



## Open Contracting and Inclusion

Bandung Open Contracting Project  
Indonesia

---

*This case-study is part of a larger study that explores the possible benefits of open contracting for marginalized communities. Research was done by Francois van Schalkwyk & Miko Cañares. The complete study and results are found [here](#).*

---

The Open Contracting Pilot Project<sup>1</sup> in the City of Bandung, Indonesia, aims to improve the availability, accessibility and use of data, information and statistics related to public contracting in Bandung City. At the same time, the project seeks to enhance government, civil society and private sector capacities to use this data for public procurement and contract monitoring. This case study focuses on the manner in which the project was able to include, involve and engage potential users in open contracting data as part of its efforts to promote transparency and accountability in public procurement.

## Context

The procurement of goods and services on behalf of government agencies in Indonesia accounts for approximately a quarter of Indonesia's national budget ([Ntep 2018](#)). Yet the public procurement system in Indonesia is often marred by inefficiencies as well as a lack of transparency and accountability, resulting in massive state losses ([Wicaksono et al. 2016](#)).

Several reforms have been conducted by the Indonesian government to address these problems. In 2012, the procurement service units at both national and sub-national levels were required to adopt an electronic procurement system (Sistem Pengadaan Barang dan Jasa Elektronik or SPSE) for the processing of bids and e-tendering. The adoption of SPSE was an important step in increasing government contracting efficiency because it reduced processing time and opportunities for collusive behavior.

To push towards greater transparency and efficiency, and to expedite government procurement of goods/services, an e-catalogue system was launched in 2013. Indonesia was among the few countries to use such a system for its procurement activities. As of now, more than 66 000 procurement items are registered in the e-catalogue system. The e-catalogue was heralded by the National Public Procurement Agency for its efficiency and effectiveness by allowing the direct purchase of items (if available) in the system.

Presidential Regulation No. 4/2015 also introduced a vendor management system to expedite the implementation of e-tendering by reducing the requirements for qualification, administration

---

<sup>1</sup> A joint effort of Indonesian National Procurement Agency (LKPP), Bandung City, and the World Bank.

---

---

and technical evaluation, among others. These were all done with the aim of expediting the government procurement process through the use of information technology.

However, Indonesian procurement law is fragmented and access to contracting data is limited ([IDFI 2018](#)). Access to contracts, documentation of decision-making processes in procurement, and information about subcontractors is not available, limiting the capacity of civil society organizations working on transparency to conduct effective monitoring ([Canares et al. 2016](#)). This becomes more problematic in the context of local governments where conflicts of interest, access to data, lack of integration of e-government processes and poor monitoring of procurement activities are considered to be the key challenges ([Hidayat 2015](#)).

Since becoming a member of the Open Government Partnership (OGP) in 2013, Indonesia has seen several transparency and accountability initiatives, either as a genuine desire and interest to be transparent, or as part of political campaign promises or in compliance with its international commitments, including the OGP. At the same time, citizens have made increasing use of information technology, especially social media (WhatsApp, Twitter), to provide feedback on public services, monitor election results, among others, prompting a rise in the number of civic technologists.

These developments have trickled down to the local level, including to Bandung, but are also prompted by different push factors, including: (1) national government interventions (e.g. the inclusion of subnational governments in OGP commitments, and launching the national complaints platform LAPORI); (2) donor agencies (e.g. Asia Development Bank's work in Banda Aceh, USAID's work on Kinerja for FOI, and the World Bank's work in Bandung for open contracting); (3) the work of NGOs and other stakeholders (e.g. Hivos training in data journalism); and (4) bottom-up approaches where people clamor for change.

Because of the above mentioned initiatives, there is a growing awareness among Bandung city residents on the importance of citizen participation in governance, and the responsibility of governments to be responsive and transparent.

There are several reputable technology schools in Bandung, thus creating a young and vibrant tech community. Past initiatives have included (1) Code for Bandung's initiatives on open data; (2) Bandung Institute of Technology's open data mapping platform; and (3) the development of

---

mobile applications (from business registration to monitoring of government performance). The Bandung city government does not want to be left behind. It has launched several initiatives, including the active implementation of the E-musrenbang, a participatory planning system that generates direct input from citizens, and its Smart Cities project supported by different multilateral and bilateral organizations such as the Asian Development Bank, the World Bank, the Japan International Cooperation Agency and other funding agencies.

### **The open contracting initiative: From publication to use**

The Open Contracting Pilot Project is being implemented by the City Government of Bandung and the National Public Procurement Agency of the government of Indonesia with technical and financial support of the World Bank. Launched in 2015, the project seeks to increase (1) the availability and accessibility of public contracting data in Bandung as well as (2) the capacity of users to access and use published data for their own purposes. Through three components, the project supports the local government of Bandung to (1) publish its public contracting data and information in open data formats (component 1); (2) develop key performance indicators on public procurement and related data visualizations (component 2); and (3) facilitate citizen engagement and practical use of the data and statistics through the provision of ICT tools and targeted capacity building to stakeholders from government, civil society and the private sector (component 3). To achieve the objectives of components 1 and 2, the World Bank commissioned Development Gateway; to facilitate component 3, the World Bank engaged the Open Data Lab Jakarta.

