paragraphs (1) and (2) possesses a PPK Competency Certificate in accordance with their typology.

(3) Where there is no determination of PPK on the Procurement using the budget from the Local Budget, PA/KPA mandates PPTK to carry out the duties of PPK as referred to in paragraph (1) subparagraph a to subparagraph m.

(4) PPTK carrying out duties of PPK as referred to in paragraph (3) shall meet the requirements for PPK competence.

(5) Ministries/Institutions/Local Governments formulate action plans for the fulfilment of PPK with PPK Competency Certificates in accordance with their typology as referred to in paragraph (2a).

(6) Further provisions on PPK competency as referred to in paragraph (2a) and the action plan for fulfilling PPK with PPK Competency Certificates as referred to in paragraph (5) are jointly regulated by the minister administering government affairs in the field of state finance, the minister administering government home affairs, and the Head of the Agency.

8. The provisions of Article 13 paragraph (1) subparagraph a is amended, so that Article 13 reads as follows:

Article 13

(1) The Selection Committee in the Procurement as referred to in Article 8 subparagraph e has the following duties:
   a. conducting preparation and implementation of selection of Contractor except for Direct Procurement and E-purchasing with direct purchase;
   b. deleted; and
   c. determining the winner of selection/Contractor 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 paragraph (1) consists of three (3) members.

(3) Based on the consideration of the complexity of the selection of Contractor, members of the Selection Committee as referred to in paragraph (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.

9. The provisions of Article 14 paragraphs (2) and (3) are amended, so that Article 14 reads as follows:

Article 14

(1) The Procurement Agent as referred to in Article 8 subparagraph f may implement Procurement.
(2) The implementation of duties of the Procurement Agent as referred to in paragraph (1) is mutatis mutandis to the duties of the Selection Committee or PPK.
(3) The implementation of duties of the Selection Committee and PPK is carried out in accordance with the provisions of the laws and regulations.
(4) Further provisions on the Procurement Agent are regulated by Regulation of the Head of Agency.

10. The provisions of Article 19 paragraphs (1) and (2) are amended, and one (1) paragraph, namely paragraph (1a), is inserted between paragraphs (1) and (2), so that Article 19 reads as follows:

Article 19

(1) PPK in preparing technical specifications/terms of reference of Goods/services uses:
    a. Domestic Products;
    b. Indonesian National Standard certified products;
    c. Micro-Scale Enterprise and Small-Scale Enterprise Products and cooperatives from domestic production; and
    d. Environmentally Friendly Product.
(1a) PPK in preparing technical specifications/terms of reference for Goods/services using Domestic Products as referred to in paragraph (1) subparagraph a, adjusts to the capabilities of the domestic industry as listed in the inventory of domestically produced Goods/services published by the ministry administering government industrial affairs.
(2) In preparing technical specifications/terms of reference, it is possible to state trademarks of:
    a. component of Goods/services;
    b. spare part;
    c. part of an existing system; or
    d. Goods/services in the electronic catalogue.
(3) The fulfillment of the use of the products as referred to in paragraph (1) is carried out to the extent that it is available.
(4) Environmentally Friendly Products as referred to in paragraph (1) subparagraph d, use goods and services labelled as environmentally friendly.

11. In the provisions of Article 20, one (1) paragraph, namely paragraph (3), is added, so that Article 20 reads as follows:

Article 20

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

(2) In carrying out the Procurement packaging, it shall not:
   a. compile or centralize several packages of Procurement that are spread out of several locations/regions which by its nature of work and level of efficiency should be carried out in several locations/respective regions;
   b. compile several Procurement packages which by its nature and type of work must be separated;
   c. compile several Procurement packages the scale of value of which should be carried out by Small-Scale Enterprises; and/or
   d. split the Procurement into several packages for the purpose of avoiding Tender/Selection of Consultant.

(3) In carrying out the Procurement packaging, the PPK shall allocate at least 40% (forty percent) of the Goods/services expenditure budget to use Micro-Scale Enterprise and Small-Scale Enterprise Products and cooperatives from domestic production.

12. Two (2) articles are inserted between Article 20 and Article 21, namely Article 20A and Article 20B, so that they read as follows:

Article 20A

The packaging strategy for Construction Works may include the provision of resources by the project owner (supplied by owner).

Article 20B

(1) The provision of resources for Construction Works may be supplied by the project owner including:
   a. raw materials, materials, and standardized Goods;
   b. raw materials, materials, and Goods to support permanent structures;
   c. raw materials, materials, and Goods for 1 (one) package or several packages of Construction Works;
   d. equipment to support Construction Works; and/or
   e. Goods and services in Construction Works handled by specialist service Contractors.

(2) The provision of resources as referred to in paragraph (1) may be carried out through:
   a. E-purchasing; and/or
   b. ordering based on a framework Contract.

13. The provisions of Article 21 is amended to read as follows:

Article 21

(1) Procurement Consolidation is carried out at the procurement planning stage, procurement preparation stage, and/or Contractor selection preparation stage in the Procurement through Contractor.
(2) The Procurement Consolidation is conducted by PA/KPA/PPK and/or UKPBJ.
(3) The Head of LKPP carries out Procurement Consolidation nationally and may delegate duties and authorities to minister/head of institution.

14. In the provisions of Article 26. paragraphs (5) and (7) are amended and paragraph (8) 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. 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 bid bond, performance bond, and appeal bond;
    d. the basis for determining the limitations on the requirements for managerial personnel and major equipment in Construction Works; and
    e. the basis for determining the issuer of the guarantee.
(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 having a maximum value of Rp100,000,000.00 (one hundred million rupiah), and integrated work Tender.
(8) Deleted

15. The provisions of paragraphs (1), (2), (3), (4), (8), (9), and (11) of Article 27 are amended, and one (1) paragraph, namely paragraph (9a), is inserted between paragraphs (9) and (10), and, one (1) paragraph, namely paragraph (10a), is inserted between paragraphs (10) and (11), so that Article 27 reads as follows:

Article 27

(1) Types of the Contract for the Procurement of Goods/Other Services consist of:
   a. lump sum;
   b. unit price;
   c. combination of lump sum and unit price;
   d. framework Contract;
   e. cost plus fee; and
   f. performance-based Contract.

(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;
   e. cost plus fee;
   f. turnkey modification;
   g. framework Contract; and
   h. performance-based Contract.

(3) Types of the Contract for the Procurement of Consultancy Services consist of:
   a. lump sum;
   b. time-based;
   c. framework Contract; and
   d. performance-based Contract.

(4) Types of the Contract for the procurement of integrated work consist of:
   a. lump sum;
   b. turnkey;
   c. turnkey modification; and
   d. performance-based Contract.

(5) The lump sum Contract as referred to in paragraph (1) subparagraph a, paragraph (2) subparagraph a, paragraph (3) subparagraph a, and paragraph (4) subparagraph 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 Contractor;
   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 paragraph (1) subparagraph b and paragraph (2) subparagraph 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 paragraph (1) subparagraph c and paragraph (2) subparagraph c is a Contract for the Procurement of Goods/Construction Works/Other Services combining lump sum and unit price in one (1) single work as agreed.

(8) The framework Contract as referred to in paragraph (1) subparagraph d, paragraph (2) subparagraph g, and paragraph (3) subparagraph c may take the form of unit price Contract within specified period of time for:

a. Goods/services required by several PPKs for Ministries/Institutions/Local Governments/Other Institutions;
b. Goods/services that are needed repeatedly; and/or
c. Goods/services for which the volume and/or delivery time/implementation time cannot be determined at the time the Contract is signed.

(9) The turnkey Contract as referred to in paragraph (2) subparagraph d and paragraph (4) subparagraph b is an agreement regarding the construction of a project where the Contractor 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.

