

# Terms of reference (ToR) for Procurement of Construction Works

CONFIDENTIAL

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**Construction works:**

Project number/  
cost centre:

18.0128.1-307.04

**Supporting the Smallholders Farmers Field Infrastructure for  
Certification Requirements**

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## 0. List of abbreviations

AGER	German's Special Initiative Transformation of Agricultural and Food Systems
BMZ	German Federal Ministry for Economic Cooperation and Development
CO <sub>2</sub>	Carbon Dioxide
CV	Curriculum Vitae
DC	Development Cooperation
FFB	Fresh Fruit Bunch
GAP	Good Agriculture Practices
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
HCV	High Conservation Value
HSE	Health, Safety and Environment
ID	Identification Data
IDR	Indonesia Rupiah
ISPO	Indonesian Sustainable Palm Oil
Permen LHK	Ministerial Regulation of Forestry and Environment
PKP	Pengusaha Kena Pajak/ taxable business owner
PPE	Personal Protection Equipment
P&C	Principle and Criteria
PPN	Pajak Pertambahan Nilai/ value added tax
RSPO	Roundtable Sustainable on Palm Oil
SASCI+	Sustainable and Value-Added Agriculture Supply Chain in Indonesia
SECO	Swiss Government State Secretariat for Economic Affairs
SUSTAIN KUTIM	Sustainable Landscape Initiative in Kutai Timur
TAL	Tanah Air Lestari
ToR	Terms of reference

## **1. Brief information about the project**

The Sustainability and Value Added in Agricultural Supply Chains in Indonesia (SASCI+) is a five-year project conducted on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) as a part of the “Special Initiative Transformation of Agricultural and Food Systems” (AGER). The program promotes the sustainability of selected agricultural supply chains in partner countries and is implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

Sustainable Landscape Initiative in East Kutai (SUSTAIN) is a multi-actor initiative to strengthen the capacity of the East Kutai District Government, local communities, smallholders, workers, and plantation companies in transforming East Kutai to be a sustainable region in agriculture (with a focus on palm oil and rubber) production. The initiative supported and funded by the German Federal Ministry for Economic Cooperation and Development (BMZ) and the Swiss Government through the State Secretariat for Economic Affairs (SECO) and implemented by a consortium partners led by GIZ SASCI+, Tanah Air Lestari (TAL) and Proforest.

The initiative is expected to last until mid-2026 to achieve the following outcomes:

- An additional 30,000 ha of areas worthy of protection, supported by actors, have made a concrete contribution to conservation and sustainable management.
- In 2,400 ha of supported farms in sustainable agriculture chains, average income has risen by 5%.
- Increased supply of fresh fruit bunch oil palm and natural rubber from registered/traceable and (certified) sustainably managed smallholder plantations to the processing plants.
- The employment situation in rubber and palm oil supply chains has improved for 200 people, of whom 9% are young adults and 30% are women.
- Five communities (villages) achieve self-determination of their natural resources and land tenure security through formalized spatial plans, village enterprises or social forestry.
- Two public financial instruments/measures/approaches with sustainable landscape/ plantation relevance are taken up by local partners.

By following the guidance from the East Kutai District Government, SUSTAIN will contribute to the implementation of the Sustainable Plantation Plan by:

- strengthening foundational elements of sustainable regions,
- enhancing the capacity of producers and local communities in High Conservation Value (HCV) area management, and
- supporting independent smallholders for tenurial and operational legalities as well as sustainable production.

## **2. Context**

To encourage smallholders to be part of a sustainable plantation scheme, it should align with the principles and criteria of the certification standards. Smallholders shall prepare their entity to have a formation that same as or over the standards being retrieved. The standards

themselves are derived from indicators as the measurement tools of the smallholder's entity to be certified.

Since March 2024, there have been 9 cooperatives in Bengalon and Rantau Pulung subdistricts successfully established. They are new in management and still incapable of carrying out the formation of cooperation, and most of them are in step on developing the system, mechanism, and business channel. They have around 5.137 hectares for 4.017 parcels documented and to be processed for certification. These 9 cooperatives consisted of 1.724 farmers/members of which 1.365 are male and 354 are female.

