



Ministry of Public  
Works and Housing

# Public-Private Partnership (PPP) Karawang Spuur Public Housing

*Market Sounding II*

Jakarta, 19 September 2023



# Disclaimer

## Important notes:

1. Information related to the Project plan included in this market sounding material is indicative and is subject to change according to the development of the Project preparation stage, including based on discussions and/or input from market participants in the market sounding stage;
2. Information related to the Project plan included in this material as well as verbally conveyed in the market sounding discussion is confidential and limited to invited market participants;
3. Information submitted by market participants will be treated as confidential information and will not be disclosed to other market participants; and
4. The implementation of market sounding is non-binding, both to the Government Contracting Authority (“GCA”), PT Sarana Multi Infrastruktur (Persero), as well as Project preparation consultants.



# Agenda

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# Market Sounding Objectives

## **Objectives of the Market Sounding:**

1. To provide an overview to market players and lenders regarding Karawang Spuur public housing PPP project plan in Karawang ("Project");
2. To obtain input and/or responses from market players and lenders related to the Project plan, particularly for the scope of cooperation, cooperation structure, yields and other matters; and
3. To promote the Project to potential investors and lenders both national and international as well as other parties who have an interest in the Project.

# Project Profile (1/4)



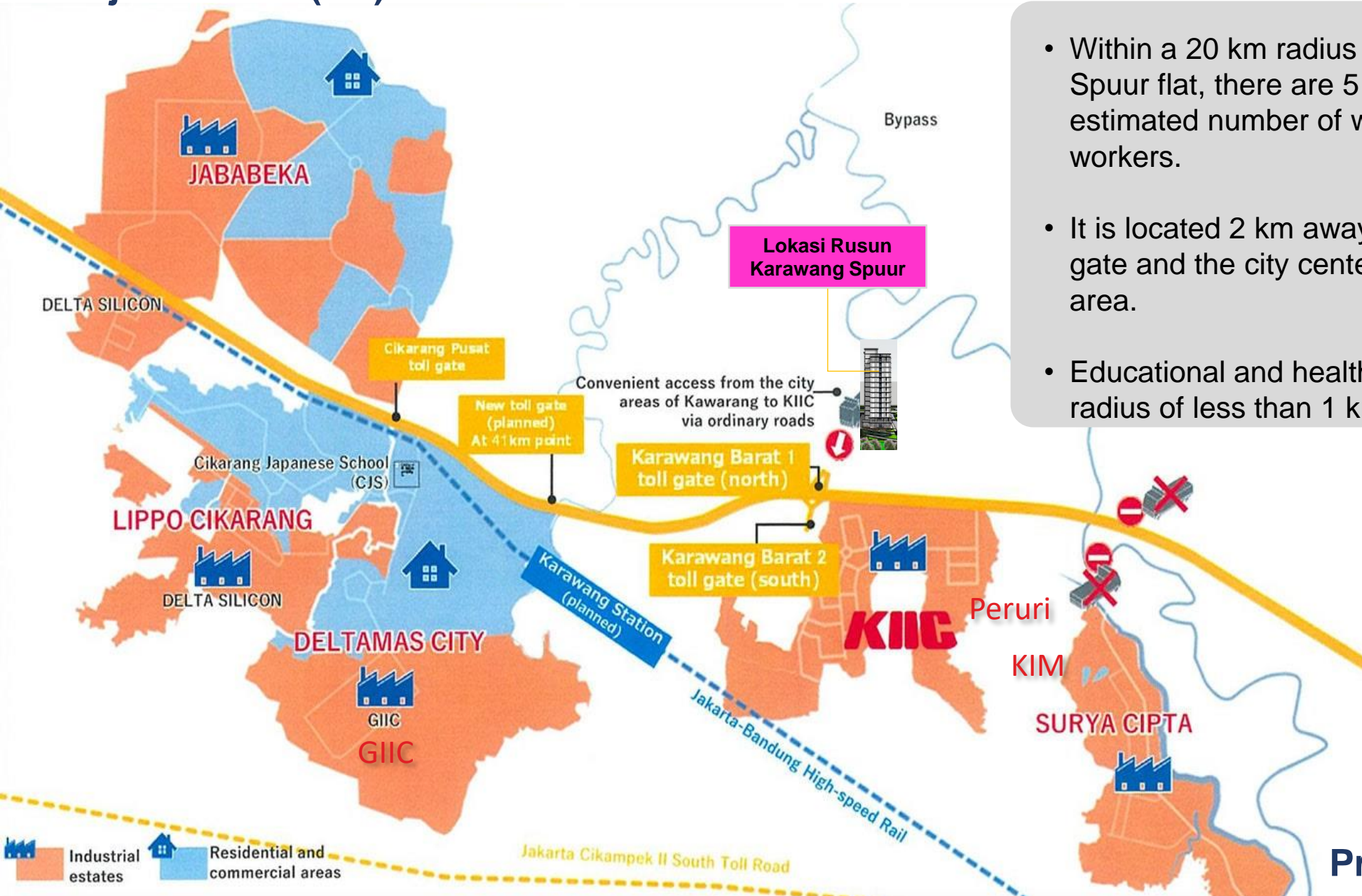
Sumber: Kajian Awal Prastudi Kelayakan, 2023.