(9a) The turnkey modification Contract as referred to in paragraph (2) subparagraph f and paragraph (4) subparagraph c is carried out by at least the following provisions:

a. a fixed and firm price until all work is completed; and
b. payment may be made in milestone-based after the Construction Work is completed, including the installation of all equipment, so that it is ready for operation or use as agreed in the Contract.

(10) The cost plus fee Contract as referred to in paragraph (1) subparagraph e and paragraph (2) subparagraph 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.

(10a) The performance-based Contracts as referred to in paragraph (1) subparagraph f, paragraph (2) subparagraph h, paragraph (3) subparagraph d, and paragraph (4) subparagraph d are the Contracts for the achievement of a certain level of services.

(11) The time-based Contract as referred to in paragraph (3) subparagraph b is a Consultancy Services Contract for works the scope of which 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 one (1) budget year which is undertaken after obtaining approval from the competent officials in accordance with the provisions of the laws and regulations, and may take the form of:
   a. works which are completed more than twelve (12) months;
   b. works which are completed more than one (1) 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 three (3) budget years.

16. The provisions of Article 28 paragraph (1) subparagraph e, paragraphs (4), (5), and (6) are amended, and one (1) paragraph, namely paragraph (6a), is inserted between paragraphs (6) and (7), so that Article 28 reads as follows:

Article 28

(1) The Contract forms consist of:
   a. invoice;
   b. receipts;
   c. work order;
   d. contract; and
   e. purchase order.

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

(3) The receipts as referred to in paragraph (1) subparagraph 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 paragraph (1) subparagraph 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 Rp400,000,000.00 (four hundred million rupiah).

(5) The contract as referred to in paragraph (1) subparagraph d is used for the Procurement of Goods/Other Services with a value of more than Rp200,000,000.00 (two hundred million rupiah), for the Procurement of Construction Works with a value more than Rp400,000,000.00 (four 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 paragraph (1) subparagraph e is used for the Procurement through E-purchasing.

(6a) Where the Contract is a lump sum Contract, the Contract form as referred to in paragraph (1) does not require detailed supporting documents.

(7) Provisions regarding supporting document for each form of Contract as referred to in paragraph (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 government home affairs.

17. The provisions of Article 29 paragraph (2) is amended, so that Article 29 reads as follows:

Article 29

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

(2) Advance payment as referred to in paragraph (1) is provided with the following conditions:
   a. at least 50% (fifty percent) of the Contract value for Micro-Scale Enterprise, Small-Scale Enterprise, and cooperatives for Contract values between Rp50,000,000.00 (fifty million rupiah) up to Rp200,000,000.00 (two hundred million rupiah);
   b. at least 30% (thirty percent) of the Contract value for Micro-Scale Enterprise, Small-Scale Enterprise and cooperatives with a Contract value of more than Rp200,000,000.00 (two hundred million rupiah) up to Rp2,500,000,000.00 (two billion five hundred million rupiah);
   c. maximum of 30% (thirty percent) of the contract value for Micro-Scale Enterprises, Small-Scale Enterprises, and cooperatives with a contract value of more than Rp2,500,000,000.00 (two billion five hundred million rupiah) up to Rp15,000,000,000.00 (fifteen billion rupiah);
   d. maximum of 20% (twenty percent) of the Contract value for non-Micro-Scale Enterprise and Small-Scale Enterprise and Consultancy Services Contractors; or
   e. maximum of 15% (fifteen percent) of the Contract value for multi-year Contracts.

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

18. The provisions of paragraphs (2) and (2a) of Article 30 are amended, so that Article 30 reads as follows:

Article 30

(1) Bonds 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 paragraph (1) subparagraph a is for the procurement of Construction Works and for the integrated work.

(2a) The appeal bond as referred to in paragraph (1) subparagraph b is for the procurement of Construction Works and integrated work.

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

(4) The forms of bonds as referred to in paragraph (3) are:
a. unconditional;
b. easily liquidated; and
c. to be liquidated by the bond issuer not later than fourteen (14) workdays 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, bonding 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 laws and regulations on Indonesian export financial institution, can be used for all types of Bonds.

(7) Bonding company, insurance company, and special financial institution that are engaged in the field of finance, guarantee and insurance to foster Indonesian exports in accordance with the provisions of the laws and regulations on Indonesian export financial institution as referred to in paragraph (6), are the Bond issuing companies that hold a business license and suretyship product registration in the Financial Services Authority.

19. The provisions of Article 33 paragraph (2) subparagraph b is deleted, so that Article 33 reads as follows:

Article 33

(1) The performance bond as referred to in Article 30 paragraph (1) subparagraph 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 paragraph (1) is required, where:
a. the Procurement of Other Services which Contractor's assets are under the possession of the user; or
b. deleted.

(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.

20. The provisions of paragraphs (2), (3), and (5) of Article 38 are amended, and one (1) paragraph, namely paragraph (8), is added, so that Article 38 reads as follows:

Article 38

(1) The methods for selection of a Contractor 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 paragraph (1) subparagraph a is made for Goods/Construction Work/Other Services that have been stated in the electronic catalogue.

(3) The Direct Procurement as referred to in paragraph (1) subparagraph b is performed for:
a. Goods/Other Services having a maximum value of Rp200,000,000.00 (two hundred million rupiah); and
b. Construction Work having a maximum value of Rp400,000,000.00 (four hundred million rupiah).

(4) The Direct Appointment as referred to in paragraph (1) subparagraph 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 paragraph (4) include:
a. implementation of priority government programs, government assistance, and/or presidential assistance based on presidential directives;

b. implementation of sudden activities to follow up an international commitment attended by the President/Vice President;
c. 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 laws and regulations;
d. 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;
e. Goods/Construction Works/Other Services that may only be provided by one (1) capable Business Operator;
f. 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;
g. public infrastructure, facility and utility works in housing complex for low-income community, which are performed by the relevant developer;
h. 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;
i. Goods/Construction Works/Other Services failed on re-Tender;
j. the selection of Contractors to continue the procurement of Goods/Construction Work/Other Services where there is a termination of the Contract; or
k. repeat orders for the same Goods/Construction Work/Other Services Contractor.

(6) The quick Tender as referred to in paragraph (1) subparagraph d is carried out where the Business Operators has been qualified in the Contractor 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 paragraph (2) subparagraph b and subparagraph c.

(7) The Tender as referred to in paragraph (1) subparagraph e is made where the procurement is not eligible for using the method for selecting a Contractor as referred to in paragraph (1) subparagraphs a to d.

(8) The procurement of Goods/Construction Work/Other Services using the method of selecting a Contractor through Direct Procurement with a value of at least Rp50,000,000.00 (fifty million rupiah), Direct Appointment, quick Tender, and Tender shall use electronic procurement system application with transactional features.

21. The provisions of Article 39 paragraph 2 is amended, so that Article 39 reads as follows:

Article 39

(1) The method of proposal evaluation for Goods/Construction Works/Other Services Contractor is implemented by:
   a. value system;
   b. economic life cycle cost evaluation; or
   c. lowest price.
(2) The value system evaluation method is applied for the Procurement of Goods/Other Services/integrated work 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 where the price is used as the basis for determining a winner among proposal whose have fulfilled technical requirements.

22. The provisions of Article 41 paragraphs (1), (2), (5), and (6) are amended and one (1) paragraph, namely paragraph (7), is added, so that Article 41 reads as follows:

Article 41

(1) The methods for selecting the Contractor of Consultancy Services consist of:
   a. E-purchasing
   b. Direct Procurement;
   c. Direct Appointment; and
   d. Selection.
(2) E-Purchasing as referred to in paragraph (1) subparagraph a is carried out for the procurement of Consultancy Services from individuals or business entities listed in the electronic catalogue.
(3) The Direct Procurement as referred to in paragraph (1) subparagraph 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 paragraph (1) subparagraph c is made for Consultancy Services under certain circumstances.

