

Construction Services for the New National Capital City (IKN) "Future Smart Forest City"

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Outline

- ➔ **Introduction the New Capital City**
- ➔ **Staging Development**
- ➔ **Funding**
- ➔ **Progress of IKN**
- ➔ **Public Provate Partnership (KPBU)**
- ➔ **Investment in IKN**
- ➔ **Speciality in IKN Projects**

The Name

The name of the new capital city is **IKN Nusantara**



Where and Why IKN

In 2019, the Government of Indonesia made the decision to relocate the capital city from **Jakarta** to **IKN Nusantara** in East Kalimantan.



Approximately 57% of Indonesia's population is concentrated on the island of Java

The economic contribution of Java Island to the national GDP is 59%

The water scarcity crisis in Java Island, especially in DKI Jakarta and East Java

The largest and conversion in Java Island

The urbanization growth rate in DKI Jakarta is very high

The decrease in environmental carrying capacity, the threat of flood, earthquake, and land subsidence in DKI Jakarta

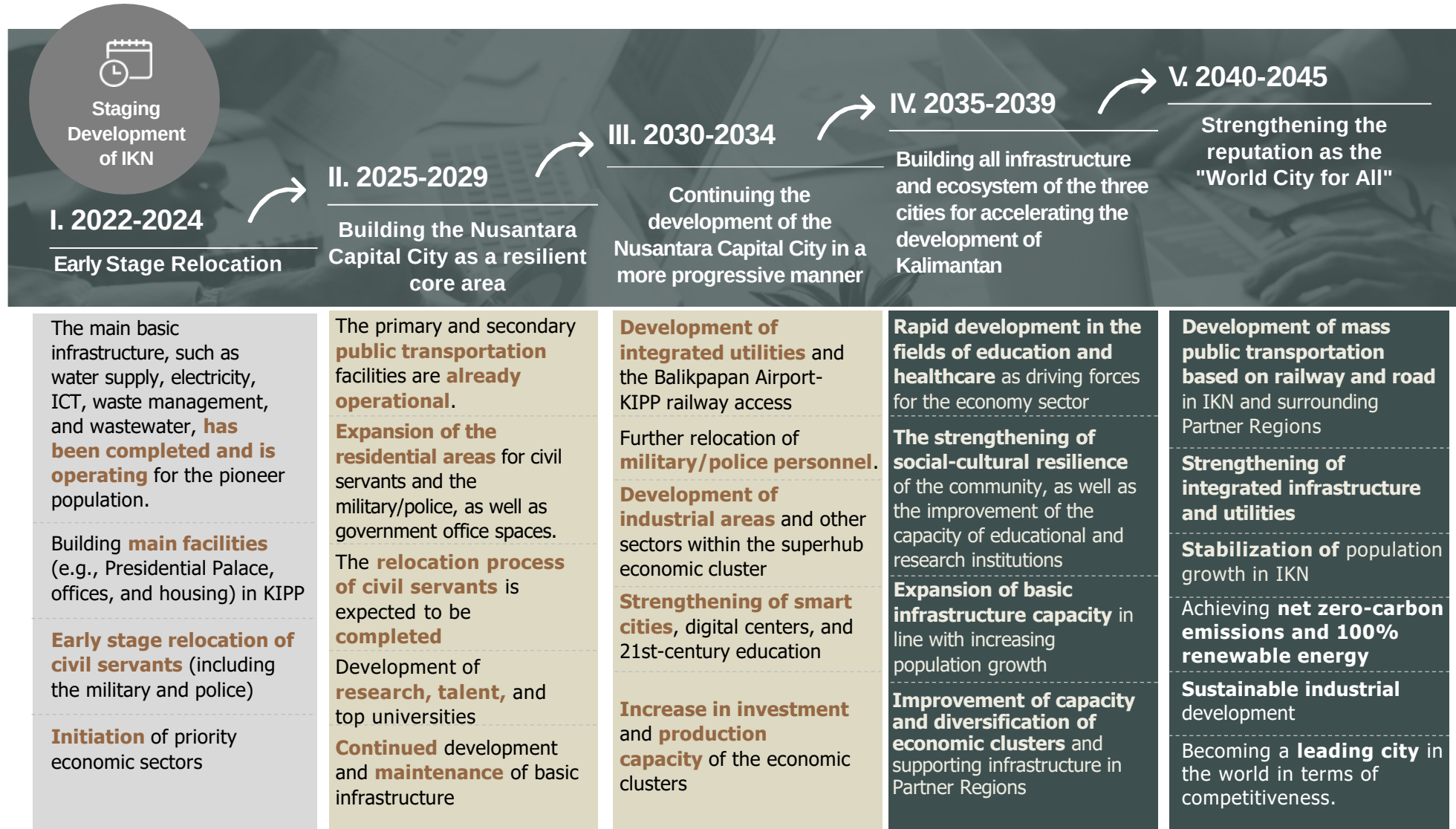


The presence of investors and business partners is guaranteed by a strong legal basis, which is **Undang-Undang Nomor 3 tahun 2022 tentang Ibukota Negara**. It has a clear legal basis and is supported by 93% or the majority of legislative/parliamentary members