<b>FINANCIAL INDICATION</b>	
<b>Investment Cost</b>	Rp. 250-350 Billion
<b>OPEX</b>	Rp. 200-300 Billion 18 years (operation)

<b>GENERAL INFORMATION</b>	
<b>GCA</b>	Ministry of Public Works and Housing (PUPR)
<b>Project Location</b>	Desa Wadas, Kec. Teluk Jambe Timur, Kab. Karawang Land: State owned by PUPR : 1,9 Ha ( <i>Sertifikat Hak Pakai</i> )
<b>Market Segmentation</b>	Low Income Community (MBR)
<b>Apartment Capacity</b>	580 units of Rental Apartment (1 tower) Retail/kiosks and public/social facilities
<b>Project Status</b>	Preparation phase Preparation of FBC development
<b>KBLI</b>	6811 – Rental Real Estate that is owned or rented

<b>COOPERATION STRUCTURE INDICATION</b>	
<b>PPP Modality</b>	DBFOMT
<b>Cooperation Period</b>	20 years (including 2 years of construction period)
<b>Return of Investment</b>	Availability Payment
<b>Cooperation Scope Indication</b>	<ul style="list-style-type: none"> <li>• Financing</li> <li>• Construction (<i>Residential, Commercial and Facilities/Supporting Infrastructure</i>)</li> <li>• Operation and Maintenance</li> <li>• Handover after cooperation period</li> </ul>

## Project Profile (2/4)



- Within a 20 km radius of the location of Karawang Spuur flat, there are 5 main industrial areas with an estimated number of workers of around 163.000 workers.
- It is located 2 km away from the Karawang Barat toll gate and the city center (alun-alun) and commercial area.
- Educational and healthcare facilities are within a radius of less than 1 km.

## Project Location

# Project Profile (3/4)



**Green Building Certificate**  
*Full-furnished*



**Kiosk/Retail**



**Greenspace Area**  
**Recreational Park**



***The features of flat sufficiently accommodate daily social activities for residents***

# Project Profile (4/4)



**Clean Water  
PDAM & Water  
Recycle**

**Flood Resistant  
Infrastructure**



**Parking Space**



**Building  
Security and  
Safety System**

**Residents'  
Application**



**Melalui LS Living App  
Semuanya Secara Praktis  
Dalam Kendali Anda**

- ✔ Monthly Fee Payment & Report
- ✔ Complaint Report
- ✔ Internet of Things (smart home, includes smart door lock)
- ✔ Emergency Button
- ✔ Emergency Gate Access
- ✔ CCTV Access

