

Open Contracting in Water Service Provision

A Baseline Study in Bantul, Indonesia



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Open Contracting in Water Sector

A Baseline Study in Bantul, Indonesia



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Acronyms

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| BAPPEDA | DAS |
| Badan Perencanaan Pembangunan Daerah/ Regional Development Planning Agency | Daerah Aliran Sungai/ Watershed |
| BAPPENAS | DIY |
| Badan Perencanaan Pembangunan Nasional/ National Development Planning Agency | Daerah Istimewa Yogyakarta/ Yogyakarta Special Administrative Province |
| BPPSPAM | FGD |
| Badan Peningkatan Penyelenggaraan Sistem Penyediaan Air Minum/ The Supporting Agency for Drinking Water Supply System Development | Focus Group Discussion |
| BUMD | IKK |
| Badan Usaha Milik Daerah/ Regional-Owned Enterprise | Ibukota Kecamatan/Capital of District |
| CC Water | KID |
| Consumer Council for Water | Komisi Informasi Daerah/ Regional Information Commission |
| CSO | KPBU |
| Civil Society Organization | Kerjasama Pemerintah dan Badan Usaha/Cooperation between the Government and Business Entities |
| DAK | LPSE |
| Dana Alokasi Khusus/Special Allocation Fund | Layanan Pengadaan Secara Elektronik/Electronic Procurement (e-Proc) Service |

Acronyms

NPPA

National Public Procurement Agency

OCDS

Open Contracting Data Standard

ORI

Ombudsman Republik Indonesia/Ombudsman of Republic of Indonesia

PAKEM

Panitia Kemitraan/Partnership Committee

PAMSIMAS

Penyediaan Air Minum dan Sanitasi Masyarakat/Community Based Drinking Water Supply and Sanitation

PDAM

Perusahaan Daerah Air Minum/Regional Drinking Water Company

PERPAMSI

Persatuan Perusahaan Air Minum Indonesia/Association of Indonesian Drinking Water Company

PPID

Pejabat Pengelola Informasi dan Dokumentasi/Documentation and Information Management Officer

PPP

Public Private Partnership

RAD AMPL

Rencana Aksi Daerah Penyediaan Pelayanan Air Minum dan Kesehatan Lingkungan/Regional Action Plan of Water Supply Provision and Environmental Sanitation

RKAB

Rencana Kerja dan Anggaran Biaya Tahunan/Annual Work Plan and Budget

RISPAM

Rencana Induk Sistem Penyediaan Air Minum/Water Supply System Master Plan

RPJMD

Rencana Pembangunan Jangka Menengah Daerah/Regional Medium-Term Development Plan

RPJPD

Rencana Pembangunan Jangka Panjang Daerah/Regional Long-Term Development Plan

SEKDA

Sekretaris Daerah/Regional Secretary

SETDA

Sekretariat Daerah/Regional Secretariat

SIPAS

Sistem Pengolahan Air Sederhana/Portable Water Treatment

SINOVIK

Sistem Informasi Inovasi Pelayanan Publik/Public Service Innovation System

SOE

State-Owned Enterprise

SOP

Standard Operating Procedures

SPAM

Sistem Penyediaan Air Minum/Drinking Water Supply System

We. The People

Introduction

I. Troubled water: Issues in the resource management of water

Where there are problems with the resource management of water, generally they have to do with the governance of it. According to the World Panel on Financing Water, the so-called Camdessus report, the water sector experiences a number of governance issues: (i) the low priority given to water sector issues by central governments, (ii) confusion of social, environmental and commercial aims, (iii) political interference, (iv) poor management structure and imprecise objectives of water undertakings, (v) an inadequate general legal framework, (vi) lack of transparency in award of contracts, (vii) non-existent, or weak and inexperienced regulators and (viii) resistance to cost-recovering tariffs.¹

Full scale privatization and concession schemes of water governance have been largely a failure. However, participation by the private sector in water

governance remains popular and tends to be conducted in a contractual arrangement.²

In Indonesia, only 57% out of a total of 391 regional-owned drinking water companies (PDAMs) are considered financially healthy, the rest are ailing due to debt.³ One reason behind this is a lack of good governance.⁴

PDAMs are also suffering from various problems at the technical, financial, regulatory and resources levels. PDAMs are suffering from a lack of incentive and capacity, which stems from a lack of autonomy and water tariffs which are below cost-recovery level.⁵ PDAMs also still face strong political intervention in terms of recruitment, both at corporate executives and employee level.⁶ This contributes to a low salary standard (compared to the electricity, oil and gas sectors) and as a result, they attract less qualified personnel.⁷

¹ JT Winpenny and others, Financing Water for All (World Water Council 2003).

² PPIAF and World Bank, Approaches to Private Participation in Water Services: A Toolkit (The World Bank 2005) <<http://elibrary.worldbank.org/doi/book/10.1596/978-0-8213-6111-5>> accessed 22 August 2019.

³ 'Kementerian PUPR: Jumlah PDAM Sehat Bertambah' (Republika Online, 20 November 2018) <<https://republika.co.id/share/pihcli423>> accessed 21 July 2019.

⁴ Mohamad Mova Al'Afghani, 'The Role of Legal Frameworks in Enabling Transparency in Water Utilities Regulation' (PhD Thesis, University of Dundee 2012).

⁵ Syaiful Dea and Mohamad Mova Al'Afghani, 'Improvement of Water Services Governance in Indonesia, Presentation at the Temasek Foundation Water Leadership Programme (TFWLP), Singapore' (Temasek Foundation Water Leadership Programme, Singapore, May 2012).

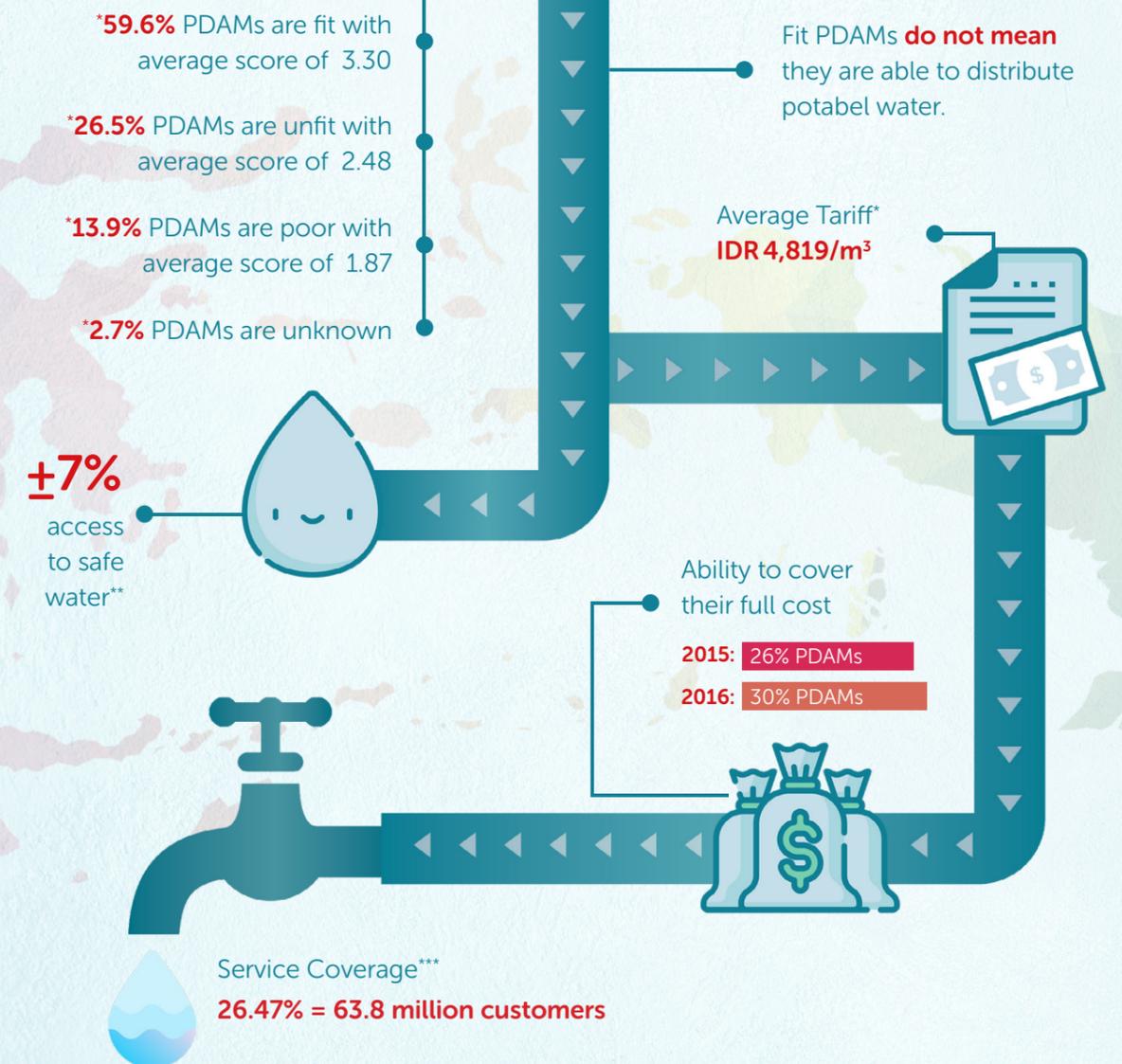
⁶ Foundation Water Leadership Programme, Singapore, May 2012).