(5) The criteria of the Consultancy Services under certain circumstances as referred to in paragraph (4) include:
   a. Consultancy Services in the context of implementing priority government programs, government assistance, and/or presidential assistance based on presidential directives;
   b. Consultancy Services that can only be performed by one (1) capable Business Operator;
   c. Consultancy Services that can only be performed by one (1) registered copyright holder or party that has obtained a license from the copyright holder;
   d. 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;
   e. continuing Construction Consultancy Services that constitute an integrated construction system and a unified responsibility for the risk of building failure, which as a whole cannot be separated from the work that has been previously carried out;
   f. repeat order for the same Contractor of Consultancy Services;
   g. Consultancy Services failed on re-Selection;
   h. selection of a Contractor to continue the Consultancy Services in the event of termination of the Contract;
   i. Consultancy Services that are confidential in accordance with the provisions of the laws and regulations; or
   j. expert services of construction dispute board.

(6) The Selection as referred to in paragraph (1) subparagraph d is made for Consultancy Services with a value of more than Rp100,000,000.00 (one hundred million rupiah).

(7) The implementation of Consultancy Services Procurement using the method of selecting Contractors through Direct Procurement, Direct Appointment, and Selection shall use electronic procurement system application with transactional features.

23. One (1) article, namely article 41A, is inserted between Articles 41 and 42, to read as follows:

Article 41A

(1) The President's directives as referred to in Article 38 paragraph (5) subparagraph a and Article 41 paragraph (5) subparagraph a is written in the minutes of the meeting, memoranda, or other documents.

(2) The minister or head of the institution as the PA:

a. prepare a written document stating that the government's priority programs, government assistance, and/or Presidential assistance constitute Presidential directives as referred to in paragraph (1); and
b. determine the use of the Direct Appointment method based on the PA's analysis.

(3) The minister or head of the institution submit the written document as referred to in paragraph (2) subparagraph a to the minister who administers government affairs in the field of state secretariat to obtain confirmation.

(4) Where the President's directives in meeting minutes, memoranda, or other documents as referred to in paragraph (1) contain directives on the use of the Direct Appointment method for selecting Contractors, the minister or head of agency as the PA may, in accordance with their authority, directly use the Direct Appointment method.

24. In the provisions of paragraph (3) of Article 44, one (1) subparagraph, namely subparagraph c, is added, and the provision of subparagraph c of paragraph (5) is deleted, as well as one (1) paragraph, namely paragraph (8a), is inserted between paragraphs (8) and (9), so that Article 44 reads as follows:

Article 44

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

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

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

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

(5) Prequalification is undertaken in the following selection:
a. Tender of Goods/Construction Work/Other Services for complex Procurement;
b. Selection of Consultancy Services Firm; or
c. Deleted.

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

b. weighting system with a threshold for a Contractor of Consultancy Services.

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

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

(8a) The minimum qualification requirements include the performance of the Contractor.

(9) The Selection Committee shall not add discriminative and subjective qualification requirements.

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

25. The provisions of Article 47 paragraph (2) are amended and five (5) paragraphs, namely paragraphs (6), (7), (8), (9), and (10), are added, so that the Article 47 reads as follows:

Article 47

(1) In-House Procurement type I is performed with the following conditions:
a. PA/KPA may hire other Ministries/ Institutions/Regional Apparatuses employees and/or experts;
b. hiring of experts need not be exceeded 50% (fifty percent) of the number of an Implementing Team; and
c. where Procurement through a Contractor is required, it is performed in accordance with the provisions of this Presidential Regulation.

(2) In-House Procurement type II is performed with the following conditions:
a. PA/KPA may enter into a cooperation agreement with the other Ministries/Institutions/Regional Apparatuses as the implementer of In-House Procurement; and
b. PPK signs a Contract with the head of the In-House Procurement implementing team.

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

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

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

(6) The implementation of In-House Procurement Type I, Type II, and Type III may be carried out through E-Purchasing.
(7) If the implementation of In-House Procurement requires materials/supplies/tools, then it shall use materials/supplies/tools that are Domestic Products and/or Micro-Scale Enterprise and Small-Scale Enterprise Products as well as cooperatives from domestic production.
(8) The purchase of materials/supplies/tools as referred to in paragraph (7) is carried out using the E-Purchasing method.
(9) The purchase of materials/supplies/tools using the E-Purchasing method as referred to in paragraph (8), for Type III and Type IV In-House Procurement, is carried out taking into account the readiness of the In-House Procurement implementation.
(10) The purchase of materials/supplies/tools using the E-Purchasing method for Type III and Type IV In-House Procurement as referred to in paragraph (9) is carried out no later than one (1) year after this Presidential Regulation shall enter into force.

26. The provisions of paragraph (5) of Article 50 are amended and three (3) paragraphs, namely paragraphs (5a), (5b), and (5c), between paragraphs (5) and (6), are inserted, so that Article 50 reads as follows:

Article 50

(1) The Tender/Selection 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 paragraph (1), for the tender of Construction Works, an appeal stage is added.
(3) For Selection of Consultant as referred to in paragraph (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 Contractor 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 shall be implemented to meet the needs for Goods/services if they are available in the electronic catalogue.

(5a) Exemptions from the mandatory to implement E-Purchasing as referred to in paragraph (5), where:

a. it is not possible to meet requirements in terms of volume, technical specifications, time, location, and/or services; or

b. based on considerations of greater efficiency and/or effectiveness if implemented using methods other than E-Purchasing.

(5b) Exemptions from the mandatory to implement E-Purchasing as referred to in paragraph (5a) are made based on the assessment of the PPK.

(5c) Further provisions on exemptions from the mandatory to implement E-Purchasing as referred to in paragraphs (5a) and paragraph (5b) are regulated in the Head of Agency Regulation.

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

(7) Direct Procurement is conducted by the following methods:

a. direct purchase/payment to the Contractor for the Procurement of Goods/Other Services using evidence of purchase or invoice; or

b. request for proposal along with a clarification as well as technical and price negotiation from the Business 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 whose 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 the work plan and budget of Regional Apparatus in accordance with the provisions of laws and regulations.

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

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

27. The provisions of Article 51 paragraphs (2), (3), (5), and (6) are amended, and one (1) subparagraph, namely subparagraph a1, is inserted between subparagraphs a and b of paragraph (7), as well as one (1) paragraph, namely paragraph (8a), is inserted between paragraphs (8) and (9), so that Article 51 reads 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 three (3) participants.

(2) Tender/Selection 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 suspected of corruption, collusion, and/or nepotism;
f. all participants are suspected in conspiracy/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 is not reached; and/or
i. the Selection Committee/PPK is suspected in corruption, collusion, and/or nepotism.
j. the budget allocation in the approved budget document is not available in the budget implementation form/budget implementation document for the fiscal year for procurement that precedes the approval of the work plan and budget of the Ministry/Institution by the House of Representatives or the work plan and budget of the Regional Apparatus by the regional house of representatives.

(3) The Quick Tender is considered failed if:
a. no participant that submits proposal or only one (1) 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 suspected in corruption, collusion, and/or nepotism;
e. all participants are suspected in conspiracy/unfair business competition; and/or
f. the Selection Committee/PPK is suspected in corruption, collusion, and/or nepotism.

(4) Failed prequalification as referred to in paragraph (1) and failed Tender/Selection as referred to in paragraph (2) subparagraphs a to h is declared by the Selection Committee.

(5) Failed Tender/Selection as referred to in paragraph (2) subparagraphs i and j is declared by PA/KPA.

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

(7) To follow up the failed Tender/Selection referred to in paragraph (2), the Selection Committee will immediately:
   a. re-evaluate the proposal;
   a1. re-submission the proposal; or
   b. re-Tender/Selection.

(8) Re-evaluate of proposal as referred to in paragraph (7) subparagraph a is conducted if any mistake is found in the proposal evaluation.

(8a) The resubmission of proposal as referred to in paragraph (7) subparagraph a1 is carried out if a failed Tender/Selection as referred to in paragraph (2) subparagraph d in a Tender with Prequalification or Selection of Consulting firm.