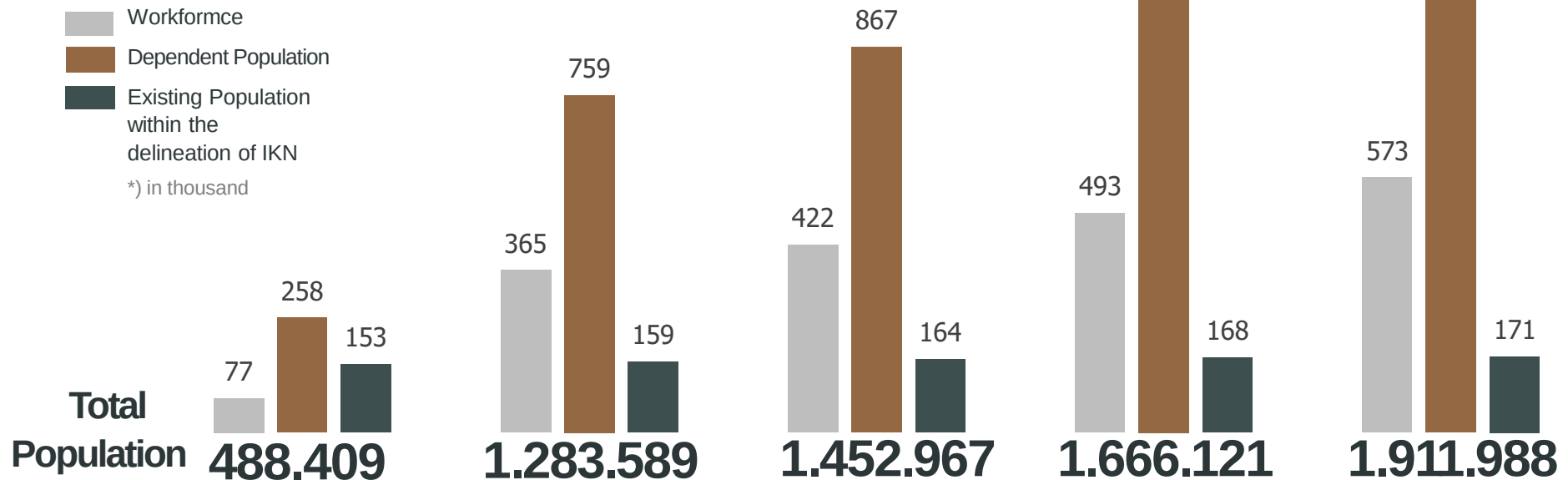
To encourage investment in IKN, the Indonesian government has established the IKN Authority (OIKN), which will prepare, develop, transfer, and manage IKN.

STAGING DEVELOPMENT OF IKN



Population Projection for the Nusantara Capital City

1.7-1.9 million people are projected to inhabit the 256 thousand hectares of the IKN in 2045.



I. 2022-2024

Early Stage Relocation

II. 2025-2029

Building the Nusantara Capital City as a resilient core area

III. 2030-2034

Continuing the development of the Nusantara Capital City in a more progressive manner

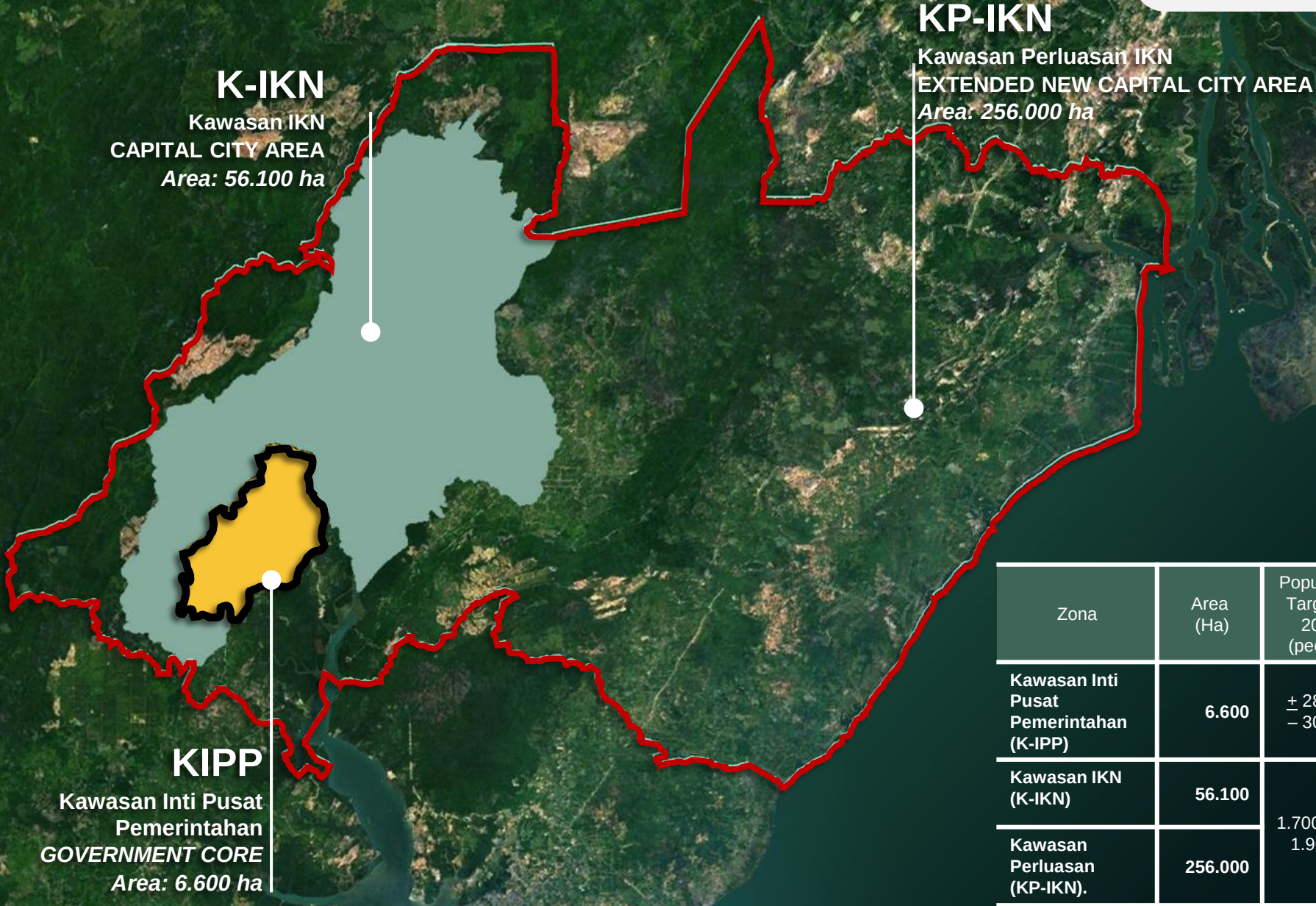
IV. 2035-2039

Building all infrastructure and ecosystem of the three cities for accelerating the development of Kalimantan