GET IT ON  
Google Play

***The features of flat sufficiently  
accommodate daily social activities  
for residents***



# Captive Target Market

Based on Real Demand Survey (RDS) :

- Main market is Low Income Communities (MBR), especially workers who work in industrial estate around flat location (KIIC, KIM, Surya Cipta, Indoteisei, Bintang Puspa, KJIE, etc.).
- According to respondents' interests and  $ATP > WTP$ , it is planned to have 580 residential units and 98 Non-Residential Units (Kiosk and Retail).

**Studio**



24 m<sup>2</sup>

Main facilities:

- Clean water PDAM
- Electricity PLN 1300 VA
- Full furnished
- Pantry + Kitchen Set
- Sitting toilet & Shower

**1 Bed Room**



28 m<sup>2</sup>

Main facilities :

- Clean water PDAM
- Electricity PLN 1300 VA
- Full furnished
- Pantry + Kitchen Set
- Sitting toilet & Shower

**2 Bed Room**



36 m<sup>2</sup>

Main facilities :

- Clean water PDAM
- Electricity PLN 2200 VA
- Full furnished
- Pantry + Kitchen Set
- Sitting toilet & Shower

**3 Bed Room**



36 m<sup>2</sup>

Main facilities :

- Clean water PDAM
- Electricity PLN 2200 VA
- Full furnished
- Pantry + Kitchen Set
- Sitting toilet & Shower

# Captive Target Market – Low Income Household

1

## Definisi

Low Income Citizen (*Masyarakat Berpenghasilan Rendah* – “**MBR**”) is citizen who has purchasing limitations and needs the government support to acquire a house

2

## Penentuan Kriteria MBR

**MBR** Criteria are based on its income which determined upon:

- a. Unmarried MBR: based on **all net income** sourcing from **salaries, wages and/or the results of one's own business**; atau
- b. Married MBR: based on **all net income** sourcing from **salaries, wages and/or the results of the couple's combined**.

Region	Maximum Income (Rp)	
	General	
	Unmarried	Married
Java, Sumatera, Borneo, Sulawesi, Bangka Belitung Islands, Riau Islands, Maluku, Northern Maluku, Bali, NTT, NTB	7,000,000	8,000,000
Papua dan Western Papua	7,500,000	10,000,000

Source: Ministry of Public Works and Housing (MoPWH) Regulation No. 1/2021 jo. MoPWH Decree No. 22/KPTS/M/2023