As a result of project components 1 and 2, the city of Bandung was able to publish more than 40 000 procurement records from 2015 to 2018,<sup>2</sup> publish visualizations of contracting data online, and engage with different user departments within the city government to hasten more transparent and accountable procurement systems. Data published on the portal (see Figure 2) included data on new and advertised tenders with sufficient details such as user department, sources of funds, deadline for applications, upper limits, terms of reference, start date, eligibility, supporting documents, among others. What the portal lacked, however, was data on the award

---

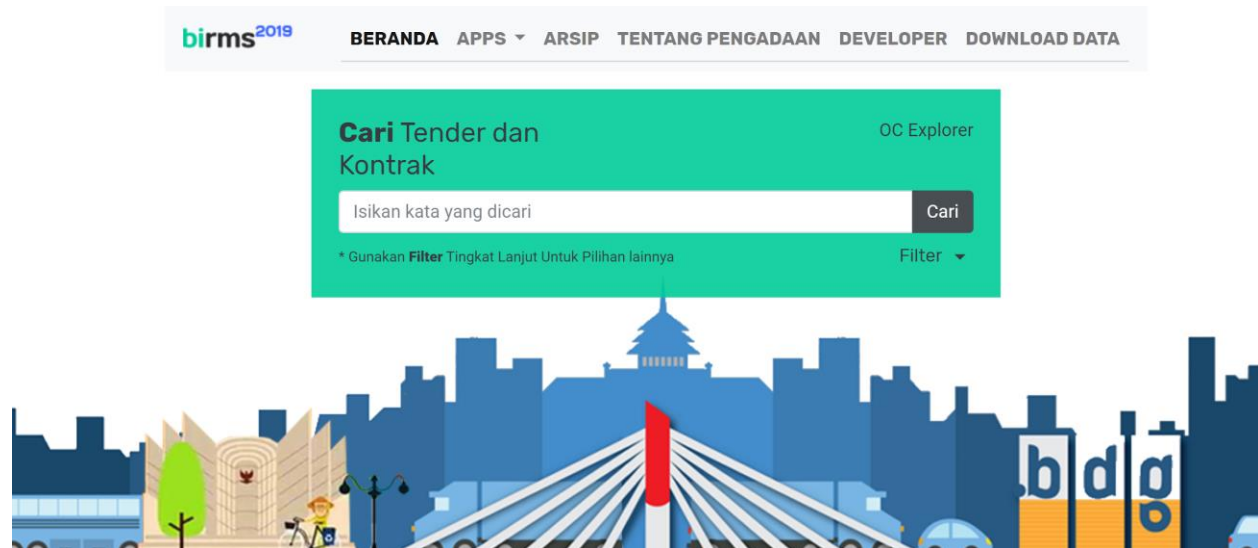
<sup>2</sup> This was as of November 2018 as reported by Development Gateway.

---

---

contracts, including the company details of awardees, expected deliverables, and contracted amounts.

Figure 2: Bandung City procurement open data portal



For component 3, the Open Data Lab Jakarta implemented a three-phased approach: (1) use case research, (2) user engagement activities, and (3) public launch. The use case research began with an online survey to identify the potential user groups, their characteristics, motivations for engaging with contracting data, and their data needs. Users were then invited to a workshop to develop use cases that are relevant in addressing the key priority issues faced by Bandung City. Use cases were developed around specific challenges or benefits that open contracting data could positively impact.

Phase 2 started off with the design of engagement strategies. The choice of audience and engagement strategies were based on the following results of the research:

1. There was a low level of understanding of contracting processes and contracting data, even among stakeholders whose nature of work or advocacy were affected by public contracting practices.
2. There was a strong interest in public contracting, especially with data related to health, city planning, social development/poverty reduction, communication and informatics, and environment.

- 
3. There was, however, a low level of awareness of the different public contracting systems used by the Bandung city government including BIRMS, SIRUP, SPSE and others.

The philosophy behind the choice of engagement strategy was the work of several authors who argue that awareness, interest and understanding are critical elements for citizens to engage with data and information for active citizenship (Lieberman et al. 2014; Canares et al. 2015). If people are not aware of the existence of data and of the systems that produce data, and if they are not interested in the data and do not have the requisite understanding to engage meaningfully with it, then active citizenship is unlikely. The engagement strategies and corresponding results are summarized in Table 1.