V. 2040-2045

Strengthening the reputation as the "World City for All"

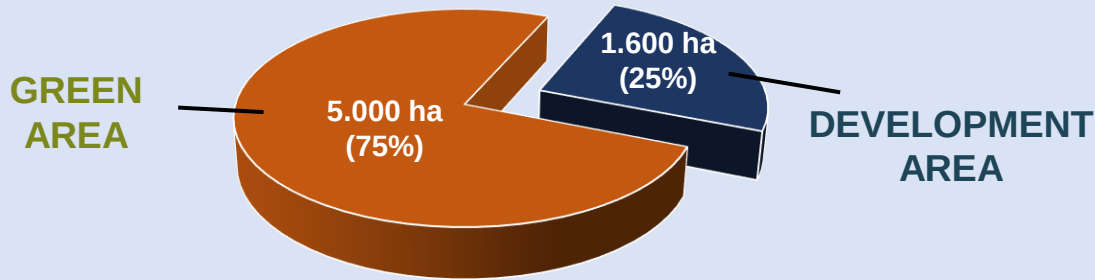
Scale of Capital City Area Planning



Zona	Area (Ha)	Population Target in 2045 (people)
Kawasan Inti Pusat Pemerintahan (K-IPP)	6.600	± 280.000 – 300.000
Kawasan IKN (K-IKN)	56.100	1.700.000 – 1.900.000
Kawasan Perluasan (KP-IKN).	256.000	

DEVELOPMENT AREA I / KIPP

AREA KIPP 6.600 HA



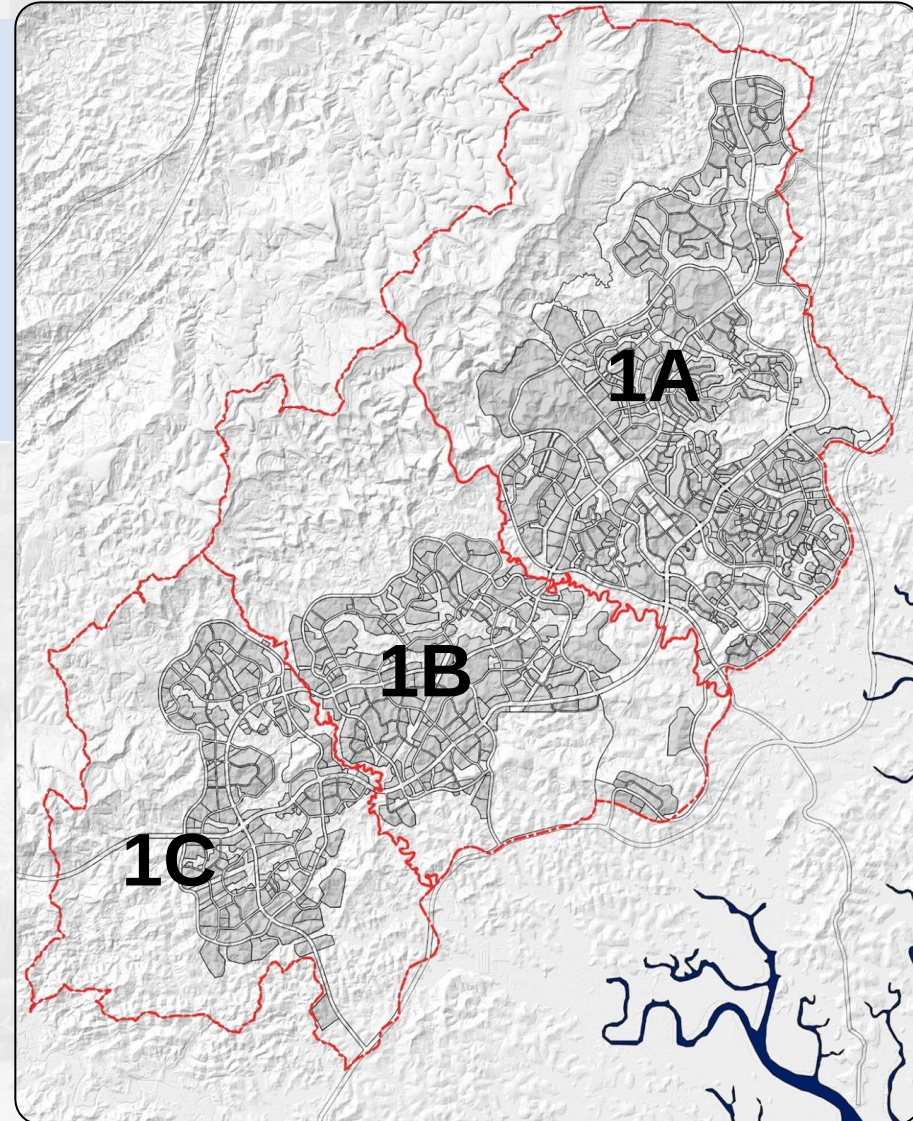
3 KIPP ZONE

**1A.
THE CORE OF GOVERNMENT**

**1B.
GOVERNMENT – EDUCATION - HOUSING**

**1C.
GOVERNMENT – HEALTH - HOUSING**

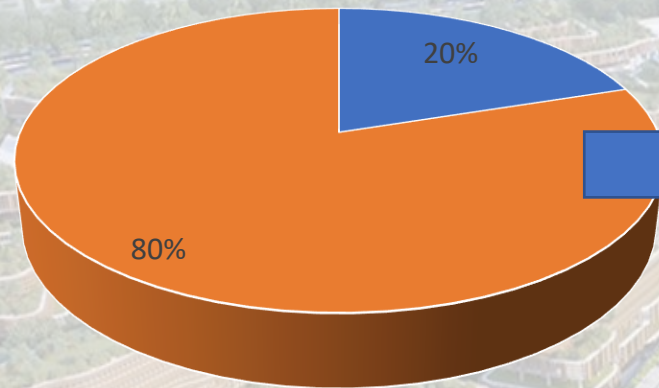
The construction development is carried out by utilizing Building Information Modeling (BIM) and Geographic Information System (GIS).