Agus Sunara, 'Kendala Dan Tantangan Pengelolaan Air Minum Oleh PDAM Serta Ancaman Ketahanan Air' (Focus Group Discussion on Open Contracting and Service Benchmarking in Drinking Water Sector, Morissey Hotel Jakarta, 5 August 2019).

⁷ Ibid

Regional-owned drinking water companies in Indonesia

There are **391 regional-owned drinking water companies (PDAMs)** in Indonesia. **How are they doing?**



Sources:

*The Supporting Agency for Drinking Water Supply System Development, 2018

**National Planning Agency, 2019

***Executive Summary of PDAM Performance, 2015

II. Where does Open Contracting fit into this?

Open contracting becomes relevant in this case, as it is based on the premise of affirmative disclosure of contracting data as well as participation, monitoring and oversight.⁸ It can potentially improve governance and produce practical results such as: (i) value for money in public procurement; (ii) prevention of “capture” in the business planning process; (iii) providing of a level playing field; and as an outcome of all this, (iv) improvement of service quality.⁹

Frédéric Boehm and Juanita Olaya note that theoretically speaking, the presence of a transparency framework will increase the cost of corruption due to the reduction of opacity. They also note that transparency will facilitate competition. The availability of information will reduce vendor’s “search cost.”¹⁰

Nevertheless, applying an open contracting lens requires certain institutional enablers. For example, it would require

the willingness of the procuring agency to open its data for public scrutiny and capable intermediaries with sufficient interest to interpret and act on the data.

There are three “segments” of the water sector in Indonesia where open contracting may be relevant: (i) Long term Public Private Partnership infrastructure contracts (*Kerjasama Pemerintah dan Badan Usaha* or KPBU) in the water sector which typically involve either water utilities or a local government, (ii) Provincial or city/regency level agency procurement in the water sector, typically involving the development of raw water sources and (iii) water utilities procurement.

This scoping study focuses on any type of “contracting” conducted by water utilities, either in the form of Public Private Partnership (PPP), utilities tender, direct appointment or

any other business-to-business arrangement which are related to its core business activities.

This assessment adopts all parts of the contracting process from planning, award, tender, contract to implementation. It also contextualizes these steps into local PDAM internal management structures. For example, the drinking water supply system master plan (hereinafter referred to as “RISPAM” or Rencana Induk Sistem Penyediaan Air Minum) is included on our literature request and interviews although they are not directly a part of PDAM’s procurement process. The RISPAM data is usually owned by the Public Works Agency of each regency/city and not available in public domain. In addition to that, we also collect data pertaining PDAM’s business plan. We will also put a specific focus on the planning as a part of the overall public finance cycle. Thus, “open contracting” in this

respect is broadened not only for the purpose of facilitating competition but to ensure that citizen can be heard in the planning process which precedes procurement.

We conducted an assessment on water problems in three areas in Indonesia: In the Special Capital Region of Jakarta, Semarang City in Central Java Province, and Bantul Regency in Yogyakarta Special Administrative Province. We chose the three areas because of the different characteristics. Jakarta represents the capital city while Semarang City represents the urban area, and Bantul Regency represents the rural one.

In this book, we present the case study from Bantul Regency as we are currently implementing a follow-up program concerning open contracting in the water sector based on this assessment. Case studies from other areas will be published separately.

⁸ Catherine, ‘Hivos and ARTICLE 19 Show Countries’ Readiness to Open up Public Contracting’ (7 December 2016) <<https://hivos.org/news/hivos-and-article-19-show-countries-readiness-open-public-contracting>> accessed 20 September 2019; Ali Clare and others, ‘Open Contracting and Procurement in Slovakia’ [2016] Open Data’s Impact; ‘Global Principles - Open Contracting Partnership Open Contracting Partnership’ <<https://www.open-contracting.org/implement/global-principles/>> accessed 20 September 2019.

⁹ 1993); A Estache and L Wren-Lewis, ‘Anti-Corruption Policy in Theories of Sector Regulation’ (2011) 2 International Handbook on Corruption; F Boehm and J Olaya, ‘Corruption in Public Contracting Auctions: The Role of Transparency in Bidding Processes’ (2006) 77 Annals of Public and Cooperative Economics 431.

¹⁰ Boehm and Olaya 2006. Corruption in Public Contracting Auctions: The Role of Transparency in Bidding Process. (n 12). https://www.researchgate.net/publication/4988094_Corruption_in_public_contracting_auctions_The_role_of_transparency_in_bidding_processes

¹¹ ‘Guide to Defining OCDS Functional Requirements for E-Government Procurement Systems’ (Open Contracting Partnership) <<https://www.open-contracting.org/resources/guide-defining-open-contracting-data-standard-functional-requirements-electronic-government-procurement-systems/>> accessed 15 September 2019.

III. Regulations at the National Level

There are various sectoral regulations governing PDAMs. Environmental quality is regulated by the Ministry of Environment and Forestry and is subject to several water quality regulations, both effluent and ambient.¹² In terms of health, the PDAM's water quality must fulfill the Ministry of Health Regulation drinking water standard (hereinafter referred to as "Permenkes 492").¹³ The regulation on standard of the quality of drinking water outlines

only the biological, physical, chemical and radiological parameters of drinking water, but these parameters are not enforced. As a note, almost all of the 'healthy' PDAMs as discussed above still do not meet the parameters set by the Ministry of Health Regulation and they don't include the Supporting Agency for Drinking Water Supply System Development (hereinafter referred to as "BPPSPAM") benchmarking standard.

¹² Indonesian Government Regulation Number 82 of 2001 on Management of Water Quality and Control over Water Pollution.

¹³ Regulation of the Minister of Health of the Republic of Indonesia Number 92/Menkes/PER/IV/2010 of 2010 concerning Drinking-Water Quality Standards.

At the moment, there is no economic regulator for PDAMs.¹⁴ This is the reason why PDAMs' tariffs are subject to political intervention, especially during regional elections. The heads of the local government (the governor, mayor, or regent) determine the PDAM's tariffs, based on the parameters issued by the Ministry of Home Affairs, which must take full cost recovery into account.¹⁵

Government Regulation 54 Year 2017 on Regional-Owned Enterprise at Article 91 requires all regional-owned enterprises to enact several Standard Operating Procedures (SOPs) which must be submitted to the Regional Secretary (Sekda). The SOP must contain the following aspects: a) Organisational Structure, b) Organisation and employment, c) Financials, d) Customer Service, e) Business Risks, f) Procurement of Goods and Services, g) Assets Management, h) Marketing and i) Supervision.

Most PDAMs are currently still regulated as corporate entity under Law Number 5 of 1962 on Regional Corporation.¹⁶ This law has been revoked by Local Government Law Number 23 of 2014.¹⁷ The 2014 Law at Article 402 requires that all regional-owned enterprises have to be "adjusted" within 3 (three) years after its enactment, thus at the latest by 2017. This means that all PDAMs must be converted into either a Regional Limited Liability Company for Drinking Water (*Perseoran Terbatas Air Minum*) or a General Purpose Company for Drinking Water (*Perusahaan Umum Daerah Air Minum*).

Most PDAMs still have not enacted such SOPs. This provides an opportunity for intervention, if stakeholders have the opportunity to participate in the process. All state and regional-owned enterprises procurement, which includes PDAMs, are not separated from the state procurement system. The previous Presidential Regulation Number 54 of 2010 on Public Procurement defined procurement of goods and services as "...the activity to obtain goods and services by Ministry/ Institution/Regional Agencies/ other institution which starts with the process of planning its

To implement and regulate the Regional Government Law,

Drinking Water Company Corporate Entity



¹⁴ Mohamad Mova Al'Afghani, Legal Frameworks for Transparency in Water Utilities Regulation: A Comparative Perspective (Routledge 2016).

¹⁵ Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 71 of 2016 concerning Drinking-Water Tariff Calculation and Determination.

¹⁶ Law Number 5 of 1962 on Regional Cooperation.

¹⁷ Law Number 23 of 2014 on Local Government

needs until the implementation of all activities to obtain goods/ services". The term "other institution" has been interpreted to cover state and regional-owned enterprises. However, this Regulation has been revoked and replaced with a new one in 2018.