During the preparation of the smallholders on managing their sustainable plantation, there are things that they shall be provided. The kinds of preparations are separated into two parts. The first is fulfilling the needs relating to **official work**, such as legalities (including the members, managers, procedures, the notary deed, etc.), statements, area maps and their information, administration and system, and others. Secondly, field preparation relates to **field work**, such as toxic and hazardous warehouses, farmers' fields ID, warnings and signs, and other things in accordance with compliance with the sustainable standard.

One objective for the certification and sustainability of farm field practices is to manage the potentially toxic and hazardous materials. They are kinds of chemicals being used by farmers. Their management of waste is very important for the farmers' safety and health, besides their own protection by personal protection equipment (PPE). The management of independent oil palm plantations in Bengalon dan Rantau Pulung District also generally uses chemicals to treat plants. Chemicals are used to control weeds (nuisance plants) and pests as well as chemicals in the form of inorganic fertilizers for the process of increasing production. The chemicals used will be abandoned by waste such as bottles, bags, trunks, etc. They have potentially been polluted for the plantation area and will have potentially on human health, ecosystem and wildlife.

The management of the former waste has not been properly organized, so it is very influential in the assessment of the ISPO & RSPO Principles and Criteria. In accordance with RSPO Principle 4: Protect, preserve and improve the ecosystem and the environment, hopefully the smallholders shall have a temporary warehouse for waste that will be managed by the cooperative, so that the management of used goods or waste can be managed properly, controlled, properly administered and does not pollute the environment. The discipline for the waste management of the smallholders' fields in future will reduce pollutants that are carried out by usage of chemicals on their palm oil FFBs production.

This infrastructure is a must to be provided by the smallholder group of certifications. The infrastructure will significantly be a part of the sustainability where the groups abide by rules to protect the land and environment. There is no ensure role to providing this infrastructure in size, counts or forms, only there is a certainty that the building shall follow the minimum standards that being regulated by the GOI. The standard can be found at PermenLHK no 06 2021: Tata Cara dan Persyaratan Pengolahan Limbah Bahan Berbahaya dan Beracun (Procedures and Requirements for Hazardous and Toxic Waste Treatment), while the proposed realization of the toxic and hazardous waste infrastructure on the cooperatives will refer to this regulation as the guideline.

Further infrastructure for the smallholders shall be provided by the sign and warning boards. These signboards are separated into 5 themes that refer to the need to educate the smallholders on taking care of the sustainable plantation scheme. The themes are signing board for harvest standards and utilities, sign board for warning of pesticide and spraying safety, sign boards relate with HCV, sign board for GAP and sign board for HSE. These boards will be placed in an area that can be seen by anyone in the cooperative's area. These boards contain appeals, warnings, prohibitions, and teachings on matters related to the 5 themes mentioned previously. These signboards are also part of the certification requirement, with their purpose as education and reminder, especially to the members, to be warned and avoid announcing members' things to do and not to do, and the board is to remind the importance related to safety and health in daily activity on the farm field, which has high risk. The boards will be conducted and installed in places that can be easily reached by the members and in special locations relating to their function, such as HCVs boards.

The infrastructure will combine with the landmarks as the marker for smallholders' field ownership and borders. These markers are placed in every farmer's field where there are no government land stakes. These markers will be informed relates with the farmers' field identity (land ID) in which it is being organized and recorded by cooperatives. While completing the sustainability requirement on smallholders' palm oil production, it shall develop organic pest control. *Turnera subulata* becomes a food source and host plant for Sycanus, the predators of leaf-feeding worms, so that the pest attack can be suppressed. This *Turnera subulata* can improve the ecological balance in the palm oil farm field and reduce the need for pesticide usage.

### **3. Objective**

The objective of the assignment focuses on developing the infrastructure as well as the principles and criteria for the certification requirements. As the aligning work package will refer to the Output/work package 4. Sustainable Production, Output Indicator 3.1 Preparation for the certification requirements: Development, build and additional infrastructure at the plantation areas (Border Marker, Turnera, Waste Facilities, First Aid Kit, PPE, Member Cards, Fire extinguisher, Sign Board, Plantation Plat).