(9) Re-Tender/Selection as referred to in paragraph 7 subparagraph b is conducted for the failed Tender/Selection as referred to in paragraph (2) subparagraphs b to i.

(10) Where re-Tender/Selection as referred to in paragraph (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.

(11) To follow up the failed Quick Tender as referred to in paragraph (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 paragraph (1).

28. One (1) paragraph of Article 52, namely paragraph (3), is added, so that Article 52 reads as follows:

Article 52

(1) Implementation of Contract consists of:
   a. determination of appointment letter of the Goods/services Contractor;
   b. signing of Contract;
   c. making advance payment;
   d. payment of work performance;
   e. Contract amendment;
   f. price adjustment;
   g. postponement or expiry of Contract;
   h. Contract termination;

i. handover of deliverable; and/or
j. handling of Force Majeure.

(2) PPK shall not enter into a contractual agreement or sign a Contract with the Contractor, if the budget expenditure is still unavailable or insufficient which may result in exceeding the budget ceiling available for the activities financed by the APBN/APBD.

(3) If the work requires materials/supplies/tools, then it shall use materials/supplies/tools that are Domestic Products and/or Micro-Scale Enterprise and Small-Scale Enterprise Products and cooperatives from domestic production as stated in the proposal.

29. In the provisions of Article 54, one (1) paragraph, namely paragraph (3), is added, so that Article 54 reads as follows:

Article 54

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

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

(3) Where changes to the Contract due to emergency circumstances, the final Contract value may exceed 10% (ten percent) subject to the approval of the PA.

30. The provisions of Article 59 paragraph (2) subparagraph e is amended, so that Article 59 reads as follows:

Article 59

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

(2) Emergency conditions include:
a. natural disasters, disasters other than natural disasters, and/or social disasters;
b. performance of search and rescue operations;
c. damage to means/infrastructures that may interfere with public service activities;
d. natural disasters, disasters other than natural disasters, social disasters, the development of political and security situation abroad, and/or the enactment of foreign government policies that

have a direct impact upon the safety and the order of Indonesian citizens abroad; and/or

e. provision of humanitarian assistance to regions in Indonesia or other affected countries by disasters.

(3) The determination of an emergency condition as referred to in paragraph (2) subparagraph a is carried out in accordance with the provisions of laws and regulations.

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

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

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

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

31. One (1) paragraph, namely paragraph (1a), is inserted between paragraphs (1) and (2), and the provisions of Article 61 paragraphs (2) and (3) are amended, so that Article 61 reads as follows:

Article 61

(1) The followings are exempted 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 laws and regulations.

(1a) The exemption as referred to in paragraph (1) does not apply to the mandatory to use Domestic Products and Micro-Scale Enterprise and Small-Scale Enterprise Products as well as cooperatives.

(2) Procurement by a public service agency/regional public service agency as referred to in paragraph (1) subparagraph a is separately regulated in accordance with the provisions of laws and regulations.

(2a) Where the public service agency/regional public service agency has not adopted any regulation on the Procurement, the implementation of the Procurement at the public service agency and the regional public service agency is guided by this Presidential Regulation.

(3) Further provisions on the exemption for the Procurement as referred to in paragraph (1) subparagraphs b, c, and d are regulated in a Regulation of the Head of Agency.

32. The title of Division Five in CHAPTER VIII SPECIAL PROCUREMENT is amended to read as follows:

Division Five
International Procurement and Foreign Loans or Foreign Grants

33. The provisions of Article 63 paragraphs (1), (2), (3), (4), (5), (6), and (8) are amended, and one (1) paragraph, namely paragraph (2a), is inserted between paragraphs (2) and (3), so that Article 63 reads as follows:

Article 63

(1) International Procurement may be carried out for:
   a. the Procurement of Construction Work with a value of more than Rp1,000,000,000,000.00 (one trillion rupiah);
   b. the Procurement of Goods/Other Services with a value of more than Rp50,000,000,000.00 (fifty billion rupiah);
   c. the Procurement of Consultancy Services with a value of more than Rp25,000,000,000.00 (twenty-five billion rupiah); or
   d. Procurement financed by export credit agency or foreign private creditors.

(2) Where there are no domestic Business Operators capable and eligible of meeting the requirements, International Procurement is carried out for values below the limits referred to in paragraph (1) subparagraphs a, b, and c.

(2a) International Procurement as referred to in paragraph (1) includes provisions regarding:
   a. transfer of technology/knowledge;
   b. the use of national experts/technical personnel; and/or
   c. the use of other domestic Goods/services.

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

(4) Foreign business entity that performs the Procurement of Goods/Construction Work/Other Services, must cooperate with the domestic industry including but not limited to the manufacture of spare parts and/or the provision of after-sales services.

(5) International Procurement is announced on the website of the Ministries/Institutions/Local Governments and the international community website.

(6) Bidding Documents through International Procurement are prepared in at least two (2) languages, Bahasa Indonesia and English.
(7) Where a different interpretation of the Bidding Documents as referred to in paragraph (6), the Indonesian document is used as reference.
(8) Contract Payment through an International Procurement may be made in rupiah currency and/or in accordance with the provisions of laws and regulations.

34. The provisions of Article 64 paragraph (1) is amended to read as follows:

Article 64

(1) The Procurement for the activities whose funds are sourced from foreign loans or grants is governed by the provisions set forth in this Presidential Regulation, unless otherwise stipulated in foreign loan agreements or foreign grant agreements or derivative agreements/other documents related to agreements as part of the requirements for foreign loans or foreign grants and the provisions of the country of origin of the Goods and services.
(2) Process of Procurement for the activities whose funds are sourced from foreign loans may be carried out before a foreign loan agreement is made (advance procurement).
(3) The formulation of the agreement as referred to in paragraph (1) may be consulted with LKPP.

35. After Division Five in CHAPTER VIII SPECIAL PROCUREMENT, one (1) division, namely Division Six, is added, to read as follows:

Division Six
Village Procurement

36. Three (3) Articles, namely Articles 64A, 64B, and 64C, between Articles 64 and 65, are inserted, so that they read as follows:

Article 64A

(1) Village Procurement is carried out to enhance village economic growth in accordance with village authority.
(2) Village authority as referred to in paragraph (1) priorities local village Contractors and the use of materials available in the village.

Article 64B

(1) Village Procurement is carried out through In-House Procurement with the empowerment of the village community.
(2) Where village Procurement cannot be carried out through In-House Procurement as referred to in

paragraph (1), village Procurement is carried out through a Contractor with the following provisions:

a. The Contractor is a Contractor of Goods/services in the local village;
b. Where a Contractor of Goods/services in the local village is not available, Procurement may be carried out through a Contractor of Goods/services in a neighboring village within the same regency/city; or
c. Where a Contractor of Goods/services in a neighboring village is not available, Procurement may be carried out through another Contractor.

(3) The village Procurement through Contractor as referred to in paragraph (2) uses products from Micro-Scale Enterprise and Small-Scale Enterprise and cooperatives from domestic production.

(4) The provisions referred to in paragraph (2) are carried out through the E-Purchasing method.

(5) Where the E-Purchasing method as referred to in paragraph (4) has not yet been able to be implemented, village Procurement may be carried out using other selection methods for a maximum period of two (2) years from the date this Presidential Regulation shall enter into force.

Article 64C

(1) Further provisions on village Procurement as referred to in Articles 64A and 64B are regulated by regent/mayor regulations with reference to the guidelines set out in the Head of Agency Regulation.

(2) The guidelines as referred to in paragraph (1) include regulations concerning objectives, policies, principles, ethics, actors, planning, preparation and implementation of procurement, human resources and institution, as well as guidance and supervision.

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

Article 65

(1) Ministries/Institutions/Local Governments/Other Institutions shall use Micro-Scale Enterprises and Small-Scale Enterprises Products and cooperatives from domestic production.