The newly-issued Presidential Regulation Number 16 of 2018 gives a new definition of procurement of goods and services: "...the activity by Ministry/Institution, Regional Apparatus, which are financed by State or Regional Budget which processes includes needs identification until the transfer of work." The term "other institution" has been removed and the Presidential Regulation clarified that it now only covers activities that come from the state or local government budget. This automatically excludes state and

regional-owned enterprises from the regulation.

Government Regulation Number 54 of 2017 on State-Owned Enterprises (SOE) Article 93 clarifies the principles transparency and efficiency should be taken into account for goods and services procurement for regional-owned enterprises. The same article states that the provision on goods and services procurement [for regional-owned enterprises] needs to be determined through the Head of Local Government Regulation.

In a way, this creates diversity within procurement system for regional-owned enterprises. During our FGDs and interviews, we found that some regions still have not enacted its procurement regulation and thus provides an opportunity for intervention.

Bantul Case Study

Bantul Regency is one of the regencies in the Yogyakarta Special Administrative Province. As the majority of the area has rural characteristics, most of the people in Bantul still rely on the fulfillment of clean water through non-pipe systems, namely through portable water treatment (SIPAS), wells/ boreholes, rainwater storage (Penangkapan Air Hujan) and springs.

Generally, the quality of water in Bantul has been decreasing overtime. A high percentage of the groundwater in Bantul contains microbes and/or the level of minerals such as iron (FE),

manganese (Mn), and chloride (Cl) is too high.¹⁸ Some areas of Bantul such as Srandakan, Bantul, Sewon, Pandak and Sanden contain these minerals. Bantul water also has high e-coli content. These bacteria are caused by household waste that permeates the soil. Note that Bantul is located in the downstream area of all rivers flowing there. The mid-stream area is the densely populated city of Yogyakarta. With such conditions, some of the population resort to deep-wells which are expensive. A reliable water utility is therefore urgently required.

I. Bantul PDAM

The Bantul PDAM was established based on Regional Regulation Number 11 of 1991 concerning the Establishment of Bantul Regency PDAM. It has both a social function and a economic function.

The director of Bantul PDAM, Arinto Hendro Budiantoro has been selected for the term of 2018-2022. Currently, PDAM Bantul manages 15 clean water supply systems scattered over several sub-district capitals in Bantul Regency. The regional-owned company employs 119 people. Installed production capacity is at 414 liter/second

and the number of customers per 31 December 2018 is 31,058 household connection.

The total coverage of clean water in Bantul Regency is 91% of the total 995,264 of Bantul population. 22% of the population are served through the PDAM piping system while non-piping services, such as the portable water treatment system (SIPAS), wells/boreholes and springs, covers 662,784 people or 69%. The raw water source for the PDAM is obtained from a total of 17 units of wells, three water spring units and seven units of surface water.

Presidential Regulation on Public Procurement: Then vs Now

| 2010 - 2018* | | 2018 - present** |
|------------------------------------|--|------------------------------------|
| Applies to: | | Applies to: |
| Ministry ✓ | | ✓ Ministry |
| Government Institution ✓ | | ✓ Government Institution |
| Regional Agency ✓ | | ✓ Regional Agency |
| State-Owned Enterprise ✓ | | ✗ State-Owned Enterprise |
| Regional-Owned Enterprise ✓ | | ✗ Regional-Owned Enterprise |

*) Presidential Regulation Number 5 of 2010 on Public Procurement

***) Presidential Regulation Number 16 of 2018 on Public Procurement

¹⁸ See '70 Persen Kualitas Air Tanah Buruk' (Radar Jogja, 21 June 2018) <<https://radarjogja.jawapos.com/2018/06/21/70-persen-kualitas-air-tanah-buruk/>> accessed on 20 September 2019.

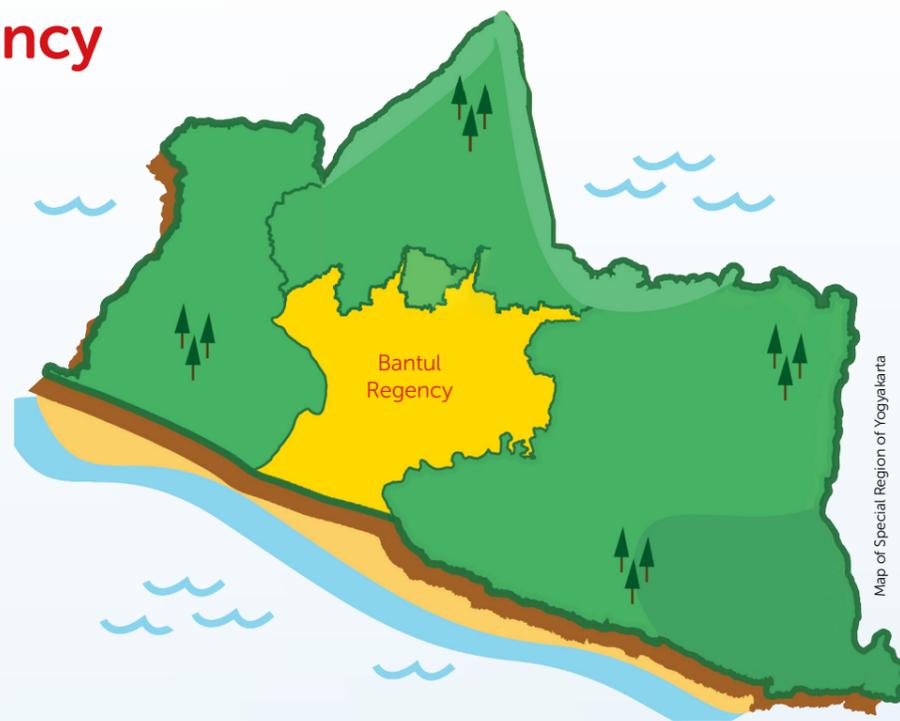
It is found that customers often receive water service with insufficient quality, quantity and

continuity. Several customers responded that the PDAM often does not address complains.

¹⁹ *Air Macet Pelanggan Tetap Bayar, Ini Tanggapan PDAM Bantul* <<https://jogja.idntimes.com/news/jogja/daruwaskita/air-macet-pelanggan-tetap-bayar-ini-tanggapan-pdam-bantul>> accessed on 8 September 2019; *Kisah Warga Bantul Kesulitan Mendapat Air Bersih, Tagihan PDAM Tetap Mengalir Tapi Aliran Air Macet* <<https://jogja.tribunnews.com/2019/08/21/kisah-warga-bantul-kesulitan-mendapat-air-bersih-tagihan-pdam-tetap-mengalir-tapi-aliran-air-macet?page=3>> accessed on 8 September 2019; <https://www.lapor.go.id/2019/12/18/laporan/detil/kesulitan-air-bersih-2> accessed on 8 September 2019.

Bantul Regency in Numbers

The topography of Bantul Regency takes the form of beaches, plains and hills, especially in **eastern Bantul Regency**. The western part is morphologically fluvio-volcanic area land which is partly in the form of corrugated plains. Meanwhile, in **the middle** of are the ramp land which spans from north to south to coastal areas.



II. Institutional Arrangements

There are several government institutions and regional apparatus organizations that are stakeholders of the PDAM.

The Economic Administration of Bantul Regional Secretariat (SETDA) performs the coaching function and the PDAM's performance supervision. The Economic Administration Department ensures that the planning process done by the PDAM is in accordance with Bantul Regency Regional Medium-Term Development Plan (hereinafter referred to as "Mid-Term Plan"). In conducting supervision, the Economic Administration Unit coordinates with the **Regional Development Planning Agency** (hereinafter referred to as "Planning Agency") and the Public Works Agency. Supervision, monitoring and evaluation are conducted every three months by observing targets that have been set for the PDAM.

The Planning Agency is the institution that coordinates the planning process of regional development. They also compile the Regional Long-Term Development Plan and Mid-Term Plan documents. These become a reference in the preparation

of the Drinking Water Supply System Master Plan (RISPAM). In Chapter 2 of the Bantul Mid-Term Plan of 2016-2021, it is mentioned that the clean water management is carried out by the Public Works Agency in cooperation with the PDAM of Bantul Regency.²⁰ In coordinating the management of clean water, the Planning Agency acts as coordinator of the Partnership Committee (PAKEM). In addition, the Planning Agency also obtains the report from the PDAM related to its performance and financials. This reports on PDAM's capital injection through the grant of goods from **Department of Public Works, Housing, and Residential Areas** (hereinafter referred to as "Public Works Department") and Bantul's local government budget.²¹

The Public Works Department conducts clean water provision in cooperation with the PDAM. The office of Public Works Department, especially the Cipta Karya Division, ensures clean water management can be done in synergy with other stakeholders. In rural areas, like Bantul Regency, there are several parties that manage clean water. These include the PDAM, the Water Resources Unit from

²⁰ Focus Group Discussion "Information Transparency on Procurement and Performance", 4 September 2019, Ross in Hotel Bantul, DIY.

²¹ Ibid.