IKN FUNDING SCHEME

Total Investment Needed USD 30 Billions

Source of Funding



■ State Budget ■ Others

1. Private Investment

2. Creative Funding

3. Public Private Partnership (PPP)

- - Solicited (Gov. initiatives)
- - Unsolicited (Private initiatives)

4. Others



IKN Infrastructure Development for The Initial Phase of 2022-2024, consists of 50 Construction Projects with a Total Cost Of USD 4.5 Billion (IDR 62 Trillion) Funded by The Government Budget.

The First Phase Started in August 2022, and is Targeted to be Completed in 2024

PROGRESS : INFRASTRUCTURE CONSTRUCTION

Residential House	Construction of HPK	Basic Infrastructure
KPBU - LTP for 184 Towers through KPBU Unsolicited - Project value of ± 41Trillion APBN - Budget allocation for the construction of 47 Towers The total construction of towers can meet the needs of 16,990 ASN/Hankam in 2024.	APBN - Out of the 22 Towers being constructed, 12 are already ready for occupancy, while the remaining towers are still in the finishing process. - Capacity : ✓ 20 Towers for accommodating 14,000 workers ✓ 1 Tower for communal housing ✓ 1 Tower for communal office space	APBN - Construction of Sepaku Semoi Dam (81.9%) - Toll road construction for segment 3B (KKT Kariangau to SP Tempadung) - Presidential Palace - Presidential Secretariat Office - Coordinating Ministry Office - Provision of Drinking water - Waste Treatment - Electricity and Communication

LAND PREPARATION FOR THE CORE AREA OF GOVERNMENT CENTER - PHASE 1



THE CONSTRUCTION OF ACCESS ROADS/ LOGISTICS



CONSTRUCTION OF IKN TOLL ROAD SEGMENT 3B (KKT KARIANGAU - SP. TEMPADUNG)





The Construction of Four Additional Infrastructures In 2023 will Cost USD810 Million:

1

Land Development in zone 1B dan 1C
(1.800 ha)

2

Construction of Work/Logistic Road in zone 1B and 1C
(15,8 km)

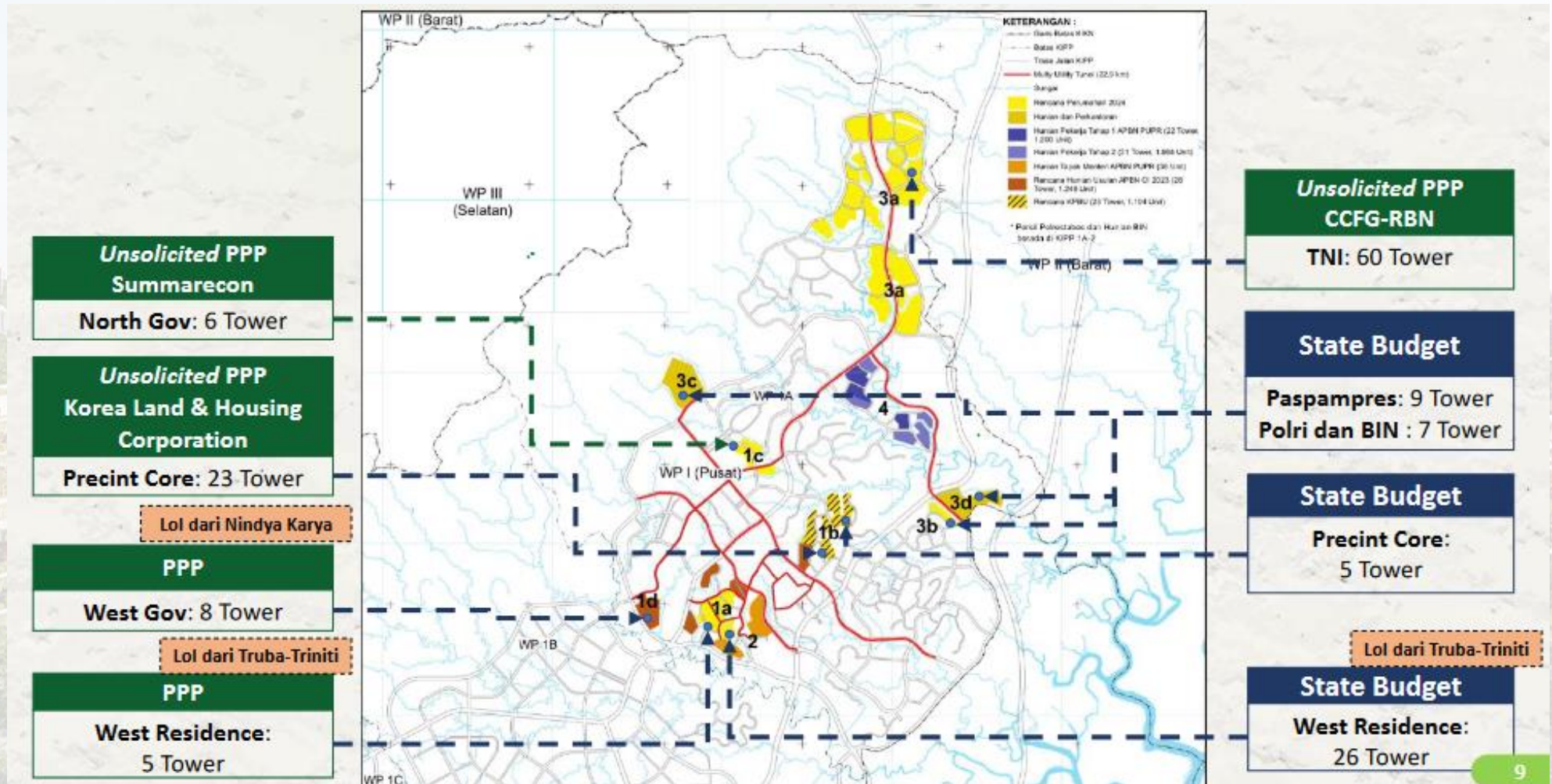
3

Construction of VVIP Airport Access Road to KIPP
(16,6 km)