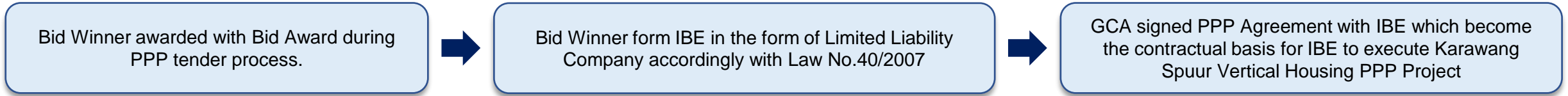
# Scope between IBE and GCA

● : Main PIC ● : Supporting Role

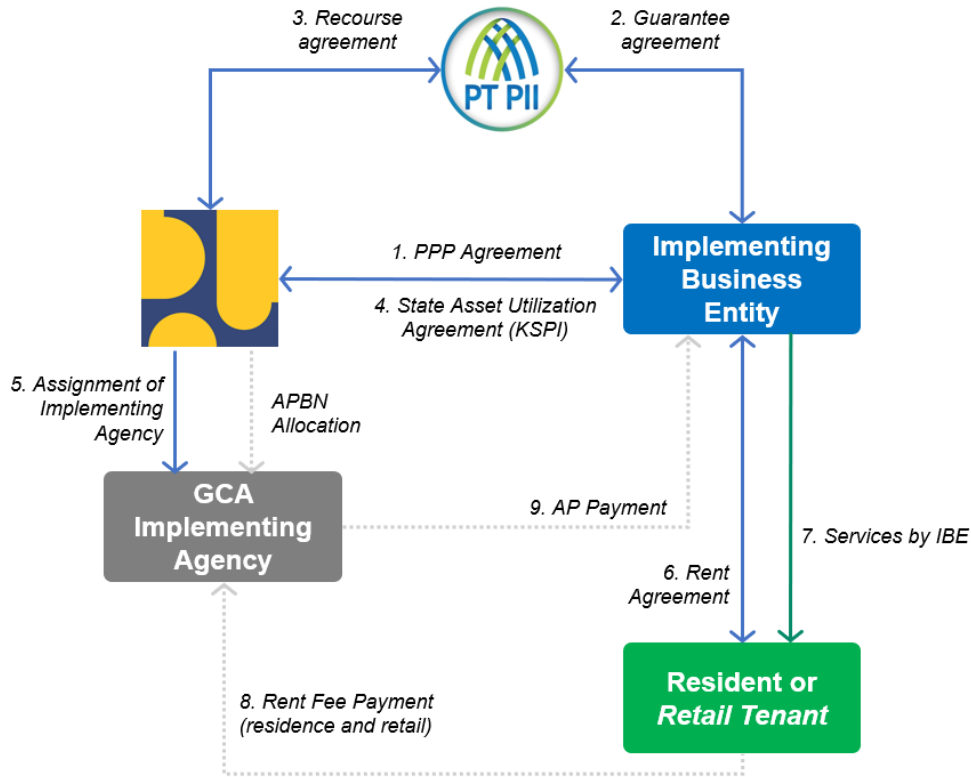
No.	SCOPE OF RESPONSIBILITY	IBE	GCA	REMARKS
<b>I. PRE CONSTRUCTION PHASE</b>				
1	Land Acquisition, EIA, ANDALALIN dan Spatial Planning Conformity		●	
2	Detailed Engineering Design (DED) development	●		
3	Financial Close	●		
<b>II. CONSTRUCTION PHASE</b>				
1	Registration of Building permit/certificates (Building permit, BGH, SLF etc.)	●		
2	Construction work	●		
3	Development of SOP and Monitoring Tools for O&M	●		To be agreed both IBE and GCA
<b>III. OPERATION PHASE</b>				
1	Provision, management, operation and maintenance of building facilities and services based on Key Performance Standard	●		
2	Marketing and promotion to public	●	●	IBE provides marketing activities but it is avoided of demand risk. The occupancy rate does not affect IBE performance
3	Tenant management (tenant relations and complaint management)	●		BUP provides reliable application system for tenant management including payment gateway.
4	Extension of validity building permit/certificates (Property tax, BGH, SLF etc.)	●		
5	Tenant selection based on relevant regulation	●	●	IBE provides resident's administration including signing rent agreement. IBE is not burdened by the demand risk.
6	Operation performance monitoring	●	●	IBE conducts self monitoring and GCA evaluates the results
7	Revenue from tenants (apartment/retail)		●	
8	Return on investment to BUP		●	IIGF will provide government guarantee to IBE

# Project Structure

Based on Presidential Regulation No. 38/2015, Government Contracting Agency (“GCA”) will prepare and procure Implementing Business Entity (“IBE”) under Public-Private-Partnership (“PPP”) scheme with general phase as follows



## Indicative Structure of the Project:



Based on the structure on the side:

- 1 GCA signed PPP Agreement with IBE.
- 2 PT PII signed Infrastructure Guarantee Agreement with IBE.
- 3 PT PII signed infrastructure Recourse Agreement with GCA.
- 4 GCA signed State Asset Utilization Agreement (Infrastructure Provision Cooperation Scheme KSPI) with IBE.
- 5 GCA assigned GCA Implementing Agency to act as collecting agent of the project income and paying agent of Availability Payment (“AP”).
- 6 IBE signed vertical housing unit rent agreement with MBR and commercial unit rent agreement with tenant.
- 7 IBE operate the vertical housing built/ provide services during the PPP period.
- 8 MBR and tenant pays rent fee to GCA Implementing Agency.
- 9 GCA Implementing Agency pays AP to IBE based on fulfillment of service level agreement. AP received by IBE derives from: (i) GCA’s budget (State Budget); and (ii) project income collected by GCA Implementing Agency.