Government Institutions Working with Bantul Drinking Water Company



Regional Information Commission monitors the performance of public services, especially access to public documents from any institution in the area, including Bantul Drinking Water Company (PDAM).



Economic Administration Unit of Bantul Regional Secretariat performs the coaching function and PDAM performance supervision in coordination with Bantul Planning Agency and Public Works Agency.



Department of Public Works, Housing, and Residential Areas carries out clean water provision and management in cooperation with Bantul PDAM.



Bantul Planning Agency acts as coordinator of the Partnership Committee. It also obtains report from the PDAM related to its performance and financials.

Public Works Department and the Community-Based Drinking Water Supply and Sanitation company (hereinafter referred to as "PAMSIMAS").

The Public Works Department plays the role of coordinating the water management to ensure that it is aligned with other related stakeholders' plans throughout the water provision cycle, from planning to provision of clean water to the public. The Public Works Department compiled a "synergy document" that became a reference for the PDAM, Water

Resource Agency and PAMSIMAS in clean water management.²²

In addition, the Public Works Department is also the provider of procurement of goods and services for the PDAM in the development of infrastructure and procurement of clean water network with involving large sum of money. After completing the network development, the assets will be handed over to the PDAM to be managed, utilized and maintained. Assets will be handed over to the PDAM to be managed, utilized and maintained.

III. Open Contracting Assessment in Bantul PDAM

1. Modalities and Challenges

Data Availability, Transparency and Public Involvement

The PDAM currently still has not formed a documentation and information management system for public information. They have yet to appoint a documentation and information management officer. In practice, if the public needs data, the technical and administrative sections of the PDAM will serve to provide the requested data.

Planning

The assessment finds that the PDAM is open to have the public involved in the process of business planning and investment in their company when there is a policy to regulate it. Concerns arise when it comes to participation and in determining which community should be involved and in what ways to evolve them.²³

²² Focus Group Discussion "Information Transparency on Procurement and Performance", 4 September 2019, Ross in Hotel Bantul, DIY.

²³ *Dokumen Sinergitas Penyediaan Air Bersih Kabupaten Bantul Tahun 2019-2023* (Department of Public Works, Housing, and Residential Areas, 2019).

There could also be an opportunity to involve the community as an expert to provide input to the PDAM, a role which the Public Works Agency has played. However, this would be limited to people with specific expertise and not the community in general.

The planning documents related to the water management in Bantul that are available upon request to the assessment team

2. Complaint Handling Mechanism

The Bantul PDAM has launched a public service innovation system (Sistem Informasi Inovasi Pelayanan Publik or Sinovik) to facilitate all customers to access information related to the amount of water bills, water flow disruption information, installation of new connections, submission of complaints or customer complaints as well as other information such as affordable connection programs, connection availability and SMS center (+6281-1284-8000).

Bantul PDAM received the "Top BUMD 2018" Award, an award

but not publicly accessible:

1. Drinking Water Supply System Master Plan (RISPAM);
2. Synergy document on the provision of clean water of Bantul Regency year 2019-2023;
3. Regional Action Plan of Water Supply Provision and Environmental Sanitation (RAD AMPL);
4. Business plan.

for regional-owned enterprises (BUMD), due to its performance. Some of the criteria for the award are the android based application "Siap Prima" (for complaints), profitability, cash, customer base, steady increase of customer each year and the result of independent audit.²⁴ The award was granted by Business News in collaboration with Asia Business Research Center on 3 May 2018.²⁵

However, the Information Technology (IT) innovation developed and managed by the Bantul PDAM have not been

optimal. This is due to the lack of an up-to-date information and IT system malfunctions when the customer submits complains.²⁶

3. Tender

The types of goods that are often procured by the Bantul PDAM are for pump machine and reserve pipes so that at any time when there are damage the pipes can be immediately replaced. This is done because the procurement process can take long. When a pump breaks or backup pipes run out, the services will be affected. Procurement is carried out through direct procurement mechanisms. According to PDAM's internal Standard Operating Procedures (SOP), there are different departments in the PDAM that conduct the procurement process. During the assessment, the values of PDAM procurement is below IDR 150 million (approx. USD 10,900), all

In addition, customers believe that the PDAM does not respond to their complaints quickly.

of which uses direct appointment method.

A major tender is organized by the Public Works Department through the national e-procurement system (LPSE). Until the time of the assessment, it has not been possible for the Bantul government to provide the PDAM with a direct capital injection. Therefore, any additional efforts to increase the water supply capacity, including developing new installations, networks or household connections, are carried out by the Public Works Department/ Agency with the national or local government budget.

4. Award, Contract and Implementation

Announcement for tenders in Public Works Department for projects larger than IDR 150 million (\pm USD 10,900) is carried out through the E-Procurement System (LPSE) according to

the prescribed mechanisms. However, the result of small tenders carried out by the PDAM is not communicated to the public. The assessment shows that all contracts with

²⁴ *Penghargaan TOP BUMD 2018 kembali diraih PDAM Bantul* <<https://www.pdambantul.com/penghargaan-top-bumd-2018/>> accessed on 15 September 2019

²⁵ *Bank Bantul dan PDAM Bantul raih penghargaan TOP BUMD 2018* <<https://www.starjogja.com/2018/05/07/bank-bantul-dan-pdam-bantul-raih-penghargaan-top-bumd-2018/>> accessed on 15 September 2019

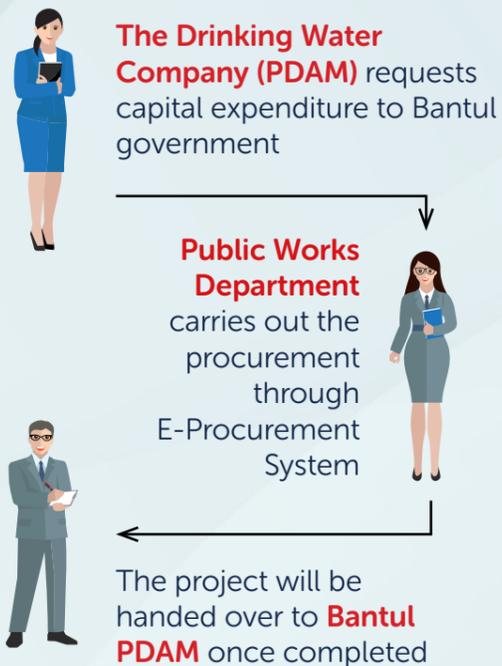
²⁶ *PDAM Bantul - Apps on Google Play* <<https://play.google.com/store/apps/details?id=com.codeapik.apps.pdambantul&hl=en>> accessed on 15 October 2019.

suppliers, both in the PDAM and Public Works Department procurement, is not publicly available.

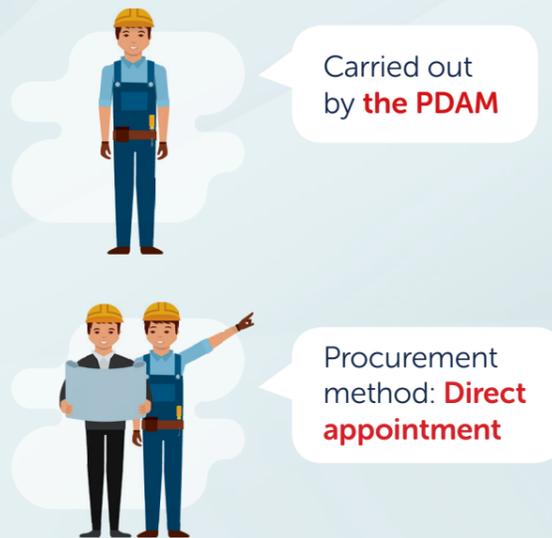
Large procurement is done by the PDAM by requesting capital expenditure to Bantul government. The government then use a Special Allocation Fund (Dana Alokasi Khusus or DAK) from the national

government to the local government in order to carry out the procurement under the drinking water infrastructure of the Public Works Department. The Department carries out their procurement through E-Procurement System. After the project is completed, the installation is handed over to PDAM.

PROCUREMENT PROJECT > IDR 150 MILLION*



PROCUREMENT PROJECT ≤ IDR 150 MILLION*



* IDR 150 million = ± USD 10,900

5. Capacity of CSO and Consumer Organization

Ombudsman of the Republic of Indonesia DIY Representative

The Ombudsman of the Republic of Indonesia (hereinafter referred to as "ORI") is a state institution that has the authority to supervise implementation of public service deliveries by state and government organizers, including the State-Owned or Regional-Owned Enterprises, and other legal entities that belong to the state as well as private or individual bodies that are tasked to deliver public services with funds sourced from the national or local government budget. The ORI has representation in the regions, including in the Yogyakarta Special Administrative Province (DIY).

Regional Ombudsman of DIY

The Regional Ombudsman of DIY is a separate regional institution that is independent and supervises the implementation of public service deliveries by local governments, private and individual. Regional Ombudsman is different from

the National Ombudsman and has their own authority.