4

Construction of housing for Government Employees,
Army, and Police
(47 tower)

PPP IMPLEMENTATION FOR HOUSING



INVESTMENT OPPORTUNITIES IN IKN

Housing Sector

Project/Scope	Status
Government Officer Vertical Housing 23 Tower (Presinct Core Area)	Korea Land and Housing Corporation (Letter to Proceed)
Government Officer Vertical Housing 14 Tower (Government Area)	-
Armed Force Vertical Housing 60 Tower (National Armed and Force Housing Area)	Lol from China Construction First Group
Government Officer Vertical Housing 95 Tower (1B Area – Phase 1)	

Office Complex/ Commercial Area

NO	Program	Area (Ha)
1	Mixed-Use Area	10
2	Mixed-Use Area	2
	Mixed-Use Area	2
	Mixed-Use Area	2
	TOTAL	16

Educational Facility

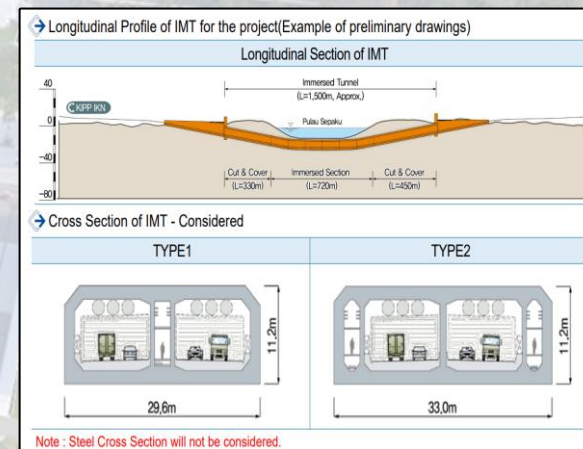
NO	Program	Area (Ha)
1	University	20
2	Intern. School	10
3	School 1	3
4	School 2	2
5	Integrat. School	3
6	Private Research School	3
	TOTAL	41

Health Facility

NO	Program	Area (Ha)
1	National Integrat. Hospital	20
2 a	Hospital	3
2 b	Hospital	2
	Hospital	2
	Hospital	2
	TOTAL	29

Clean Water Sector

Road Sector



Foreign Construction Company

Foreign Construction Companies (BUJKA) are required to carry out the equalization of Construction Permits from the country of origin to Indonesia.

Foreign Companies **MUST** have

Representative Office in Indonesia or Representative Office

Working Competency Certificate/Sertifikat Kompetensi Kerja (SKK) Construction

Company Certificate/Sertifikat Badan Usaha (SBU) Construction Services

Foreign Construction Company

Foreign BUIJKs can obtain SKK Construction & SBU Construction Services with the following conditions



Type of Work of Foreign BUIJK :

- a. Construction Implementation Services (Contractors)
- b. Construction Supervision Planner Services (Consultant)
- c. Integrated Construction Services (EPC)

Qualification level for foreign BUIJKA is to be directly given a major qualification

Foreign Construction Company

- 1 Determine Several Classification
- 2 BUJKA is required to have **Experts** as the person in charge of the technique and the person in charge of the field when carrying out work in Indonesia
- 3 Equalization of Construction Permits
- 4 Authorized Administration Fee Applications
 - a. Consulting services : US\$ 5,000.00
 - b. Construction services : US\$ 10,000.00
- 5 Joint Operations

Speciality in IKN Projects



**Empowerment of
Local Business**



**The Use of Local Labor
and Materials**



**Implementation of BIM
(Building Information
Modelling)**



**Work Time
Arrangement**



Internship



**Occupational Safety
and Health
management**

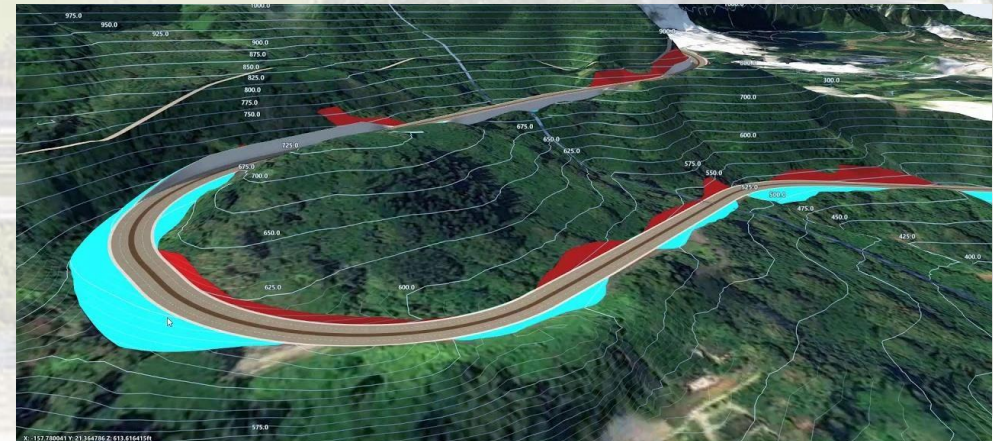
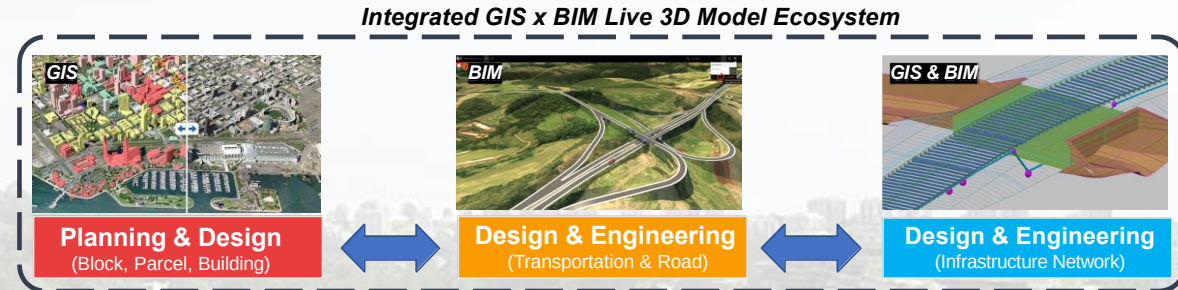
CONSTRUCTION WORKER HOUSING



SMART DESIGN AND CONSTRUCTION

The urban design and engineering process for IKN uses the principle of "**Collaborative Work**" by utilizing and integrating the Building Information Modeling (**BIM**) and Geographic Information System (**GIS**) ecosystems.

