**Determining the procurement procedure for local and regional appraiser/consultancy contracts**

|  |  |
| --- | --- |
| Project no.: 22.2140.6-001.00 | CoSoft no.: |
| Project: ProMangrovePeat | Country: Indonesia |

|  |
| --- |
| Contract content: Peat Characteristics Inventory of six Peat Hydrological Units (PHU)  Planned cost in local currency: 11,741,271,997 in EUR: 655,571  Proposed Procurement Service Estimation Costs (IDR) Estimation Costs (EUR)  1. Peat Inventory 1 Central Kalimantan 3,682,918,901 205,635  2. Peat Inventory 2 Central Kalimantan 3,766,342,548 210,293  3. Peat Inventory 3 Central Kalimantan 2,785,460,548 155,525  4. Peat Inventory 4 South Kalimantan 1.506.550 84,118 |

|  |
| --- |
| Proposed procurement procedure:  Direct award procedure (NOTE: only in cases involving unique characteristics with documentary evidence of the market research performed and/or of the objective urgency)  Competitive tender without publication (with list of participants)  Competitive tender with publication (e.g. in the daily press, online portals) |

|  |
| --- |
| **Justification for choice of procurement procedure**  (Depending on the proposed procurement procedure and whether the contract is above or below the threshold, please enter details for each of the points shown below)  Below the EU threshold  If using a direct procurement procedure, please provide a detailed justification and evidence of market research.  Above the EU threshold   1. If you choose not to use the open procedure, please answer the following question, including a detailed justification and your market research: What are the objective reasons for choosing this specific procurement method? 2. No relevance on the EU single market Please justify in full why this invitation to tender needs to be published **locally** in order to confirm it has **no** relevance on the EU single market. Your justification should relate to the specific services being procured, including (but not limited to) the following aspects:  * Language of the tender procedure * Language requirements specific to the contract * Applicable legal requirements that must be observed in relation to the procurement procedure (local law vs German/European law; if applicable, jurisdiction of procurement review body) * Whether the tender procedure meets the criteria for publication in the economic area * Specialist knowledge and expertise in relation to local political and social factors * Local presence (e.g. hotel/event management services) * Could this service also be provided by an EU-based contractor? If not, why not?   *Please provide detailed and specific information in response to each of the above points.*  The tender shall be done locally due to some considerations as follows:  1. Language Requirements Specific to the Contract  Key deliverables, such as field survey forms, peat characteristics database, final maps and report, must be submitted in Bahasa Indonesia to comply with national regulations and to be officially recognized by the relevenat Indonesian government authorities. All field interactions, including with local assistants and community members, must also be conducted in the local language. Therefore, the use of Bahasa Indonesia is not only a preference but a functional and legal necessity.  2. Applicable Legal Reguirements and Jurisdiction  All technical aspects of the peatland inventory must fully comply with the Standard Oeprating Procedures (SOPs) issued and regulated by the Government of Indonesia, particularly by the Ministry of Environment. These SOPs specify the methods, indicators, formats, and processes for peatland data collection and analysis, and are mandatory for the activtiy's official recognition. In addition, the Government of Indonesia regulates the standard unit prices for peatland-related survey activities, including rates for field measurements, equipment usage, personnel costs, and logistical support. These standard prices must be applied in budgeting and contracting, ensuring consistency, cost control, and alignment with national financial audit requirements.  All resulting contracts must adhere to Indonesian labor and taxation laws. Any potential disputes or claims related to the contract will fall under Indonesia legal jurisdiction, and the relevant procurement review body will be a national authority. German or EU procurement law does not aply in this context, and no EU-based jurisdiction or dispute resolution mechanism would be competent for this locally implemented assignment.  3. Publication Criteria Related to the EU Economic Area  This procurement does not meet the criteria for publication in the EU economic area, as: a) the services are to be implemented entirely within Indonesia, b) the expertise required is highly specific to Indonesian ecosystems and legal procedures, c) the procurement value, though exceeding the EU threshold, relates exclusively to locally performed services that cannot be competitively or practically executed by firms based in the EU without a local presence.  4. Specialist Knowledge and Local Contextual Expertise  The work requires in-depth understanding of Kalimantan’s tropical peat ecosystems, local hydrological units, customary land tenure, and sociopolitical dynamics that vary across provinces and regencies. The activity also involves direct engagement with local communities, which necessitates cultural familiarity, trusted relationships, and adherence to government protocols. This type of specialized knowledge is unlikely to be held by EU-based firms without an established local presence or long-term experience in Indonesia.  5. Need for Local Presence and Logistical Execution  The fieldwork spans 1.4 million hectares across 12 regencies and 1 city in remote and geographically challenging areas of Kalimantan. Execution requires physical presence for: a) on-the-ground peat coring and ecological measurements at over 16,000 locations, b) coordination with regional and district government offices. c) mobilization of 253 local field assistants and 131 national experts. Additionally, logistical services such as local accommodation, transportation, and equipment handling must be sourced locally. A contractor without a physical presence or partnerships in these provinces would be unable to deliver the services efficiently or meet the project’s tight timelines.  6. Suitability of EU-based Contractors  The service cannot be effectively provided by EU-based contractors, unless they already have substantial operations and networks in Indonesia. EU firms would face significant disadvantages: a) lack of access to qualified national experts, b) limited familiarity with national peatland inventory procedures as defined by the Indonesian Ministry of Environment, c) higher costs related to travel, accommodation, and logistics, d) inability to comply with mandatory local content and language requirements, e) delayed mobilization timelines due to visa, registration, and customs procedures.  These awards should exclusively be given to an Indonesian consulting or International Consulting which has local office, respectively expert groups, which have already acquired special expertise in conducting tropical peat ecosystem characteristics in Indonesia, including the related regulations and issues.  In summary, the tender must be published locally due to the language, legal, technical, operational, and contextual characteristics of the required services. The assignment is inherently tied to the Indonesian national context and has no relevance to the EU single market. Local publication ensures:  • Compliance with Indonesian law and regulations.  • Engagement of qualified national experts.  • Efficient and timely execution of fieldwork.  • Strong alignment with local institutions and communities.  Therefore, the proposed localized procurement through the XX Indonesia Country Office fully aligns with both legal obligations and programmatic efficiency, while respecting the principle of proportionality and ensuring no distortion of the EU internal market. |
| Please attach the following documents, which will be used to check the procurement procedure for contracts > EUR 100,000:   1. ToR with specification of inputs 2. Estimated cost (including all budget lines and anticipated contract value) 3. Grid for the technical assessment of tenders 4. Grid for the assessment of eligibility (in case of procedures involving publication) or invitation letter including eligibility criteria 5. List of participants Only required in case of invitations to tender without publication with a (short) list of participants – a list of participants with evidence of technical eligibility must be submitted. 6. Justification of the chosen procurement procedure (including market research and (if required, see above) confirmation that the tender procedure has no relevance on the EU single market.   The justification can be submitted in a separate document. |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **GIZ country office:**  Indonesia   |  | | --- | |  | | **date** | | David Mandelbaum  Head of Finance and Administration, OU 2A00 | | **Given and family name, function, organisational unit** | |