Customer Awareness

In regards with the performance of the Bantul PDAM related to the water quality and quantity, consumers still experience muddy water, low pressure and supply disruptions especially in the dry season.²⁷ Customers were given no early warning in the case of disruptions either due to maintenance/repairs or other reasons. So far, customers obtain the information by visiting the nearest unit/branch office or by contacting the manager of the unit they know personally and inform other customers.²⁸

Customers generally do not have awareness on the PDAM's business and procurement plan. The assessment finds that customers are interested on knowing PDAM business plan. However, they suggest the PDAM to improve their service and responsiveness to customer's complaints.²⁹ They also expect that the PDAM can reward customers who pay the bills timely.³⁰

²⁷ Interview with customer, 11 September 2019. At Bangunjiwo Village, Kasihan, Bantul.

²⁸ Ibid.

²⁹ Ibid.

³⁰ Ibid.

6. Response from Local Bureaucracy

Regional Planning Agency

Based on information from Regional Planning Agency, the number of PDAM customers continues to increase every year. As the number of customers increases, so does the amount of water distributed to the public.³¹ For clean water management in Bantul, the PDAM received IDR 4.5 billion (approx. USD 306,000) in 2018. The Bantul PDAM takes the form of a Regional Public Company due to their social

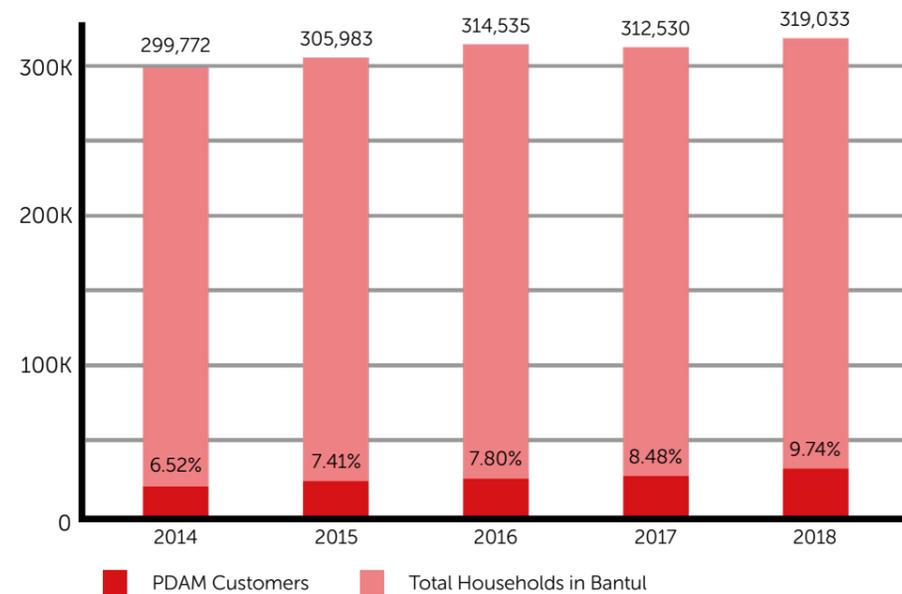
function that is required to fulfill the needs of clean water for the community.

Many of Bantul residents still use dug wells for clean water provision, especially those in drought prone areas and areas unreachable by PDAM network. The water is supplied through the construction of public hydrants and portable water systems (SIPAS). The government built a district level water supply in Pajangan as IKK (Ibukota

Kecamatan – capital of district).³² The Bantul government has recently signed a memorandum of understanding for a new regional drinking water supply system (SPAM) called SPAM Kamijoro with the Government of Yogyakarta Special Administrative Province (DIY), Kulon Progo Regency and Bantul Regency. The PDAM Bantul is also supplied by Regional SPAM Kartamantul which is an agreement between the government of Sleman Regency, Yogyakarta City and Bantul Regency.³³

Judging by the income deposited to the local treasury by the PDAM, there is consistent increase of revenue. The Planning Agency conveyed that the revenue from the PDAM in 2019 amounted to IDR 350 million and in April 2019 this was IDR 513 million. This means that by 2020 PDAM will contribute to bigger revenue. Nevertheless, the Planning Agency officials told that the PDAM must continue to promote its public service function as a clean water provider for the community. During the time of

PDAM Customers* vs Total Households in Bantul Regency (2014-2018)**



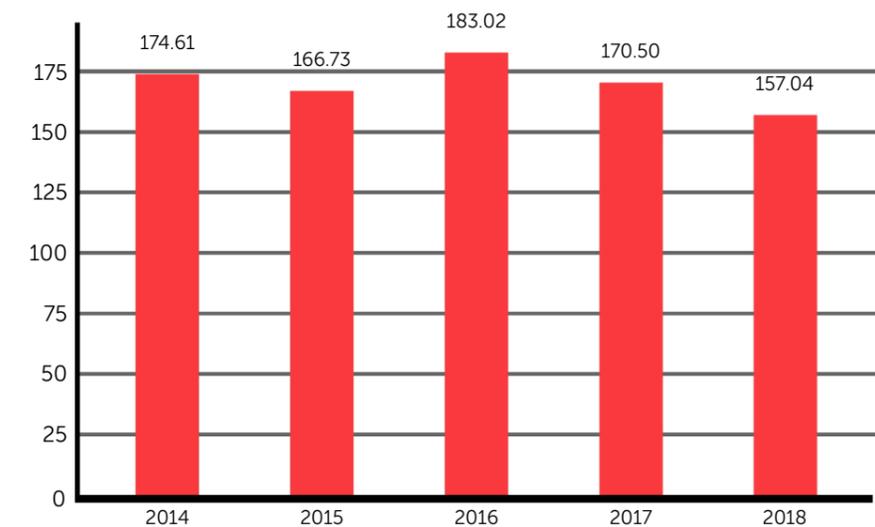
Source:

*) Bantul Regency in Figures (2018 and 2019) by the Central Bureau of Statistics

**) Yogyakarta Province Regional Secretariat (<https://kependudukan.jogjapro.go.id/>)

³¹ Interview with the Head of Bantul District Planning Agency, 30 August 2019. At Bantul Regency Planning Agency Office.

Bantul PDAM Water Distribution in 2014-2018
Average per Customer (m³)



Source: Bantul Regency in Figures (2018 and 2019) by the Central Bureau of Statistics,

³² Interview with the head of Bappeda, Agustus 30, 2019. At Bappeda Office, Bantul Regency.

³³ Ibid

the assessment, communities that lives in the nine villages in three sub-districts experience difficulties in accessing water due to a long drought. The Planning Agency expects that the Public Works Agency, the PDAM and the Community Based Drinking Water Supply and Sanitation (PAMSIMAS) need to make innovations in those water stress areas.

The Planning Agency argued that open contracting principles must apply to the existing regulations. All organizations should agree upon the list of information and data to be published and to be exempt in accordance with the law.³⁴

Information Commission of Yogyakarta Special Administrative Province (DIY)

The assessment finds that documents related to clean water management in Bantul falls under the category of public document, in which some information is exempt and some is public information.³⁵ The provincial Information Commission encourages related parties to better understand

the public information on clean water management in Bantul and for related stakeholders to provide public access to the data and information.

Documents that are still in the process or planning stage are considered public documents so public can be aware of the planning process. However, not all documents from the ongoing projects can be published in accordance with the Public Information Disclosure Law when it concerns personal data such as name and address of the beneficiaries of clean water or PDAM consumers.³⁶

Economic Administration Unit

The PDAM has exercised transparency, participation and accountability principles, according to the Economic Administration Unit of Bantul Regional Secretariat. The PDAM workplan is a part of development plan.³⁷ The PDAM's financial statements have been audited by public accountants and there has been public outreach through mass media. The public can also check the PDAM performance through an

independent financial audit on their website.³⁸

Procurement in the PDAM is arranged through a Board of Directors decree similar to all members of the Association of Indonesian Drinking Water Companies (PERPAMSI). At the time of the assessment, there was no head of local governments in place that would regulate procurement of goods and services for regional-owned enterprises.³⁹ The Economic Administration Unit of Bantul Regional Secretariat carried out monitoring and evaluation by requesting information from the PDAM. In terms of procurement in planning/contracting phase, the PDAM was only required to announce the auction on their website.⁴⁰

Department of Public Works, Housing, and Residential Areas

In terms of planning, Bantul Regency has a Drinking Water Supply System Master Plan (RISPAM) which is enacted in Regent Regulation Number 63 of 2014. In addition, Public Works Department has drafted a synergy documents that map out the network development

to be carried out by the Community Based Drinking Water Supply and Sanitation (PAMSIMAS) and the PDAM. The document is a reference so that the network development planning conducted by PAMSIMAS and the PDAM does not overlap.⁴¹ The synergy document is also used to ensure that drinking water and water for irrigation does not come into conflicts as they all use the same water source. In Public Works Department, the Cipta Karya Division undertakes work with PDAM related to procurement while the Water Resources Division takes care of irrigation.