In Smart Construction, construction processes, document management and design and construction approval are monitored in real time manner.



Source: Pusat Data dan Informasi Kementerian PUPR, 2022.

SMART TECHNOLOGY IN ROAD

Immersed tunnel on toll road



Electric charging lane



Alternatives use of primary roads as runways

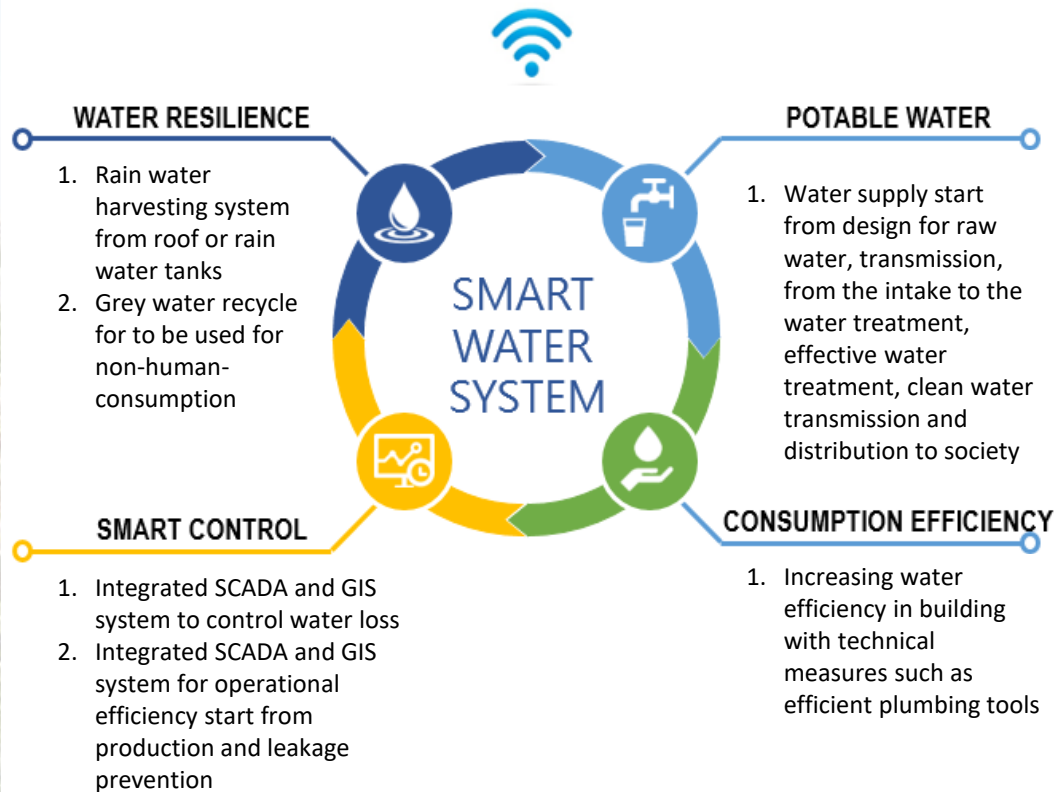


Connected charging parking system with street lighting



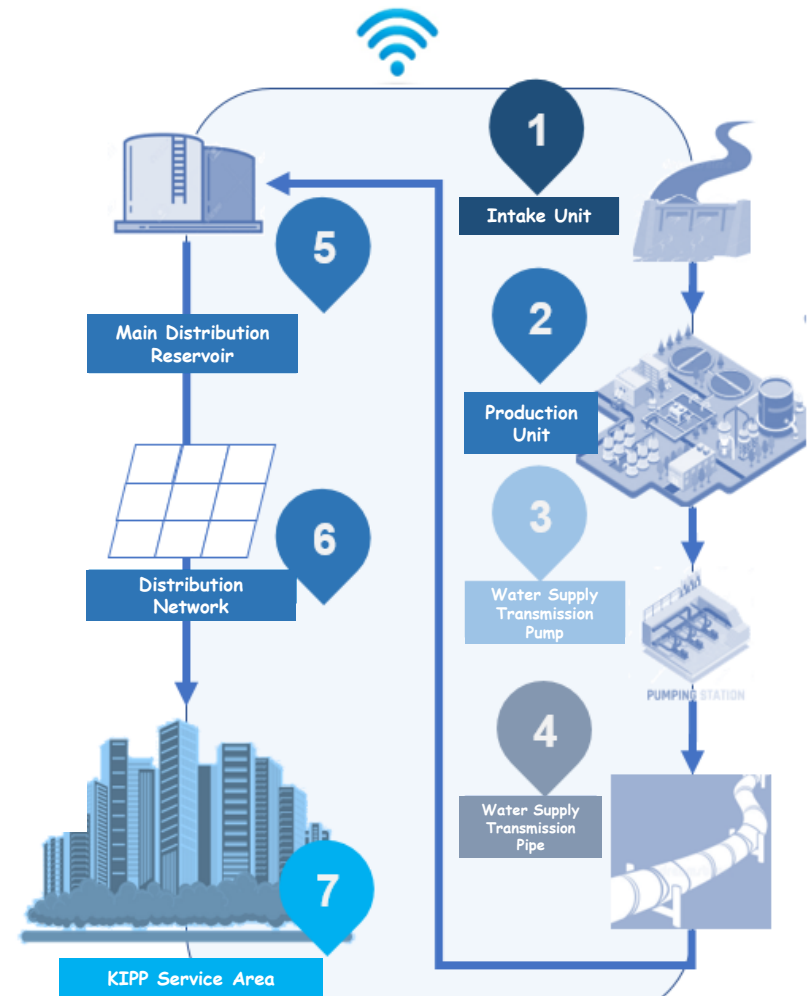
Source: Direktorat Jenderal Bina Marga Kementerian PUPR, 2022.