(2) The Ministries/Institutions/Local Governments/Other Institutions as referred to in paragraph (1) are obligated to allocate at least 40% (forty percent) of the budget for Goods/services expenditures of the Ministries/Institutions/Local Governments/Other Institutions.

(3) 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 Micro-Scale Enterprises and Small-Scale Enterprises and cooperatives.

(4) The procurement budget ceiling value as referred to in paragraph (3) is excluded work packages requiring

technical capabilities that Micro-Scale Enterprises and Small-Scale Enterprises and cooperatives need not be fulfilled.

(5) The ministry administering government affairs in the field of cooperatives and small businesses and Local Governments broaden the participation of Micro-Scale Enterprises and Small-Scale Enterprises and cooperatives by including Goods/services produced by Micro-Scale Enterprises and Small-Scale Enterprises and cooperatives in an electronic catalogue.

(6) Contractors of non-Micro-Scale Enterprises and Small-Scale Enterprises and cooperatives that carry out the work conduct business cooperation with Micro-Scale Enterprises and Small-Scale Enterprises and cooperatives in the form of partnerships, subcontracts, or other forms of cooperation, if there are Micro-Scale Enterprises and Small-Scale Enterprises and cooperatives that possess the capability in the relevant field.

(7) Cooperation with Micro-Scale Enterprises and Small-Scale Enterprises and cooperatives as referred to in paragraph (6) is included in the Bidding Document.

38. The provisions of Article 66 are amended to read as follows:

Article 66

(1) The Ministries/Institutions/Regional Apparatuses/ Other Institutions shall use Domestic Products, including national design and engineering.

(2) The obligation to use Domestic Products as referred to in paragraph (1) for industrial Products is carried out with the following provisions:

a. using Domestic Products that have the sum of national contribution value (*Tingkat Komponen Dalam Negeri, TKDN*) at least 25% (twenty five percent) if there are Domestic Products that have the sum of National Contribution Value plus the corporate contribution value (*Bobot Manfaat Perusahaan, BMP*) of at least 40% (forty percent);

b. if Domestic Products with a sum of national contribution value plus corporate contribution value of at least 40% (forty percent) as referred to in subparagraph a are not available or the volume does not meet the requirements, then Domestic Products with a national contribution value of at least 25% (twenty-five percent) are used;

c. if Domestic Products as referred to in subparagraphs a and b are not available or the volume does not meet the requirements, then Domestic Products with a national contribution value of less than 25% (twenty-five percent) are used; or

d. if Domestic Products as referred to in subparagraphs a, b, and c are not available or the

volume does not meet the requirements, then Domestic Products listed in the national industrial information system are used.

(3) The obligation to use Domestic Products as referred to in paragraph (1) for non-industrial Products is fulfilled by using Domestic Products declared by the Business Operator (self-declare).

(4) Where Domestic Products as referred to in paragraphs (2) and (3) are unavailable or insufficient to meet demand, Imported Products may be used.

(5) The provisions regarding the fulfilment of the obligation to use Domestic Products as referred to in paragraph (2) is implemented by taking into account the capacity of the domestic industry.

(6) The minister administering government industrial affairs provides information regarding domestic industrial capabilities as referred to in paragraph (5).

(7) Where the information referred to in paragraph (6) is not yet available, the use of imported Products may be carried out after obtaining approval from the minister/Head of Agency/regional head or official appointed by the minister/Head of Agency/regional head.

(8) The minister administering government industrial affairs may stipulate a minimum threshold of national contribution value in certain industries outside the provisions as referred to in paragraph (2).

(9) The minister administering government affairs in the construction services sector coordinates with the minister administering government industrial affairs to stipulate the minimum threshold of national contribution value in construction services.

(10) The values of national contribution and corporate contribution as referred to in paragraph (2) refers to the inventory list of domestically produced Goods and services issued by the ministry administering government industrial affairs .

(11) The mandatory to use Domestic Products as referred to in paragraph (2) is carried out at the stages of procurement planning, procurement preparation, and selection of Contractor.

(12) The provisions as referred to in paragraph (11) are included in the RUP, technical specifications/terms of reference, and/or Bidding Document.

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

Article 67

(1) A price preference is the value of price adjustments to the proposal price in the final evaluation price process in the Procurement.

(2) The price preference applies to Procurement using the Tender or E-Purchasing method with the mini competition method:

a. having HPS value of more than Rp1,000,000,000.00 (one billion rupiah);

b. having a budget ceiling value of more than Rp1,000,000,000.00 (one billion rupiah) for integrated works; or
c. having a minimum procurement package of more than Rp1,000,000,000.00 (one billion rupiah) for E-Purchasing with the mini competition method.

(3) The price preference applies to Goods/Other Services Procurement through The Tender or E-Purchasing method with the mini competition method, under the following provisions:
a. price preference for Goods/Other Services is granted up to a maximum of 25% (twenty-five percent);
b. price preference is granted to Goods/Other Services with a minimum national contribution value of 25% (twenty-five percent);
c. determination of winners based on the order of the lowest price of the final evaluation price (*Hasil Evaluasi Akhir, HEA*) or a combination of technical value and price value of the final evaluation price; and
d. where there are two (2) or more proposals with the same lowest final evaluation price, the proposal with the greater national contribution value is declared to be the winner.

(4) Price preferences are given to Construction Work through the Tender method with the following conditions:
a. granted to proposal from participants who commit to meeting the minimum national contribution value requirements in accordance with the provisions of laws and regulations;
b. the commitment to meet the minimum national contribution value requirements applies only to the Goods component;
c. price preference is granted up to a maximum of 25% (twenty-five percent) for commitments with a national contribution value greater than or equal to the minimum required value;
d. determination of winners based on the order of the lowest price of the final evaluation price or a combination of technical value and price value of the final evaluation price for integrated Construction Work; and
e. where there are two (2) or more proposal with the same lowest final evaluation value, the bid with the higher national contribution value is determined as the winner.

(5) The final evaluation price as referred to in paragraph (3) subparagraph c and paragraph (4) subparagraph d is calculated using the following formula:
HEA = (1 - KP) x HP with:
- HEA (*Hasil Evaluasi Akhir*) is the final evaluation price
- KP (*Koefisien Preferensi*) is the preference coefficient

KP = national contribution value x highest preference
- HP (*Harga Penawaran*) is the proposal price after arithmetic correction.

(6) For Construction Work in International Procurement, price preference is given:
   a. 7.5% (seven point five percent) to national business entities over the lowest proposal price of foreign business entities; and
   b. an additional 5% (five percent) to national business operators in consortium with foreign business operators with the requirement that the lead firm is a national business operator.

40. The provision of Article 68 paragraph (2) is amended, and five (5) paragraphs between paragraphs (2) and(3), are inserted, namely paragraphs (2a), (2b), (2c), (2d), and (2e), so that Article 68 reads as follows:

Article 68

(1) Procurement is carried out by taking into account the sustainability aspects.
(2) The sustainable aspects as referred to in paragraph (1) consist of environmental aspects, social aspects, economic aspects, and/or institutional aspects.
(2a) Environmental aspects as referred to in paragraph (2):
   a. including the reduction of negative impacts upon health, air quality, soil quality, water quality, and use of natural resources in accordance with the provisions of laws and regulations.
   b. outlined in technical specifications using Environmentally Friendly Products or technical criteria that consider environmental aspects.
(2b) The social aspects as referred to in paragraph (2) include ensuring fair working conditions, not employing children, empowering local communities/businesses, equality and diversity, remuneration/wages, and health and safety guarantees in accordance with the provisions of laws and regulations.
(2c) The economic aspects as referred to in paragraph (2) include the application/achievement of value for money, empowerment of Micro-Scale Enterprises and Small-Scale Enterprises and cooperatives, and empowerment of Domestic Products.
(2d) The institutional aspects as referred to in paragraph (2) include good corporate governance, business ethics, and fair business competition.
(2e) Fulfilment of environmental aspects, social aspects, economic aspects, and/or institutional aspects as referred to in paragraphs (2a), (2b), (2c), and (2d) is stated in the procurement document.
(3) Sustainable Public Procurement is performed by:
   a. PA/KPA in planning and budgeting the Procurement;

b. PPK in preparing technical specifications/terms of reference and draft contracts in the Procurement; and
c. the Selection Committee/Procurement Officer/Procurement Agent in preparing the Bidding Documents.