Approval OE E200 for contracts > EUR 100,000 yes  no

|  |
| --- |
| **date** |
| **Given and family name, function, organisational unit** |
| Contract Management E200 |

Comments (if any):

**Please observe the following procedural steps, including the documentation required for the next steps in the process.**

**Procedure**

**See P+R 110** **–** [Procurement of services above EUR 20,000 and below the EU threshold: Preparation and implementation – Procurement through the responsible country office](https://gizonline.sharepoint.com/sites/pur/SitePages/Rules.aspx#id=110&lang=en)

In case of involving local partners (e.g. ministries), please follow the directions in the document: [Involving partners in GIZ’s decisions on the procurement of equipment, materials, appraiser and consulting services in the public-benefit business area.](https://dms.giz.de/dms/livelink.exe?func=ll&objaction=overview&objid=64654031)

**The following procedural steps must be observed and documented in the file:**

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Description** | **Documentation in the file** | **Responsible** |
| 1 | Determining the procurement procedure (see 1st page) | Always | Commission manager / office /  if applicable E200 |
| 2 | Preparation of the text and other documentation for publication in the daily press | In case of publication | Commission manager |
| 3 | Publication | In case of publication | Office |
| 4 | Evaluation | In case of publication | Commission manager |
| 5 | Preparation of the list of participants | In case of competitive tender | Commission manager |
| 6 | Approval of the shortlist | In case of competitive tender | Office |
| 7 | Preparation of the tender documents (Text for cover letter, TOR, Assessment grid) | In case of competitive tender | Commission manager |
| 8 | Preparation of the cover letter, composition of annexes, dispatch | In case of competitive tender | Office |
| 9 | Registration of all tenders | In case of competitive tender | Office |
| 10 | Record of opening (CoSoft) | In case of competitive tender | Office |
| 11 | Assessment of technical bid | In case of competitive tender | Commission manager |
| 12 | Assessment of financial bids | In case of competitive tender | Office |
| 13 | Award decision (CoSoft) | In case of competitive tender | Office/commission manager |
| 14 | Contract negotiation | Always | Office |
| 15 | Preparation of the contract | Always | Office |
| 16 | Dispatch of the contract | Always | Office |