SMART WATER SYSTEM



Source: Peraturan Presiden RI No. 63/2022 tentang Perincian Rencana Induk IKN, 2022.

COMPONENTS OF THE WATER SUPPLY SYSTEM



GAM-SA-HAM-NI-DA

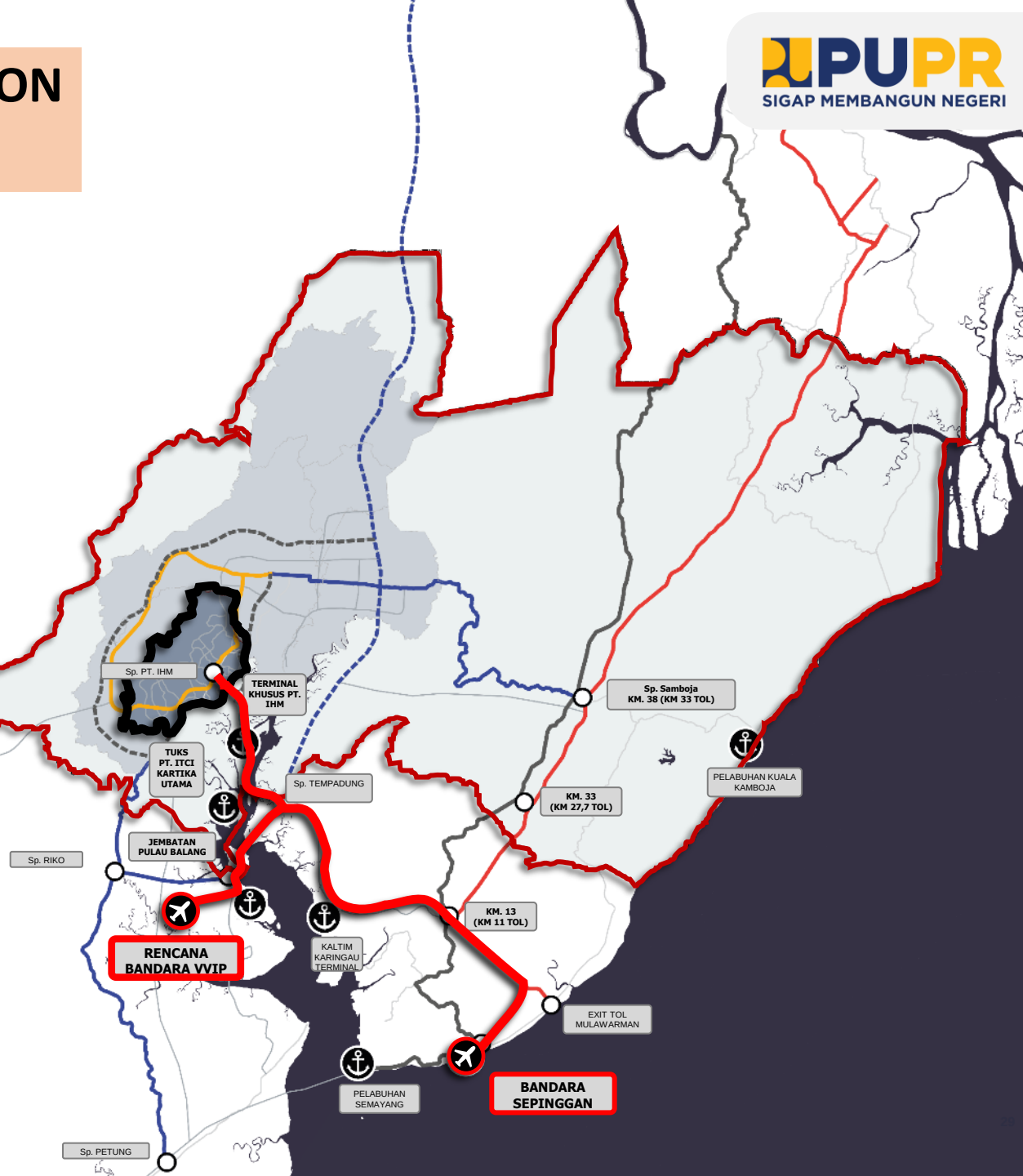
THE PLAN FOR TRANSPORTATION CONNECTIVITY IN IKN

Airport Toll Road Sepinggan-KIPP

Length of Section : 47,63 Km
Travel Time : 30 minute
Average Speed : 80-100 km/hour

KETERANGAN

- Kawasan Inti Pusat Pemerintahan (KIPP)
- Kawasan Ibu Kota Negara (K-IKN)
- Kawasan Pengembangan Ibu Kota Negara (KP-IKN)
- Batas Bagian Wilayah Perencanaan
- Badan Air
- Jalan Eksisting
- Jalan Tol Balikpapan - Samarinda
- Rencana Jalan Bebas Hambatan
- Jalan eksisting (provinsi & PT IHM)
- Rencana Jalan Arteri Primer
- Rencana Jalan Inner Ring Road KIPP
- Rencana Jalan Outer Ring Road KIPP