41. The provisions of Article 70 are amended to read as follows:

Article 70

(1) The scope of electronic procurement system consists of:
a. procurement planning;
b. procurement preparation;
c. selection of Contractor;
d. implementation of Contract;
e. handover of work;
f. Contractor management; and
g. electronic catalogue.
(2) Electronic procurement system as referred to in paragraph (1) has interconnection with the information system of planning, budgeting, payment, asset management, and other information systems related to electronic procurement system.
(3) Electronic procurement system supporting systems includes:
a. national procurement portal;
b. Human Resources Management of Procurement;
c. management of advocacy and settlement of legal issues;
d. community participation management;
e. learning resources management; and
f. monitoring and evaluation.

42. The provisions of Article 71 are amended to read as follows:

Article 71

(1) Electronic Procurement utilizes E-marketplace.
(2) E-marketplace for Procurement provides technical infrastructure and transaction support services for the Ministries/Institutions/Local Governments and the Contractor in the form of electronic catalogues.
(3) LKPP has the authority to develop, guide, manage, and supervise the implementation of E-marketplace for Procurement.
(4) In order to develop and manage the E-marketplace for Procurement, LKPP may cooperate with Ministries/Institutions/Local Governments/Other Institutions, association/groups, and/or Business Operator.

43. The provisions of Article 72 are amended to read as follows:

Article 72

(1) An electronic catalogue is an electronic platform that contains information on Goods/services, prices,

Contractor or implementers of In-House Procurement, and/or other information.

(2) The management of electronic catalogues is carried out by LKPP or Ministries/Institutions/Local Governments/Other Institutions.

(3) In the management of electronic catalogues, technical Ministries/Institutions may assess and provide recommendations for termination in the E-Purchasing transaction system for imported products that have substitutes for Domestic Products.

(4) Further provisions on the management of electronic catalogues are regulated in the Regulation of the Head of Agency.

44. Article 72A is deleted.

45. One (1) article between Articles 72A and 73, namely Article 72B, is inserted, so that it reads as follows:

Article 72B

(1) Electronic catalogues may be used by agencies/institutions/Business Operators /Community Groups/individuals outside of Ministry/Institution/Local Governments/Village Governments.

(2) Further provisions on the use of electronic catalogues by agencies/institutions/Business Operators/Community Group outside Ministries/Institution/Local Governments/Village Governments as referred to in paragraph (1) are regulated in a Regulation of the Head of Agency.

46. The provisions of Article 73 paragraphs (4) and (5) are amended, so that Article 73 reads as follows:

Article 73

(1) The Ministries/Institutions/Local Governments carry out the function of Electronic Procurement Services.

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

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

(4) LKPP provides guidance on Electronic Procurement Services.

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

47. One (1) paragraph of Article 74 between paragraphs (4) and (5), namely paragraph (4a), is inserted, so that Article 74 reads as follows:

Article 74

(1) Human Resources for the Procurement 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 paragraph (1) subparagraph a are human resources who carry out the function of the Procurement within the Ministries/Institutions/Local Governments.

(3) Resources for policy makers and Procurement systems as referred to in paragraph (1) subparagraph b are human resources who carry out the design of Procurement policies and system.

(4) Resources for supporting Procurement ecosystem as referred to in paragraph (1) subparagraph c are human resources consisting of certain expertise in supporting the Procurement implementation.

(4a) resources for the management of the Procurement function as referred to in paragraph (1) subparagraph a and resources for policy makers and Procurement systems as referred to in paragraph (1) subparagraph b shall have competencies in Procurement.

(5) Provisions regarding Human Resources for the Procurement as referred to in paragraph (1) subparagraphs b and c are in accordance with the provisions of laws and regulations.

48. The provision of Article 74A paragraphs (1), (2), (3), (4), and (8) are amended; the provision of paragraph (9) is deleted; one (1) paragraph between paragraphs (5) and (6), namely paragraph (5a), is inserted, and two (2) paragraphs, namely paragraphs (10) and (11), are added, so that Article 74A reads as follows:

Article 74A

(1) Resources for the management of the Procurement function as referred to in Article 74 paragraph (1) subparagraph a, consist of:
   a. Procurement Official;
   b. Other Personnel; and
   c. Civil Service Employees other than subparagraphs a and b.

(2) Ministries/Institutions/Local Governments shall have a Procurement Official as referred to in paragraph (1) subparagraph a as Selection Committee.

(3) Procurement Official may be assigned as Procurement Officer and/or PPK, to assist PA/KPA in planning, managing Contracts, and doing handover, carry out

preparation for the inclusion of Goods/services in the electronic catalogue, and be assigned as a supporting resource for the Procurement ecosystem.

(3a) The requirement for the Procurement Official to have PPK Competencies is regulated in a Head of Agency Regulation after coordinating with the ministry administering government affairs in the field of state finance and the ministry administering domestic government affairs.

(4) The mandatories as referred to in paragraph (2) are exempted for Ministries/Institutions where:
   a. the resources for the Management of the Procurement is carried out by soldiers of the Defense Force of the Republic of Indonesia or members of the Indonesian National Police; or
   b. the resources for the management of the Procurement is carried out by employees of other Institutions determined by the Head of LKPP.

(5) Where exemption is made as referred to in paragraph (4), the management of the Procurement is carried out by Other Personnel as referred to in paragraph (1) subparagraph b.

(5a) Other Personnel as referred to in paragraph (5) may be assigned as Procurement Officer and/or PPK, to assist PA/KPA in planning, managing Contracts, and doing handover, carry out preparation for the inclusion of Goods/services in the electronic catalogue, and be assigned as a supporting resource for the Procurement ecosystem.

(6) The Other Personnel as referred to in paragraph (5) shall have a competency certificate in Procurement.

(7) Where Other Personnel does not have a certificate of competence in the field of Procurement as referred to in paragraph (6), they shall have a basic level/level -1 expertise certificate in Procurement.

(8) Resources for the management of the Procurement Function are in UKPBJ.

(9) Deleted.

(10) Ministries/Institutions/Local Governments prioritize and optimize the assignment of Procurement Officials as Selection Committee/Procurement Officers.

(11) The resources for the management of the Procurement function as referred to in paragraph (1) are given recognition and acknowledgement as the resources for the management of the Procurement function in accordance with the provisions of laws and regulations.

49. The provisions of Article 74B paragraphs (2), (3), and (4) are amended, two (2) paragraphs between paragraphs (3) and (4), namely paragraphs (3a) and (3b), are inserted, so that Article 74B reads as follows:

Article 74B

(1) The Ministries/Institutions/Local Governments that shall have a Procurement Official prepare a Procurement Official fulfillment action plan.

(2) Where 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 paragraph (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 shall consist of at least one (1) Procurement Official; and
      2. members of the Selection Committee other than the Procurement Official are carried out by State Civil Apparatus 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 may not be carried out by the Procurement Official, is carried out by Civil Service Employees who have competency certificate and/or Basic Level/level-1 expertise certificate in Procurement.

(3) Where 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 paragraph (1), the implementation of the duties of the Procurement Officer/Selection Committee is carried out by:
   a. Civil Service Employees who have competency certificate and/or basic level/level-1 expertise certificate in Procurement; and/or
   b. Procurement Agent.