The Public Works Department involves the community in planning process, especially if it is related to the PAMSIMAS program. There is a forum which coordinates planning and implementation of the drinking water supply called the Partnership Committee (PAKEM) which is uniform across Indonesia. The Committee consists of several elements like the Regional Planning Agency, Public Works Department, the PDAM, PAMSIMAS, academics and community representatives.

³⁴ Interview with the Head of Bantul Planning Agency, Agustus 30,2019. At Bantul Planning Agency Office, Bantul.

³⁵ Focus Group Discussion "Information Transparency on Procurement and Performance", 4 September 2019, Ross in Hotel Bantul, DIY.

³⁶ Ibid.

³⁷ Answer to written interview, 17 September 2019

³⁸ See <https://www.pdambantul.com/profil/info-perusahaan/>

³⁹ Answer to written questions sent on 17 September 2019.

⁴⁰ Ibid.

⁴¹ Interview on 29 August 2019 at Public Works Department Office in Bantul District

7. Local Policies and Regulations

There are several policies and regulations which are relevant in this study:

- Bantul Regional Medium-Term Development Plan 2016-2021
- Bantul Regional Regulation Number 11 of 1990 on Bantul PDAM
- Regent Regulation Number 130 of 2018 on the Procurement of Goods and Services
- Regional Regulation Number 22 of 2012 on Equity Capital for the Regional-Owned Enterprises
- Regional Regulation Number 7 of 2005 on Transparency and Public Participation in Government in Bantul Regency
- Regional Regulation Number 23 of 2018 on the Amendment of Regional Regulation Number 22 of 2012 on Equity Capital for the Regional-Owned Enterprises
- Regent Regulation Number 79 of 2018 on the Synergy between Drinking Water Supply and the Drinking Water Supply Development Master Plan
- Regent Regulation Number 75 of 2007 on Water Tariff Regulation of Bantul PDAM
- Regent Regulation Number 36 of 2011 on Housing Development Guidance in Bantul Regency. Article 12 verse (2) states that if a household is located in area where PDAM service is available then it must be connected to the PDAM drinking water network.

8. Engagement with PDAM

Publication of Business Plan

The Bantul PDAM has published the customer service procedure, profit/loss statement, the results of an independent audit, its cash position and a number of customers of the Bantul PDAM on their website. The CSO network and community groups

are encouraged to build more communication with the Bantul PDAM and provide input to the PDAM to publish business and investment plan.

Ensure Public Involvement in Business Planning

The 2015-2019 business plan

and investment period of Bantul PDAM will expire. At the moment, the PDAM is drafting another business plan for the next period. The CSO network and community groups are encouraged to be involved in preparing the PDAM business plan that accommodates the interests of the community.

Ensure that Business Plan Reflect Consumer Needs

There is an opportunity for CSOs to provide input to PDAM in conducting the customer satisfaction survey and to identify customers' needs in relation to water services as a basis in drafting the new business plan.

Create Procurement Standard Operating Procedures (SOP) which incorporates open contracting principles

There is opportunity for CSOs to provide input to the PDAM to communicate about the SOP for procurement and to publish the procedures on the PDAM website. The SOP aims to ensure the procurement complies with some principles of open contracting in order for the public to be able to monitor the procurement process.

Create SOP for Public Services in PDAM

The PDAM as a regional-owned enterprise is considered a

public body under the Public Information Disclosure Law. They must provide information in terms of provision of clean water, complaints handling as well other information services. There is an opportunity for CSOs to assist and to provide input to the PDAM for the development of SOP for public service as well as to publish the information to the community.



⁴² See <https://www.pdambantul.com/profil/info-perusahaan/> accessed on 20 September 2019

Create a Guidance for Publishing Data and Public Information in PDAM

There is an opportunity for CSOs to approach the PDAM both formally and informally in order to create awareness concerning the importance of

publishing data and information to the public. The opportunity is for CSOs to help develop an information guide that categorizes which data and information are public and which aren't.

9. Engagement with Local Government

Through Partnership Committee (PAKEM)

At the time of writing, community involvement in PAKEM is represented by honorary employee citizens of the Public Works Department. The honorary employees have a non-permanent status at the office. There is an opportunity for the CSO network in the area who are concerned with environmental issues to work in the water sector and integrate or mainstream it to the other community groups like Community Budget Learning Centre. There are also opportunities for CSOs or community groups to be a part of the Partnership Committee.

The goal is for Partnership Community to become a platform for community groups to engage in the planning, implementation, monitoring and evaluation of water sector management programs in Bantul Regency.

Draft Regulation on Regional-Owned Enterprise Procurement

The draft regulation on Regional-Owned Enterprises is being compiled by Bantul government. There is an opportunity for CSOs and customer organizations to access the draft and to provide inputs for the regulation to reflect and/or incorporate the open contracting principles.

10. Engagement with CSO and Consumer Organization

There is an opportunity for related stakeholders to develop and strengthen the CSO network and consumer organizations. This is particularly

relevant in terms of their participation in the planning process, implementation and water service provisions in Bantul Regency.

Lessons Learned

Pros and Cons of the Existing Procurement Regulation

One of the advantages of separating state/regional-owned enterprises procurement from government/regional government procurement is to allow more flexibility. The assessment finding shows that budget availability is one of the main reasons for separating the process. For example, prior to making the procurement plan, the government budget is always available. Government entities are oriented towards spending the budget. However, companies have different approaches to their procurement process. When companies draw-up their

annual budget plan (RKAB) in December, the money is not yet secured and available as they can make a plan with the estimated income received in the next year.⁴³

With companies, including regional-owned companies, they can start the procurement process of a pipe tender in January, and have the contract signed in March. In the contract, the company can set up the payments to be made 3 months later when revenues have already been collected. It is found that this sometimes becomes a concern for a PDAM, as it is often assumed that the law enforcer will require the

Government and Drinking Water Procurement Process



Source: Focus Group Discussion in Jakarta, 5 August 2019

*) Based on the agreement between the Company and vendors

⁴³ Focus Group Discussion on Open Contracting and Service Benchmarking in Water Sector, Morissey Hotel Jakarta, 5 August 2019'.

money to be available. This requirement is different with the approach of the PDAM as a company where they can engage in factoring agreements.

However, at the moment there are no guidelines for how procurement should be regulated by the regions or by PDAMs. Head of Local Governments are often afraid to take risks and thus refer the regulation to Presidential Regulation on Procurement applicable to the government. Unfortunately, some rules and regulations in the Presidential Regulation are actually incompatible for business. Ideally, Regulation of Head of Local Governments should only regulate general matters while the details are decided by each PDAM.⁴⁴ One respondent mentioned that there are only 50 PDAMs that have internal rules regarding procurement out of the total 391 PDAMs.

Transparency and Public Involvement in Business and Investment Planning

Respondents from the assessment generally showed support for transparency and public involvement in business and investment planning.

However, concerns were raised on access to procurement information from the PDAM. Specific concerns were raised by vendors on the lack of engagement with the PDAM when procurement information is published. There is a need for a vendor to have a notification when a PDAM has uploaded the information they look for. There is also a concern on the lack of clarity and adequate information on the procurement details published on their websites.⁴⁵

However, smaller PDAMs or the ones located outside of Java may have different practices compared to the larger ones and do not announce their tenders.⁴⁶ In practice, vendors received last-minute requests for big purchase. To avoid the lack of stock when requested by PDAM, vendors need to be proactive and call each PDAM to provide a global estimate on their next year procurement plan. A more detailed and better annual procurement planning shared by the public will allow vendors to have a more competitive bidding and the government will have more options with more vendors participating in their procurement process. It can be concluded that every

stakeholder supports the disclosure of business and investment plan documents. Nevertheless, there are questions regarding the extent of public involvement in business planning.

The assessment finds that the business plan and Drinking Water Supply System Master Plan (RISPAM) would still require civil society and informed citizens to translate the information for the general public.⁴⁷ Priorities for the public to be involved in the procurement process is at the planning phase.⁴⁸ However, practices where the public is involved in business planning process is rarely heard.⁴⁹

However, public involvement in water utilities business planning is actually a common process. There have been practices from across the world on public involvement which can be adjusted to Indonesian context.

For example, the Indonesian PDAMs can learn from Scotland about the process in which the Customer Forum is consulted on the Scottish Water's Business Planning process. Upon

development of draft proposals for a business plan for the next strategic review period, there will be a consultation phase with the Ministers, Scottish Water and the customer representatives, which will also be published for public comment.⁵⁰

Another example is from England where customer representation in the water industry is much more formalized through a body called Consumer Council for Water (CC Water). The consumer body receives complaints and conducts its own assessment with respect to utility's performance. As a part of price determination by Ofwat, CC Water conducts interviews on how company business plans affects customers – especially when it comes to satisfaction and bills.⁵¹ The interviews then summarize how a plan is "acceptable" to a consumer.