## Foreign Investor Participation

1. Considering the Project is procured through PPP scheme, it has been structured that IBE shall appoint sub-contractor for the construction of the vertical housing.
2. Based on the Presidential Regulation 10/2021, the relevant Standard Classification of Indonesian Business Fields (KBLI) for the IBE is as follows:

Business Filed	KBLI	Description	Requirement
Owned or Rented Real Estate	68111	This group includes the business of buying, selling, renting and operating real estate both owned and rented, such as vertical housing buildings, residential buildings and non-residential buildings (such as storage facilities/warehouses, malls, shopping centers and others) as well as the provision of houses and vertical housing or furnished/unfurnished vertical housing for permanent use, either monthly or annually. Including the activities of selling land, building development for self-operation (for renting spaces in the building), division of real estate into land lots without land development and operation of residential areas for movable houses.	Open 100% (hundred percent) for Foreign Investment



Based on the above, foreign investor is invited to participated in Karawang Spuur Vertical Housing PPP Project by forming IBE accordingly with Foreign Investment Limited Liability Company (PT PMA) provisions.

## Project Investment Return/Payment Mechanism

1. GCA will bear the risk of occupancy (demand risk) in implementing the Project, therefore, GCA provides compensation to BUP in the form of Availability Payments/AP including VAT as investment return.
2. AP payments to IBE are made at a fixed (flat) rate every 3 months but will be linked and adjusted to the achievement of Service Level specified in the PPP Agreement.

The AP calculation formula that will be paid by the PJPK is as follows:

$$\text{Quarterly AP} = \text{AP Value} - \text{AP Deduction/Penalty Value}$$

Where:

AP = Full AP amount for the period of 3 months

AP Penalty = Deduction amount for BUP's failure to fulfill the Service Level within a period of 3 months.

# Planned Key Performance Standards

1. Key performance standards would be the base of performance evaluation of IBE which will be agreed between IBE and GCA.
2. This includes a penalty mechanism for a failure to achieve performance standards.
3. The key performance standard requires suggestions from today's Market Sounding Participants.

No.	Key Performance Std.	Main Evaluation Point	Evaluation Period	Target
<b>Services</b>				
1.	Security Services	Number of Incidents	1 month	0 kejadian
2.	Cleaning Services	Satisfaction Ratio of Residential tenants	3 months	70%
3.	Reception Services	Satisfaction Ratio of Residential tenants	3 months	70%
4.	Claims and Emergency Response	Average response time	1 month	3 jam
5.	Response for claims from GCA	Average response time	1 month	3 jam
6.	Reporting to GCA	Timeliness of reporting	3 months	Tepat waktu
7.	In-house marketing support/Information center services	Satisfaction Ratio of guests regarding information clarity	3 months	70%
8.	Socialization services	Ratio of MBR receiving socialization information	3 months	80%