(3a) Ministry/Institution whose Procurement is carried out by other Personnel as referred to in Article 74A paragraph (5) prepares an action plan for the fulfilment of other personnel.

(3b) If the number of other Personnel within the Ministry/Institution/Local Government is not sufficient according to the action plan for other personnel fulfilment as referred to in paragraph (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 consists of at least one (1) Other Personnel who possess a Competency Certificate; and
      2. members of the Selection Committee are Other Personnel who possess a basic

level/level-1 certificate of expertise in the Procurement.

b. the implementation of the Procurement Officer duties that may not be performed by Other Personnel who hold a Competency Certificate is carried out by other personnel who hold a basic level/level-1 certificate in Procurement.

(4) Further provisions on the action plan for Procurement Official fulfilment as referred to in paragraph (1) are regulated in the Regulation of the Head of Agency.

50. The provision of Article 75 paragraphs (1), (5), and] (7) are amended; two (2) paragraphs between paragraphs (1) and (2), namely paragraphs (1a) and (1b), are inserted; one (1) paragraph between paragraphs (3a) and (4), namely paragraph (3b), is inserted, and one (1) paragraph, namely paragraph (8), is added, so that Article 75 reads as follows:

Article 75

(1) The minister/head of institution/head of localgovernment establish one (1) UKPBJ that has the task of carrying out the support of Procurement at the Ministries/Institutions/Local Governments.

(1a) Ministries/Institutions that have elements carrying out their main duties in the regions or abroad may form implementing units under the UKPBJ in accordance with the provisions of laws and regulations.

(1b) Ministries/Institutions that have elements carrying out their main duties abroad as referred to in paragraph (1a) carry out the function of Procurement in the implementing units formed by the ministry in charge of foreign affairs.

(2) In order to undertake the tasks of the UKPBJ as referred to in paragraph (1), UKPBJ has the functions of:

a. managing the Procurement;
b. managing electronic procurement services;
c. developing Human Resources for Procurement 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 paragraph (1) is organized in a structural form and determined in accordance with the provisions of laws and regulations.

(3a) Head of UKPBJ shall meet job competency standards which include technical competence in the field of Procurement.

(3b) The duties, functions, and form of the UKPBJ as referred to in paragraphs (1), (2), and (3) are stipulated in regulations on the organization and work procedures of Ministries/Institutions/Local Governments.

(4) The management functions of electronic procurement services as referred to in paragraph (2) subparagraph b may be carried out by a separate work unit.
(5) The establishment of UKPBJ as referred to in paragraph (1) is excluded for:
a. Ministries/Institutions that do not meet the criteria to form UKPBJ; or
b. Institutions based on control ranges require more than one 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 on the establishment of UKPBJ in Ministries/Institutions as referred to in paragraph (1), criteria for exemption from the establishment of UKPBJ as referred to in paragraph (5), and the implementation of UKPBJ capability enhancement through the UKPBJ maturity model as referred to in paragraph (6) are regulated in the Head of Agency Regulation after coordination with the minister who administers government affairs in the field of state apparatus.
(8) Further provisions on the implementation of UKPBJ capability enhancement through the UKPBJ maturity model as referred to in paragraph (6) are regulated in the Head of Agency Regulation.

51. One (1) article between Articles 76 and 77, namely Article 76A, is inserted, so that it reads as follows:

Article 76A

In order to improve the efficiency and effectiveness of activities and budget utilization in the implementation of government priority programs, government assistance, and/or presidential assistance based on the President's directives as referred to in Article 38 paragraph (5) subparagraph a and Article 41 paragraph (5) subparagraph a, institutions tasked with administering government affairs in the field of state/regional financial supervision and national development conducts supervision, submits recommendations for improvement, and/or coordinates and implements synergies with the Ministries/Institutions APIP.

52. The provision of paragraphs (2) and (5) of Article 77 are amended, and one (1) paragraph between paragraphs (1) and (2), namely paragraph (1a), is inserted, so that Article 77 reads as follows:

Article 77

(1) The public submits complaints to APIP accompanied by factual, credible, and authentic items of evidence.
(1a) Where reports and/or complaints from the public to ministers/heads of agencies, governors, regents/mayors or to The Public Prosecution Service

of the Republic of Indonesia or the Indonesian National Police regarding irregularities or abuse of authority in the implementation of Procurement, the resolution is carried out by prioritizing administrative processes in accordance with the provisions of laws and regulations in the field of government administration.

(2) Law enforcement officials who receive complaints from the public based on their duties and functions in accordance with the provisions of laws and regulations related to the Procurement of goods and services shall forward the complaints to APIP for follow-up as long as the initial evidence submitted falls within the administrative and/or civil jurisdiction in accordance with the provisions of the laws and regulations.

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

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

(5) Ministers/heads of institutions/regional heads report to the competent authorities if there are indications of corruption, collusion and/or nepotism that are detrimental to state finances.

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

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

53. The provision of paragraphs (1) and (3) of Article 78 are amended; two (2) paragraphs, namely paragraphs (4a) and (4b), between paragraphs (4) and (5), are inserted, , and the provision of paragraph (5) is deleted, so that Article 78 reads as follows:

Article 78

(1) Where 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 Contractor;
   d. offering imported products for Domestic Products in the self-declared category as referred to in Article 66 paragraph (3);or
   e. withdrawing for reasons that cannot be accepted by the Procurement Officer/Selection Committee/ Procurement Agent,

   the selection participant is subject to administrative sanctions.

(2) Where 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) Where a Contractor:

a. does not implement the Contract, complete the work, fulfill the obligations within the maintenance period, or unilateral termination of the Contract by the PPK due to the fault of the Contractor;

b. causes a structural failure;

c. submits a Bond that cannot be liquidated;

d. makes a mistake in calculating the amount/volume of work result based on the audit result;

e. delivers Goods/services having the quality not in accordance with the Contract based on the audit result;

f. is late in completing the work in accordance with the Contract;

g. delivers Goods with a lower national contribution value than the national contribution value specified in the Contract;

h. submits imported Goods for Goods that should have a National Contribution Value as stipulated in the Contract; and/or

i. submits imported products that should be Domestic Products in accordance with the self-declaration as referred to in Article 66 paragraph (3),

the Contractor is subject to administrative sanctions.

(4) The actions or conducts as referred to in paragraphs (1), (2), and (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.

(4a) The sanctions as referred to in paragraph (4) are imposed on individuals, business entities, and/or managers of business entities.

(4b) Further provisions on sanctions as referred to in paragraphs (1), (2), (3), and (4) are regulated in the Head of Agency Regulation.

(5) Deleted.

54. The provision of Article 80 is amended to read as follows:

Article 80

(1) The actions or conducts of the Contractor in the catalog listing process in the form of:

a. failure to fulfil the obligations set out in the Contractor's terms and conditions;

b. displaying Domestic Products with a national contribution value certificate that does not

comply with the inventory list of domestic Goods/services published by the Ministry that administers government affairs in the field of industry;

c. displaying Construction Work with a commitment value below the minimum national contribution value limit in accordance with the provisions of the laws and regulations; and/or

d. displaying imported Products as Domestic Products,

are subject to administrative sanctions.

(2) The actions or conducts by the Contractor in E-Purchasing as referred to in Article 78 paragraph (3) and/or failure to fulfil the obligations stated in the purchase order are subject to administrative sanctions.

(3) Administrative sanctions as referred to in paragraphs (1) and (2) shall takes the form of:

a. issuance of a warning letter;

b. suspension from the E-Purchasing transaction system; or

c. downgrading of the Contractor's listing.

(4) The sanctions referred to in paragraph (3) are imposed on individuals, business entities, and/or managers of business entities.

(5) Further provisions on the sanctions referred to in paragraphs (1), (2), and (3) are regulated in the Head of Agency Regulation.