From the two examples, we can see that there are different ways of involving customers in the planning process. Both examples show the need to somewhat institutionalize the process through a certain forum.

⁴⁴ Focus Group Discussion on Open Contracting and Service Benchmarking in Water Sector, Morissey Hotel Jakarta, 5 August 2019 (n 90). This statement comes from Vendor K.

⁴⁵ Ibid.

⁴⁶ Focus Group Discussion on Open Contracting and Service Benchmarking in Water Sector, Hotel Akmani, 18 September 2019.

⁴⁷ Focus Group Discussion on Open Contracting and Service Benchmarking in Water Sector, Hotel Akmani, 18 September 2019.

⁴⁸ Ibid.

⁴⁹ Ibid.

⁵⁰ Sarah Hendry, 'The Customer Forum – Putting Customers at the Centre of Regulating Water Services' (2016) 18 Water Policy 948.

⁵¹ 'Setting Price Controls for 2015-20 Final Price Control Determination Notice: Company-Specific Appendix – Affinity Water' <http://www.ofwat.gov.uk/wp-content/uploads/2015/10/det_pr20141212afw.pdf> accessed on 6 October 2019.

Transparency of Contract

In terms of contract transparency, vendors participating in the assessment agree that the contract documents can be published as most of the information can already be known from the process. Some PDAMs use contract templates from the National Public Procurement Agency (NPPA) and the contract content can be taken from the template with the price estimate mentioned during the open bidding stage. The price estimate has also been published by the government and the proposed price of the winner is already mentioned when the winner is selected.⁵²

The assessment finds that disclosing the full contract will enable vendors to check competitor's price and their capacity.⁵³ Concerns and objections were raised by the vendors that if a detailed budget of their proposal would also be disclosed, this could have negative impacts on their business in the long run.⁵⁴ There will be projects in which vendors do not put intangible aspects into their proposals,

like branding for their company when they get a large project. Vendors might give their discounted price by taking the intangible aspects of branding and visibility of their company into account. Concerns shown that when discounted prices are disclosed for big projects, it will be expected of them that the next year they always give the discounted price, which will make companies lose profits. This different perspective come as the government does not take the branding and visibility aspects into account as opposed to companies who consider the two aspects as a way of marketing.⁵⁵

Concerns are also raised when it comes to disclosing contracts due to the lack of clarity and understanding the extent of the transparency required which will not affect confidentiality agreement.⁵⁶ At the time of the assessment, the Information Commission has granted 16 information requests for tender and contract documents. The Information Commission has rejected 4 information requests on similar issues due to the identity privacy.⁵⁷

⁵² Focus Group Discussion Open Contracting Dan Service Benchmarking in Water Sector, Morissey Hotel Jakarta, August 5, 2019 (n 90). This statement comes from Vendor R.

⁵³ ibid. This statement comes from Vendor K.

⁵⁴ ibid. This statement comes from Vendor R.

⁵⁵ bid. This statement comes from Vendor Y.

⁵⁶ ibid. This statement comes from PDAM Official.

⁵⁷ Focus Group Discussion Open Contracting Dan Service Benchmarking in Water Sector, Hotel Akmani, 18 September 2018' (n 94).

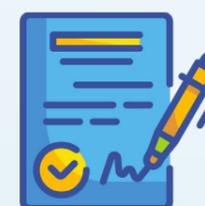
What did we learn from the assessment?



The types of information to be disclosed should be clarified and well regulated as it would fulfil people's right to information and maintain healthy business competition and data privacy.



Drinking water company should develop a regulation on procurement technical details based on their local context.



Heads of local government need to issue a regulation on procurement in regional-owned company, for general matters only.



There is a gap of policy as some rules in the Presidential Regulation on Procurement doesn't apply to the drinking water company.



Vendors agree that the contract document can be published as it allows them to check the competitor's price and capacity.



Open contracting would require an enabling environment at the national level. Engagement with the following institutions are required in order to facilitate open contracting for Regional-Owned Enterprises.

Procurement and Contract Disclosure Guideline

Procurement of state/regional-owned enterprises is regulated at the government regulation and regional government level. However, there is no guidance on how regulation at the regional level should look like. National government, in this case the Ministry of Home Affairs, can enact a guideline for procurement by regional-owned enterprise. Such a guideline should incorporate open contracting principles. Through this approach, regions would be compelled to integrate open contracting principles when drafting regional regulations. Such a procurement guideline should include the disclosure of the drinking water supply system master plan (RISPAM) and the PDAM's annual business and investment plan as well as the requirement to involve the public in investment planning.

Although the majority of requests for information cases declares that contracts by government and state/regional-owned enterprise should be open by default (except for certain types of information pursuant to

public interest test), most state/regional-owned enterprises do not disclose their contract documents on their website. Interview and FGDs with PDAM revealed that they will comply with contract disclosure requirement if it is regulated. At the national level, contract document should be disclosed in full and any excision. It must be evaluated using the harm and public interest test. The Central Information Commission and the Ministry of Home Affairs can develop a guideline at national level on contract documents that should be disclosed and types of exempted information based on the result findings of harm and public interest test.

Guidance on PDAM's Public Information System

PDAMs often do not know that most information in their possession is a public document and that exceptions to disclosure can only be granted to specific items. The Central Information Commission can issue a guideline listing the types of information that a PDAM should disclose and those that can be excluded from disclosure pursuant to public interest test.

PDAM's Transparency Benchmarking

The Central Information Commission benchmark public bodies in terms of their transparency. However,

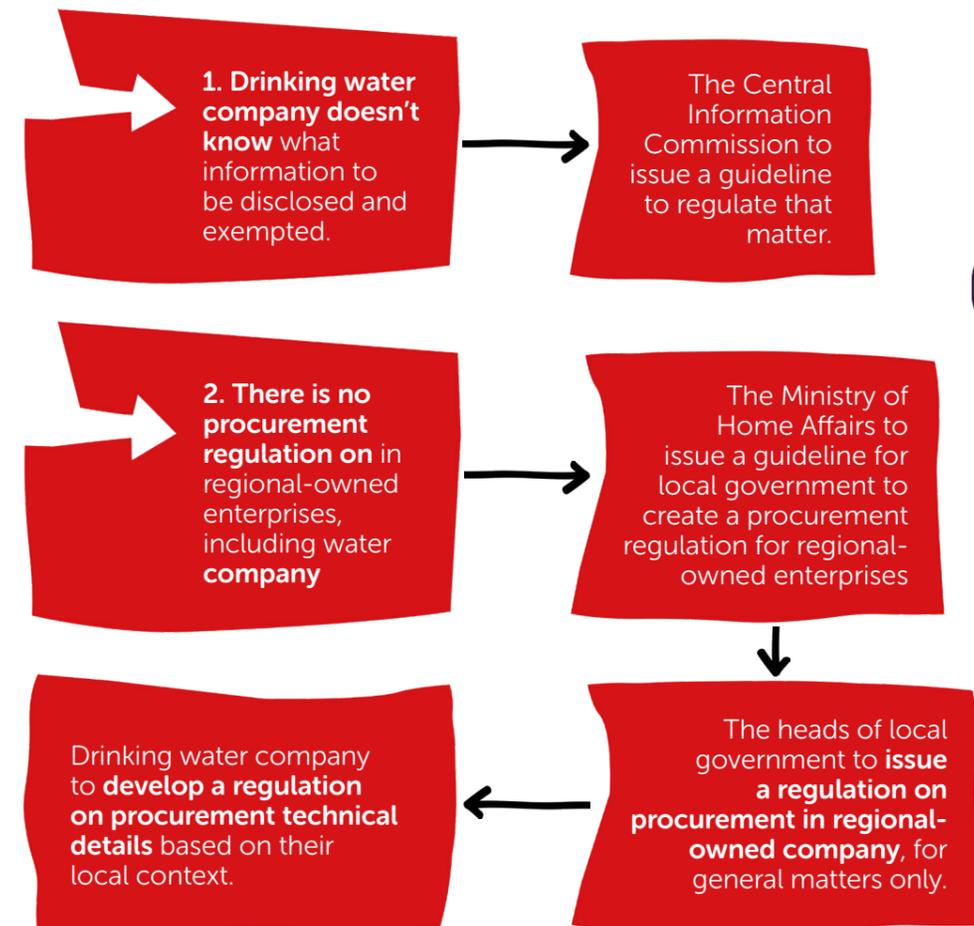
this type of benchmarking is too general as it is applied to every public bodies. There should be a specific category of benchmarking for public utilities, with water utilities as a sub-category. Such systems can create incentives for a PDAM to compete for a higher transparency level and public involvement.