No.	Key Performance Std.	Main Evaluation Point	Evaluation Period	Target
<b>Facility Availability</b>				
1.	Apartment Unit Availability	Ratio of the number of realtime available units against planned number of units	1 month	100%
2.	Lobby and Hallway Availability	Ratio of the number of realtime available area of hallways (m2) against planned area of hallways (m2)	1 month	100%
3.	Lift Availability	Time of lifts are operating against planned operating time	1 month	100%
4.	Safety equipment in public spaces availability	Time of safety equipment is operating against planned operating time.	1 month	100%
5.	Security equipment in public spaces availability	Time of security equipment is operating against planned operating time.	1 month	100%
6.	Garbage collection facility availability	Ratio of garbage collection facility and space availability against planning.	1 month	100%
7.	Units for public facility availability	Ratio of the number of realtime available units against planned number of units	1 month	100%
8.	Units for Commercial use availability	Ratio of the number of realtime available units against planned number of units	1 month	100%
9.	Parking Space Availability	Ratio of the number of realtime available area of parking space (m2) against planned area of parking space (m2)	1 month	100%
10.	Service Management Application availability	Time of application are operating against planned operating time	1 month	100%
11.	Accessibility Facility Availability	Time of accessibility facilities are operating against planned operating time	1 month	100%
12.	Information center facility availability	Time of information center facility is operating against planned operating time	1 month	100%
13.	Domestic Wastewater Treatment Facility availability (SPALD)	Time of SPALD facility is operating against planned operating time	1 month	100%

# Risk Allocation

Type of Risk	Risk Allocation		
	GCA	IBE	Both
<b>Design, construction, and operation test risk</b>			
Construction risk and construction cost overrun		V	
Delay in PDAM water connection provision			V
<b>Sponsor risk</b>			
Default of Implementing Business Entity, Project Sponsor, or Project Lender		V	
<b>Financial risk</b>			
Fail to obtain financial close		V	
<b>Operation risk</b>			
Facilities provision		V	
Poor or unavailability of service		V	
Utilities provision		V	
<b>Revenue risk</b>			
Change in demand volume projection	V		
Estimation error from the previous model	V		
<b>Connectivity risk</b>			
Risk of road and transportation network connectivity and smoothness of transportation system	V		
<b>Interface risk</b>			
Risk of imbalance in time and quality of work, and of differences in service standards/methods		V	
<b>Political risk</b>			
Delays in obtaining approvals and discriminatory and specific regulatory changes	V		
<b>Force majeure risk</b>			
Natural disasters, political force majeure, extreme weather and prolonged force majeure			V
<b>Asset ownership risk</b>			
Risk of declining asset value		V	