55. One (1) article, namely Article 80A, between Articles 80 and 81, is inserted, so that it reads as follows:

Article 80A

(1) The actions or conducts by prospective In-House Procurement implementer in the catalogue listing process that fails to fulfil the obligations set out in the terms and conditions for In-House Procurement implementers are subject to administrative sanctions.

(2) The actions or conducts by a prospective In-House Procurement implementer in E-Purchasing that fails to fulfil the obligations set out in the In-House Procurement Contract are subject to administrative sanctions.

(3) The administrative sanctions referred to in paragraph (1) are in the form of:

a. suspension from the E-Purchasing transaction system; or

b. downgrading of the listing of the prospective In-House Procurement Implementer.

(4) The administrative sanctions referred to in paragraph (2) are in the form of cancellation as an In-House Procurement Organizer and the imposition of sanctions in accordance with the provisions set out in the Contract.

56. The provision of Article 81 is amended to read as follows:

Article 81

Where any violations as referred to in Article 78 paragraph (1) subparagraphs a to c, UKPBJ may report it as a criminal offense.

57. One (1) Article, namely Article 81A, between Articles 81 and 82, is inserted, so that it reads as follows:

Article 81A

(1) Ministries/Institutions/Local Governments/Other Institutions are given awards or sanctions in accordance with the Domestic Products Compliance Index published by the institution tasked with administering government affairs in the field of state/regional financial supervision and national development.
(2) The awarding of rewards or imposition of sanctions on Ministries/Institutions/Local Governments is part of the achievement of budget management in terms of benefits in the form of the benefits of budget use related to increasing the use of Domestic Products.
(3) Ministries/Institutions/Local Governments/Other Institutions that do not meet the target for the use of Domestic Products are subject to administrative sanctions in the form of a written warning.
(4) Written warnings as referred to in paragraph (3) are issued by:
    a. the coordinating minister/technical minister who has the authority to supervise Ministries/Institutions and Other Institutions; and
    b. the minister who administers domestic government affairs for Local Governments,

    based on the Domestic Products compliance index published by an institution that has the task of administering government affairs in the field of state/regional financial supervision and national development.
(5) The awarding of incentives or the imposition of sanctions in the promotion of the use of Domestic Products as referred to in paragraph (1):
    a. for Ministries/Institution/Local Governments, it is carried out in accordance with the provisions of the laws and regulations; and
    b. for Other Institutions, it is carried out in accordance with the provisions stipulated in the regulations of the minister who has technical supervisory authority over Other Institutions.

58. In the provision of Article 82, one (1) paragraph, namely paragraph (1a), between paragraphs (1) and (2), is inserted, and one (1) paragraph, namely paragraph (2a),between

paragraphs (2) and (3), is inserted, so that Article 82 reads as follows:

Article 82

(1) Administrative sanctions are imposed on PA/KPA/PPK/Procurement Officer/Selection Committee who fails to perform their obligations.

(1a) Administrative sanctions are imposed on PA/KPA/PPK/Procurement Officer/Selection Committee in the relevant work units that do not meet the budget percentage targets for the use of Domestic Products and/or the use of Micro-Scale Enterprise Products and cooperatives.

(2) The administrative sanctions as referred to in paragraph (1) are imposed by Personnel Development Officer/authorized officer in accordance with the provisions of the laws and regulations.

(2a) The administrative sanctions referred to in paragraph (1a) takes the form of a reduction in performance allowances or additional income based on work performance as stipulated in the provisions of the laws and regulations.

(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.

59. Article 86 is deleted.

60. One (1) Article, namely Article 86A, between Articles 86 and 87, is inserted to read as follows:

Article 86A

Where additional provisions and business processes beyond those stipulated in this Presidential Regulation are required, Other Institutions may further regulate the provisions regulated in this Presidential Regulation.

61. The provision of Article 91 is amended to read as follows:

Article 91

(1) Further provisions on:
   a. the type and description of Goods/services as referred to in Article 3;
   b. procurement parties as referred to in Article 8;
   c. the procurement planning as referred to in Article 18;
   d. packaging strategy as referred to in Articles 20A and 20B;
   e. Consolidation of Procurement as referred to in Article 21;
   f. the preparation for In-House Procurement as referred to in Article 23, and performance of In-House Procurement as referred to in Article 47;

g. the preparation for Procurement through a Contractor as referred to in Article 25;
h. the types of the Contract for the Procurement as referred to in Article 27;
i. the methods for selecting Contractor of Goods/Construction Works/Other Services as referred to in Article 38, and Consultancy Services as referred to in Article 41;
j. the method of proposal evaluation for Contractor of Goods/Construction Works/Other Services as referred to in Article 39, and Consultancy Services as referred to in Article 42;
k. the method of proposal submission for Contractor of Goods/Construction Works/Other Services as referred to in Article 40, and Consultancy Services as referred to in Article 43;
l. qualification of Contractor as referred to in Article 44;
m. the selection schedule for Contractor as referred to in Article 45;
n. the Bidding Documents of Contractor as referred to in Article 46;
o. implementation of Procurement through Contractor as referred to in Article 50 until Article 58;
p. Procurement in the handling of emergency conditions as referred to in Article 59;
q. International Procurement as referred to in Article 63;
r. The use of Domestic Products in Procurement as referred to in Article 66;
s. final evaluation price as referred to in Article 67;
t. Human Resources for Procurement as referred to in Article 74;
u. sanctions as referred to in Articles 78 until 82;
v. the National Blacklist as referred to in Article 83; and
w. services for contract dispute resolution as referred to in Article 85,

are issued by Regulation of the Head of Agency.

(2) Where the provisions referred to in paragraph (1) relating to the payment mechanism, the Head of LKPP coordinates with:
a. the minister who administers government affairs in the field of state finances for the State Budget; or
b. the minister who administers domestic government affairs for the Local Budget.

Section II

1. Upon the entry into force of this Presidential Regulation:
   a. The Procurement whose preparation and implementation had been carried out prior to the entry into force of this Presidential Regulation may be continued in accordance with the provisions set forth in this Presidential Regulation;

b. Contracts signed based on Presidential Regulation Number 16 of 2018 on Government Procurement, as amended by Presidential Regulation Number 12 of 2021 on Amendment to Presidential Regulation Number 16 of 2018 on Government Procurement, remains in force until the expiry of the Procurement Contract;
c. The Procurement that is currently being and will be carried out for activities whose funding comes from foreign loans or foreign grants based on foreign loan agreements or foreign grant agreements and/or their derivatives stipulated prior to the entry into force of this Presidential Regulation , is carried out in accordance with the provisions stipulated in the agreement and/or its derivatives; and
d. Goods and services that are industrial products declared by Business Operators as Domestic Products (self-declared) prior to the enactment of this Presidential Regulation may still be used in Procurement for a maximum period of two (2) years from the date this Presidential Regulation enters into force.

2. This Presidential Regulation shall enter into force on the date of its promulgation.

In order to make this Presidential Regulation known to the public, it is hereby ordered that it be promulgated by its publication in the State Gazette of the Republic of Indonesia.

Issued in Jakarta
on 30 April 2025

PRESIDENT OF THE REPUBLIC OF INDONESIA,

signed

PRABOWO SUBIANTO

Promulgated in Jakarta
on 30 April 2025

MINISTER OF STATE SECRETARY
OF THE REPUBLIC OF INDONESIA,

signed

PRASETYO HADI

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2025 NUMBER 67

Prepared and issued as an official translation

Jakarta, 5 October 2026
DIRECTOR GENERAL OF LEGISLATION
FOR THE MINISTER OF LAW
OF THE REPUBLIC OF INDONESIA,

DIREKTUR JENDERAL PERATURAN PERUNDANG-UNDANGAN KEMENTERIAN HUKUM PENGAYOMAN

DHAHANA PUTRA

Official Translation Notice:
This English translation is provided for information and reference purposes only. In the event of any discrepancy, inconsistency, or ambiguity between the English version and the Indonesian version, the Indonesian version shall prevail.