Uniform Procurement Platform for PDAM

Because of the Government Regulation Number 54 of 2017 Article 93, there are no uniform procurement systems for PDAMs and each PDAM has to develop

their own procurement system. This is costly and inefficient because (i) each PDAM has to develop a system whereas actually one single procurement website can be used for all PDAM, (ii) every vendor needs to search various websites in order to obtain information. However, this can also be an opportunity for the open contracting movement. The civil society can propose a procurement platform for PDAMs whilst integrating open contracting principles. Such platforms can also incorporate Open Contracting Data Standard (OCDS).

Realizing Open Contracting in a Drinking Water Company



Conclusion

The present regulation on Regional-Owned Enterprises procurement provides flexibility for the regional government to regulate the detail of regional SOE procurement in their territory and for PDAMs to develop their own procurement system. PDAM procurement by law has to be regulated by the head of the local government and its details should be enumerated in PDAM Director's Decree. Most PDAMs are currently in the process of transitioning to their own in-house procurement system. The PDAM in Jakarta has just recently transitioned to an in-house system, whereas the PDAM in Bantul and Semarang have yet to develop such a system. Unfortunately, none of the PDAMs we evaluated fulfilled open contracting requirements, both in terms of policy (Head of Local Government Regulation and Directors Decree) and in terms of its application for their in-house procurement system.

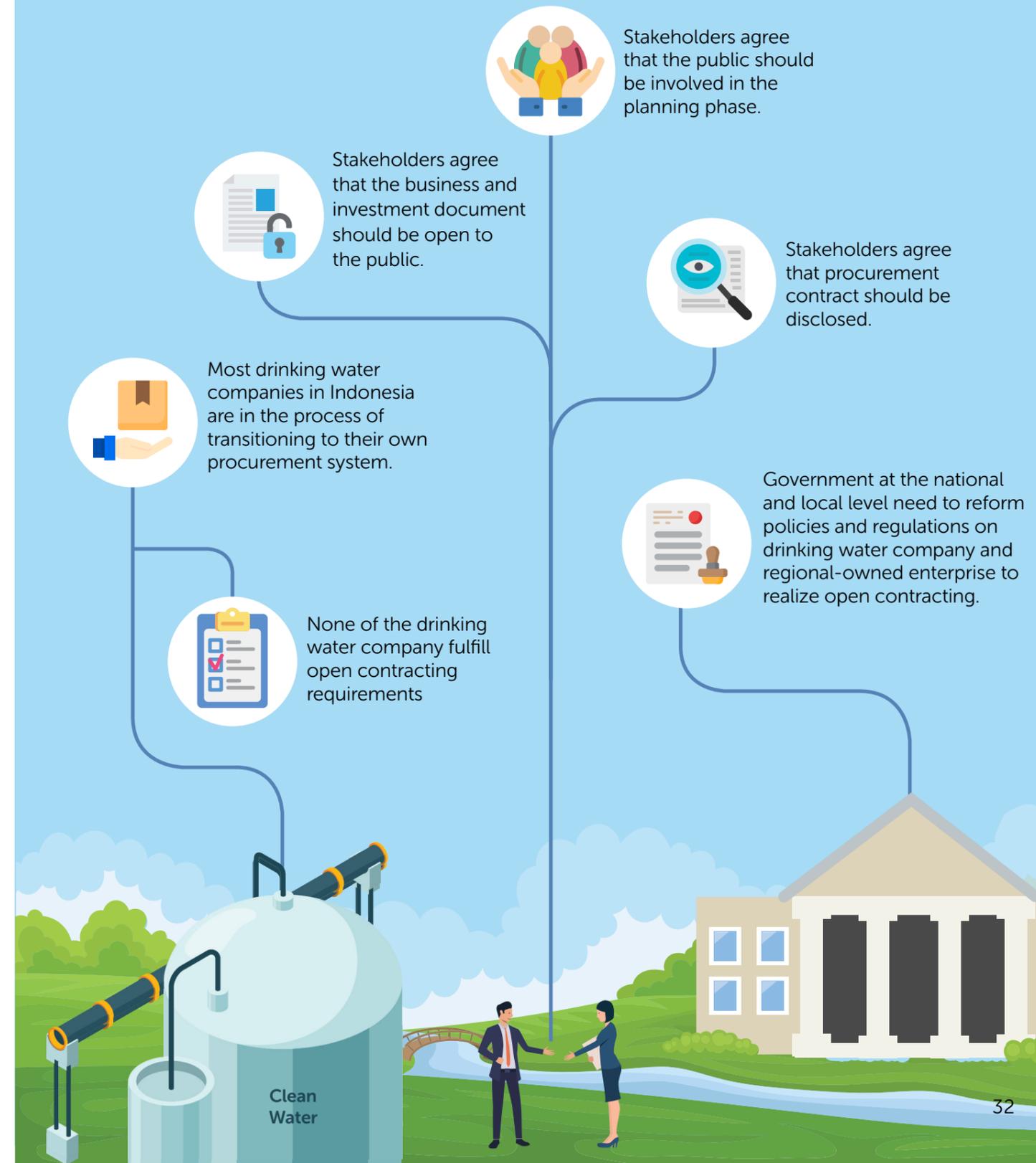
With respect to the stages of open contracting, almost all stakeholders agree that the business and investment documents should be open to the public. This idea receives support both from PDAM, regional officials and vendors. Stakeholders also agree that the public should be involved in the planning phase. However, there are questions with respect to the modes of participation. In foreign jurisdictions, such participation

is carried out through consumer bodies which formally or semi-formally represent consumer interest. However, this is not known in Indonesia. Civil society should advocate for the formation of customer forums.

Stakeholders generally agree with implementing other elements of open contracting, such as openness in the announcement of tenders. Stakeholders also agree that procurement contract should be disclosed. One vendor did question whether such disclosure may jeopardize their commercial interest when they purposely bid low in one project in order to obtain the "marketing effect" and use market price when bidding on other projects. In this respect, full contract disclosure should be the default position and excision can be granted, subject to harm test and public interest test pursuant to vendor's complain. It is thus necessary to develop an excision guidance.

This assessment has also identified regional and national policies and regulation which should be reformed in order to implement open contracting. This includes integrating open contracting with Head of Local Government Regulation and Director's Decree for regional level reform and issuing a Ministerial Regulation on the guidance of PDAM or regional-owned enterprises procurement which incorporate open contracting principles.

What we know so far from the assessment



I. At National Level

National Government

- There is a need for a specific regulation which integrates open contracting for procurement by state/ regional-owned enterprises. The Ministry of Home Affairs can enact a guideline for procurement by regional-owned enterprise. Such procurement guideline should include the disclosure of drinking water supply system master plan (RISPAM) and PDAM's annual business and investment plan as well as the requirement to involve the public in investment planning.
- The Central Information Commission and the Ministry of Home Affairs can develop a guideline at national level on contract documents that should be disclosed and types of information that should be exempted as public information based on the result findings of harm and public interest test.
- The Central Information Commission can issue guidelines listing the types of information PDAM should disclose and that can be excluded from disclosure pursuant to public interest test.

Drinking Water Company

- Integrate a feature on the

PDAM website for vendors to receive a notification when the PDAM has uploaded the type of information they look for.

- Have a detailed and better annual procurement planning timeline shared with the public to allow vendors to have a more competitive bidding.
- Publish contract documents. They can use the template from NPPA like some PDAMs do.
- Establish a specific category of benchmarking for public utilities, with water utilities as a sub-category. This can be under the supervision of Ministry of Home Affairs and the Central Information Commission with input and coordination from the Association of Indonesian Drinking Water Company (PERPAMSI).
- Develop one website with one procurement system for all PDAM in which every vendor can obtain information for all tenders procured by PDAMs. This single procurement website can also use the open contracting data standard to ensure a unified standard across PDAM in terms of the information required.
- Disclose PDAMs' detailed annual procurement and

timeline water service-related procurement. This effort will allow the government to

have more options with more vendors participating in their procurement process.

II. At Local Level

Bantul PDAM

- Establish a deliberate forum for CSOs (and the public) to provide input to PDAM on their business plan and inclusive complain handling mechanism for costumers and potential customers.
- Create a deliberate forum in which CSOs can provide feedback on the PDAM governance by mainstreaming the open contracting principles within their procurement process.
- Create a more inclusive engagement with community and local government by involving not only honorary employee at the public works department as citizen representative but also CSOs, CSOs network, or community groups who have concern on environmental issues to work on the water sector.

CSO, Community Groups and Consumer Organizations in Bantul

- Communicate more with the Bantul PDAM and provide

input to the PDAM business and investment plan.

- Involved in preparing the PDAM business plan that accommodates the interests of the community.
- Assist and provide input to the PDAM for the development of SOPs for public service as well as to publish the information to the community.
- Assist the development of the information guidance in categorizing which data and information are public and which ones aren't.
- Access the draft regent regulation on Regional-Owned Enterprises in order to provide inputs and incorporate the open contracting principles.
- Develop and strengthen a CSO network and consumer organization.



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