Table 1: Engagement strategies and results of the City of Bandung's Open Contracting Pilot Project

Engagement type	Target group	Objective	Outputs
Visualthon	University students across 10 design and IT universities in Bandung	Increase awareness among city constituents about the existence and importance of open contracting data disclosed by the city government (with specific audience in mind - business community, transparency advocates, media, etc.)	Visualization and communication materials based on available open contracting systems and data
Journalist training	Local journalists from print and broadcast media	Strengthen capacity of infomediaries in using open contracting data to provide evidence-based reportage on contracting issues	3-minute-read contracting stories published
Incubation of projects	Local civic groups, activists and civic-minded technology experts	Demonstrate the value of open contracting data in longer-term engagements that have the potential for sustained positive social impact	3 apps developed: (1) Push notification for contracting opportunities aimed towards businesses; (2) Analytics dashboard on the procurement of disposable medical devices; (3) Android-based mobile app on procurement activities in the transport sector

---

## Outcomes

The project did not target specific communities but considered the following as the key stakeholders in open contracting -- the National Public Procurement Agency; the city government and a few select local government agencies, including the procurement unit and sector agencies (e.g. health, education, infrastructure); local civic tech community (including front-end developers, data scientists); local CSOs/active community groups working on open data, anti-corruption, procurement monitoring, access to information issues; journalists and researchers; local businesses/business groups, particularly bidders/contractors.

While the “inclusive” approach (that is, “casting the net wide and inviting all”), was not targeted at marginalized communities, it did result in the participation of marginalized communities, in particular women’s groups, such as the IWAPI Bandung (Ikatan Wanita Pengusaha Indonesia / Indonesian Business Women Association). The non-purposive inclusive approach also meant that some organizations were unintentionally excluded such as the Bandung chapter of ASPEKINDO (Asosiasi Pengusaha Konstruksi Nasional Indonesia / Indonesian National Construction Entrepreneurs Association) and HIPMI Bandung (Himpunan Pengusaha Muda Indonesia / Indonesia Young Entrepreneurs Association).

Non-participation may be caused by several factors: historical bias (e.g. some communities or organizations do not necessarily see any use of engaging with the government because of past negative experiences), lack of incentives (e.g. direct engagement with government may not be the best option for certain communities), and negative attitudes towards change (e.g. maintaining the status quo works better for certain communities or organization, for example, businesses who benefit from the lack of transparency), among others.

Nevertheless, the project has had a positive effect in involving different stakeholder groups that are habitually excluded from procurement processes. For example, in the past, journalists did not have access to procurement data. As a result of the project, at least four were able to publish and question government about their procurement decisions. App developers have been battling with getting an API for the data, and eventually hacked the system instead to gain access to the data. Now with the data publicly available, journalists no longer have to hack their way into systems. Given these outcomes, there is a certain degree of empowerment that took place following the relatively small step of disclosing data.

---

## Case analysis

Less than a year after the engagement activities ended, the sustainability of the initiatives were in question. Among the journalists who were trained and of the four who were able to publish stories, only one continued to write about contracting activities. But the WhatsApp group created by the journalists to share contracting information and related open data news remains active.

None of the visualizations developed by the students were used by the government for its awareness activities, and the apps that were developed into prototypes never saw completion. This was a fear expressed early on by the Open Data Lab Jakarta team -- the so-called 'vaporware syndrome' which describes the phenomenon when apps are developed but do not see deployment for several reasons, largely due to the lack of an enabling environment (Cowater, 2014).

The Bandung case also points to the insufficiency of inclusion by design, and even inclusion through implementation. Inclusive processes do not necessarily bring about sustainable inclusive gains, especially when the underlying power dynamics do not change. While it is true that the project, with the support of the city government, attempted to engage different user communities, the publication process was marred by inefficiencies, more particularly by the reluctance of the city government to share the API. City government officials were afraid that sharing the API would expose the city government to certain risks. And yet, without the API, and without the resourcefulness of the civic tech activists to bypass authorization procedures, the mobile app prototypes could not have been produced.

Further, due to the lack of economic capital of the civic tech activists, the initiatives remained as prototypes because they could not fund the development of their applications or market them effectively. The support provided by the project in its initial stages was insufficient. Despite the fact that the prototypes could have helped the city government to further strengthen the open contracting initiative, the necessary support was discontinued.

This finding raises an important point in terms of inclusion: inclusion is not an end-goal but a process; a reiterative process of nurturing the sustainability of intermediaries and their efforts to create value out of data. While indeed, in the case of Bandung, disruption of data flows was brought about by the disclosure of contracting data by the city government of Bandung and opportune niches were created by development partners, the initiative failed to lead to value

---



---

creation. This was due to an absence of sustained support for the newly-engaged intermediaries who were tackling the difficult topic of open contracting and public procurement. Had the intermediaries been established organizations or well-funded private companies and tech start-ups and/or individuals, the conversion of the opportunities they had identified and developed into actual value products could have been sustained and the development process pursued after the initial incubation stage.

It is also conceivable that value creation from procurement data and empowerment of intermediaries and marginalized communities was suppressed due to highly relevant data on company ownership, deliverables and tender value not being published on the portal. The use of this data by intermediaries and marginalized communities could more effectively have challenged existing power structures in local procurement.