RAW WATER INFRASTRUCTURE PLAN FOR THE IKN DEVELOPMENT AREA

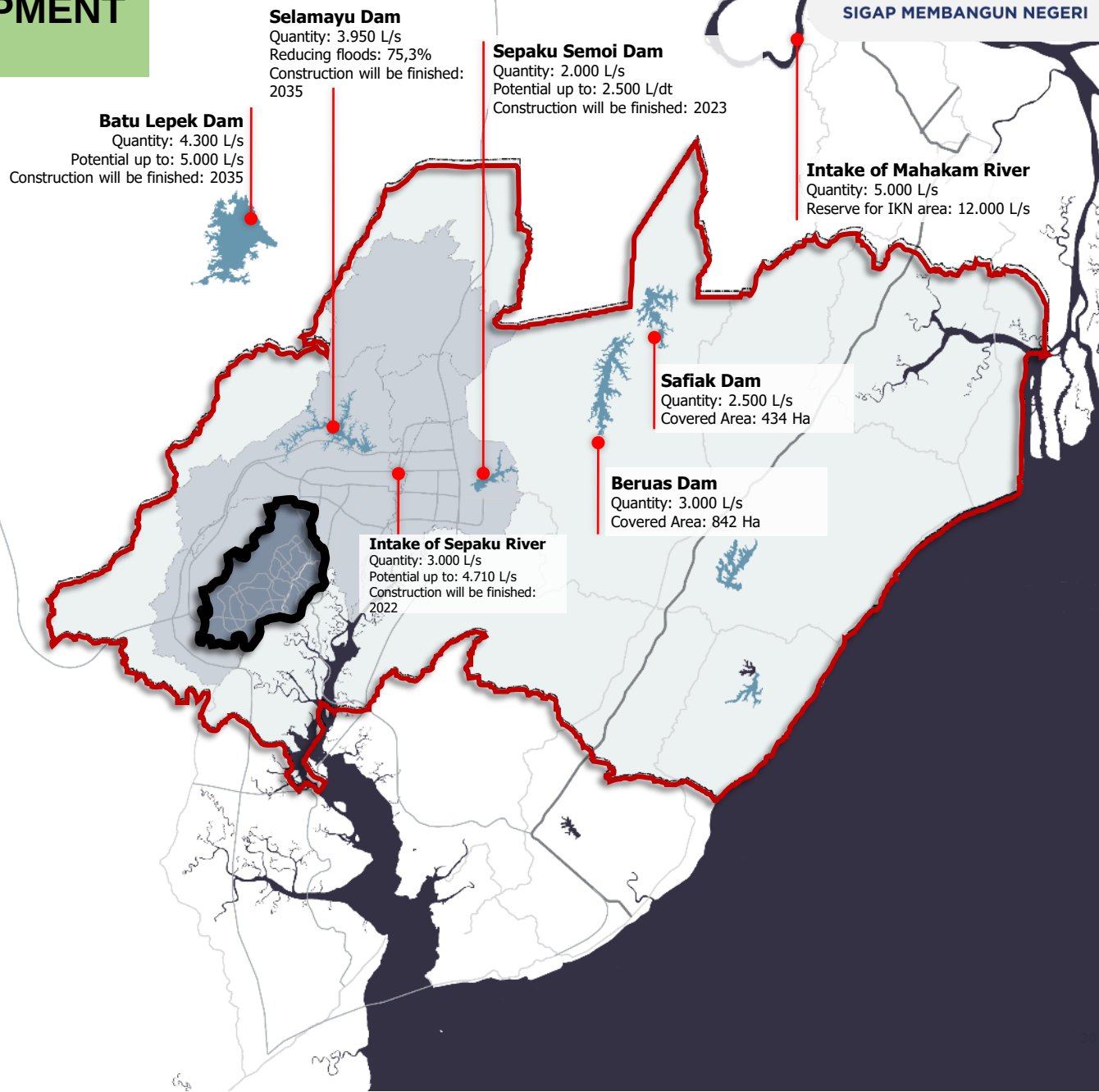
The raw water source is obtained through the development of several dams in the context of KP-IKN, as follows:

Year	Needs (L/second)	Total Supply (L/second)	Dam/Additional Reservoir
2022	0,0	1.000	Intake of Sepaku River
2023	0,0	2.000	Sepaku Semoi Dam
2025	1.426	2.000	-
2030	2.818	5.000	-
2035	5.568	9.300	
2045	7.626	9.300	-
Potential		2.500	Safiak Dam
		3.000	Beruas Dam
		3.950	Selamayu Dam
		12.000	Intake of Mahakam River

Raw Water Demand (L/second)	2025	2035	2045
KIPP	120	643	833

Legenda

- Kawasan Inti Pusat Pemerintahan (KIPP)
- Kawasan Ibu Kota Negara (K-IKN)
- Kawasan Pengembangan Ibu Kota Negara (KP-IKN)
- Batas Bagian Wilayah Perencanaan
- Badan Air
- Rencana Bendungan
- Jalan Bebas Hambatan
- Rencana Jalan
- Jalan Eksisting



Unsolicited PPP Scheme Stages

**IMPLEMENTATION
OF PPP IKN
AGREEMENT**

PROPOSAL

PREPARATION

TRANSACTION

- Assessment of the proposal's conformity with the master plan and detailed master plan
- Confirmation of the project cooperation supervisor for the proposed project collaboration

PCS conducts an assessment and confirmation

The business entity submits the feasibility study and supporting docs

Issuance of the preliminary approval letter

Request for Proposal

Signing of the PPP IKN agreement

Construction

The business entity submits a *Letter of Intent*

Delivery of letter from PCS to the business entity

Evaluation of the FS and supporting docs

Prequalification*

Bid Award

Fulfillment of financing

The candidate inisiator is given a deadline for submission in accordance with the project implementation target

Public consultation and marketing sounding can be conducted simultaneously with the evaluation process

* Adjusting to the procurement method being implemented

Duration of the Unsolicited Scheme:

Unsolicited	Timeframe
Preparation of the FS docs	3-4 Month
Assessment of prospective inisiator's document and refinement of inisiator's docs	1-2 Month
Procurement	1-6 Month
Establishment of the implementing business entity and signing of the PPP IKN agreement	1-3 Month
Fulfillment of financing (financial close)	1-4 Month*
Commercial Operation Date	December 2024
TOTAL TIME	6-9 Month

FS and supporting documents :

The content of the FS study should at least include an assessment of:

- Law and institution;
- Technical aspects, including site determination, land acquisition planning, environmental-social analysis, and analysis of the form of PPP IKN;
- Economic and commercial; and
- Risk.

Minimum supporting docs shall contain:

- The procurement document plan of the executing business entity;
- Qualification document;
- Detailed engineering design.

Terms of Unsolicited Scheme:

- Integrated technically with the master plan in the related sector;
- Economically and financially feasible;
- The proposing entity has sufficient financial capability to submit the initiative.