### **4. Tasks to be performed by the contractor**

Scope of Works:

#### **I. Work on the Construction of Toxic and Hazardous Waste Warehouse**

- Land preparation work
  - Utilization, tool, equipment and land filling 4x6 meters work
  - Materials preparation
  - Rope and measurements work
  - Land preparation
  - Foundation excavation works by construction wide on 15 cm and 40 cm of depth.
- Construction work
  - Foundation construction work

- iron meshing by Dia 10 mm with column in Dia 6 mm with a distance inter 200 – 300 mm.
  - formwork and casting
  - Wall work (incl. wall on base) and the upper wall, which has high aeration to the build. Use the the harmonica wire with size of 50 X 50 X 3mm
  - Roof work
  - Doors work
  - Floors work
  - Water storages tower and tanks
  - Pipes Installation works
- Finishing work
    - Completing the utilization of the building (washing place, painting, etc)
    - Cleaning process

## II. Land Stake Making and Installation Work

- Preparation work
  - Preparation stages to count and design the land stakes for each farmer's field need
  - Preparation for the materials
- Land stakes making
  - Developing the land stakes
  - Land stake length: 670 mm.
  - Red Paint: 150 mm upper side.
  - Ø pipa: nominal 2,5" ( $\approx$  Ø outer 76 mm; depend on brands, material class minimal AW average), white coloured.
  - Planting depth: 250 mm typical (check for land condition).
- Land stakes installation
  - The land stakes hands over to farmers
  - Each oil palm plantation plot gets 4 boundary markers for its plantation.



Figure 1. Sample of the Land Stakes form (patok batas kebun)



### III. Construction and Installation of Signboards

- Designing, constructing, and manufacturing
- Signboards installation
- There are 18 Sign Boards / Warning Designs for Smallholder Palm Oil Certification
- Each cooperative received 5 sets totalling 90 Warnings.
- After signboards finish for construction and manufacturing, there will be handover to cooperatives



Figure 2. Sample of the Sign Boards to be built

### IV. Completion of First Aid Kit and Fire extinguisher Facilities of Cooperative Office

- First aid kits and Fire extinguishers sourcing
- First aid kits and Fire extinguishers hand over to cooperatives
- Type of First Aid Kits:
  1. MK – 11 Type A with box and contains of Sterile gauze pads (20 pcs), Bandages (various sizes: 5 cm (2 rolls) & 10 cm (2 rolls)), Adhesive tape / quick-adhesive tape (10 pcs), 1.25 cm wide adhesive tape (2 rolls), Sterile cotton wool 25 g (1 roll/pack), Triangular bandages/mitela (for supporting arms or bleeding) 2 pcs, Bandage scissors 1 pc, Tweezers 1 pc, Safety pins 12 pcs, Disposable gloves 2 pairs, Masks 2 pcs, Small flashlight (for dark/emergency conditions) 1 pc, Eye wash cup 1 pc. Clean plastic bag/biohazard bag 1 pc. Sterile solution/saline (e.g., distilled water) 100 ml 1 bottle, Antiseptic such as Povidone Iodine solution 60 ml 1 bottle, 70% alcohol (or alcohol wipes) 1 bottle. First aid manual/table of contents/notebook 1 pcs.

2. MK 11 – type Portable with portable bag and contains of Waterproof bandages (about 10 pcs), Rolled bandages / non-woven bandages 2.5 cm × 1 m, Bandages (e.g. 5 cm & 10 cm wide), Sterile gauze (e.g. 16×16 cm), Cotton wool (about 25 grams), Alcohol swabs (for wound disinfection) — at least 2 pieces, Small scissors (for opening bandages/plasters), Disposable gloves (latex), Antiseptic liquid/wound medicine (e.g., small bottle of antiseptic, wound medicine)



Figure 3. Sample of First Aid Kit

- Type of Fire extinguishers  
Fire extinguishers portable 6 Kg with dry powder



Figure 4, Dry powder fire extinguisher 6 Kg

## V. Turnera planting work

- Develop plant bed. Contractor should make the plant bed (bedengan or guludan) with 350 cm long, 40 cm width, and 30 cm depth as the plants bed for turnera planting. The planting distance on the plant bed is 30x30 cm. Each mound will be planted with 10 Turnera plants
- Turnera sourcing. Contractor should prepare or sourcing the top's turnera stem plants with minimal 10 cm length and 1 – 2 cm diameter.