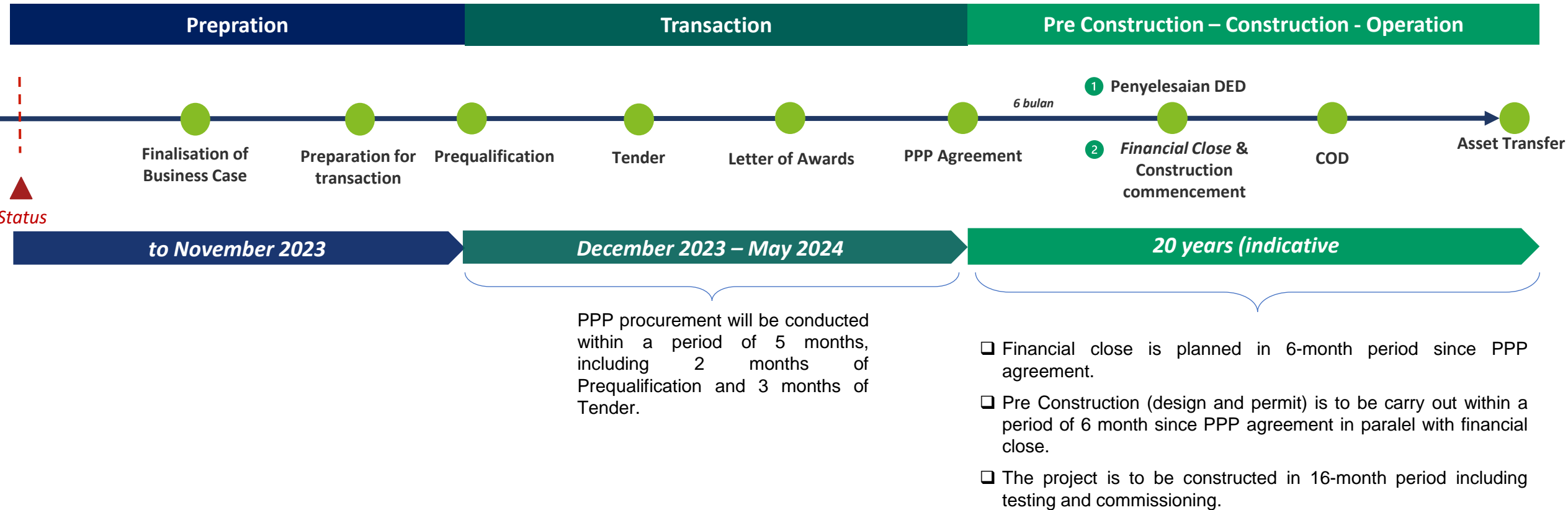


# Project Status

Aspect	Status	Description
<b>Land</b>	●	Usage Right Certificate ( <i>Sertifikat Hak Pakai</i> ) in the name of Ministry of Public Works and Housing
<b>Spatial Suitability</b>	●	The Government of Karawang Regency has issued an Approval for the Conformity of Spatial Utilization Activities (PKKPR) from the Land Office of Karawang Regency and has published Land Technical Considerations.
<b>SUTT Boundary Recommendations</b>	●	The Ministry of Energy and Mineral Resources has issued Technical Recommendations for SUTT Distance and Free Space
<b>Building Height Recommendations from KKOP</b>	●	The Ministry of Transportation (cq. Airport Authority Regional Office I) has issued Recommendations for KKOP Height of Karawang Spuur Housing
<b>Support from Utilities Provider</b>	●	<ul style="list-style-type: none"> <li>• PDAM Tirta Tarum Karawang has issued a letter of support for providing drinking water services</li> <li>• PLN UP3 Karawang has issued a letter of support for providing electricity services</li> </ul>
<b>AMDAL Document</b>	●	In the process of obtaining an Environmental Feasibility Decree (SKKLH) and environmental approval from the Government of Karawang Regency.
<b>Government Guarantee</b>	●	<ul style="list-style-type: none"> <li>• PT PII has issued confirmation to proceed</li> <li>• In the process of obtaining a Letter of Guarantee Interest/Guarantee Principal Approval from PT PII</li> </ul>
<b>Final Confirmation of Availability Payment</b>	●	<ul style="list-style-type: none"> <li>• Ministry of Finance has issued preliminary confirmation for AP</li> <li>• GCA is finalizing the FBC for proposing AP final confirmation</li> </ul>
<b>Approval on BMN Utilization</b>	●	GCA is finalizing the FBC for proposing BMN utilization approval from Ministry of Finance

# Indikasi Jadwal Pelaksanaan Proyek

The project is planned to be procured through a 1-stage tender mechanism based on LKPP Regulation 29 of 2018. The procurement process is planned to be implemented within a period of 5 months consisting of 2 months of Prequalification and 3 months of Tender. In regard to this, the following is a general description of the procurement stages that will be carried out by GCA:



# Input/Responses from Market Players and Lenders

## Input/Responses



[http://tiny.cc/Form\\_Tanggapan\\_MS2](http://tiny.cc/Form_Tanggapan_MS2)

## MS Material and Letter of Interest Form



[http://tiny.cc/MS2\\_Karawang\\_Spuur](http://tiny.cc/MS2_Karawang_Spuur)

Signed Letter of Interest form in PDF format (softcopy) can be submitted via following email:

[rusunkarawang@pu.go.id](mailto:rusunkarawang@pu.go.id)



***PT. INDOKOEI INTERNATIONAL***  
*Engineering and Management Consultant*



**HERMAWAN JUNIARTO**