- Turnera planting. Contractor should plant 20.250 pieces live of turnera on the plant bed.



Figure 5. Turnera's planting

## VI. Land ID work

- Preparation work. The contractor should prepare the land ID with printed on the cover paper (100 gsm) with information of landowner, geographical and the ID and it's covered with outdoors plastic seal. The measure of this ID's is 180mmx250mm (A4 with cuts edge for plastic seal wider border).
- Contractor shall input one by one data of each land's IDs, printed it and sealing (laminated) with outdoor plastics. As the data or information of the lands ID was on the cooperatives, and it will inform to the proposed contractor.
- Land ID's installation by cooperatives
- Each smallholder farmer's plot gets a plot ID card



Figure 6. Sample of land's ID form

The contractor is responsible for providing the following works:

1) Kick-off meeting and coordination

The Contractor shall organize the kick-off meeting and coordinate with the GIZ team and the technical consultant to gain a better understanding of the proposed activity's usage. This stage will also discuss on approach, S Curve, development process and time schedule, consolidate objectives and goals of the assignment.

2) Stages – 1 materials preparation

- Contractor will provide 50% of the material of the whole infrastructure except providing turnera plants
- In toxic and hazardous waste warehouses, contractor will conduct site preparation. Site preparation means contractor will do land clearing, hoarding and levelling.
- On land stakes infrastructure, the contractor shall provide the material on land stakes
- On sign boards and field ID (farm field identity), contractor shall provide the design and material to develop it.

3) Stage – 2: building the infrastructure

- Contractor shall fulfil the less of 50% material on build the toxic and hazardous waste warehouse infrastructure,
- Contractor will build the toxic and hazardous waste warehouse infrastructure with the stage at least like in part 3.1 above.
- Contractor will construct and distribute land stakes, sign and warning boards, field ID

- Contractors shall provide turnera plants to be planted on farmers' fields. In the cooperative there are 15 harvest chapels, each harvest chapel has 15 Turnera rolls
- While the process is on building, contractors may communicate and cooperate with facilitators, cooperative and their members

4) Stage – 3 finalize infrastructure and reporting

- Contractor shall finalize the toxic and hazardous waste warehouse (entry road, wall painting)
- Contractor shall provide the first aid kit utilities and fire extinguisher as apart on cooperatives office
- The contractor shall publish the minutes of completion work (Berita Acara Penyelesaian Pekerjaan) and minutes of handover (Berita Acara Serah Terima Barang). For this requirement will following the GIZ regulations.
- Contractor shall provide the construction process report in reporting format

Certain milestones, as laid out in the table below, are to be achieved during the contract term:

Milestones	Deadline/ Delivery report	Payment term
1. Kick off meeting and preparation of workplan	February 2026	10% advance payment with bank guarantee
2. Material preparation  After 60% of the material for <b>9 units Waste Storage</b> toxic and hazardous waste warehouses was provided, land preparation, at least 60% material for sign boards, land stakes, and farm ID were provided.	February 2026	(50% interim payment)  after progress achievement 60%
3. Building and finalization process  Fulfilling the 100% materials, finalizing the construction, distributing the lands stakes, sign and warn boards, the turneras, and the first aid kits and fire extinguishers. Construction process report, handover letter to the cooperatives	30 April 2026	(final payment – 35% from contract price)  after completion of 100% work

Period of assignment: from January 2026 until April 2026

## 5. Qualifications of the Contractor

- This work needs business entity or company with at least three years of experience in civil engineering or at least work in civil engineering for minimal of 5 work experiences, construction or relate field, experience in the location of Subdistrict in East Kutai or East Kalimantan. The entity is required to nominate who are suited to fulfil the assignment tasks described, based on their portfolio.

- The Contractor shall supply all building materials, equipment, plant and tools necessary for the execution of the Works in due number and time.
- The Contractor shall provide facilities/equipment/supplies to carry out this service, such as a) computers, b) Trucks, c) mini excavator, d) carpentry equipment (shovel, hoe, trowel, spade, etc), e) pushcart, (f) cement mixer, etc.

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