# Legal Protection for Injured Parties in Goods and Services Procurement Agreements

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#### **ABSTRACT**

The procurement of products and services is an important component of economic activities, both in the public and private sectors. Nevertheless, in practice, legal complications often arise, which can hinder the progress of the project and result in financial losses for all parties. Administrative errors, violations of the law, and differences in contract interpretation that result in disputes are some of them. The purpose of this study is to investigate the legal protections afforded to aggrieved parties in procurement agreements. The expected result is a reduced risk of disputes and increased transparency and effectiveness in the procurement process through an understanding of the legal aspects that govern procurement. Legal protection in disputes over the procurement of goods and services was analyzed using a qualitative method with an analytical descriptive approach in this study. Data was collected from primary legal sources, including statutes, regulations, and court rulings, as well as secondary sources, including academic journals, books, and research reports. The findings of the study show that the procurement of goods and services still faces a range of challenges, including regulatory uncertainty and less transparent practices, which hinder legal protection. Therefore, the mechanism for procurement of goods and services needs to be improved to increase effectiveness and fairness in resolving disputes.

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#### 1. INTRODUCTION

A goods and services procurement agreement is a basic document that regulates the responsibilities and privileges of all parties involved in any procurement transaction, including products and services (Sahar et al., 2023). This agreement is designed to set clear guidelines, prevent disputes, and guarantee compliance with all relevant laws during the procurement process. Problems that make one party feel aggrieved can often occur in practice, and this can be caused by default,

administrative error, or other violations of the law. There must be provisions in the agreement for the procurement of goods and services to ensure legal protection for the aggrieved party.

There are several preventive and repressive ways that can be used to provide legal protection in the contract for the purchase of goods and services. To avoid problems in the future, make sure the contract is easy to understand and follows all relevant laws and regulations, such as the Construction Services Law of 2017 or Presidential Regulation Number 16 of 2018 concerning the Procurement of Government Goods and Services. Strict safeguards are in place to deal with violations, for example through court proceedings or alternative dispute resolution processes such as mediation or arbitration. Victims of violations can seek compensation through the civil court process by suing on the basis of default or unlawful acts.

The aggrieved party may request performance performance, compensation, or termination of the agreement if the service or goods provider fails to fulfill its contractual obligations. Criminal acts can provide legal protection if the procurement of goods and services is tainted by corruption or fraud (Ponto et al., 2024). The increasingly complicated system for the procurement of goods and services in various fields, both public and commercial, requires an analysis of legal protection in contracts for the procurement of goods and services. All parties involved in the procurement of goods and services can benefit from a better understanding of the law in making and executing contracts; This will reduce the likelihood of disputes and improve the efficiency of the overall procurement process of goods and services.

# 2. METHODS

This study investigates legal protection for aggrieved parties in goods and services procurement agreements using descriptive analytical methodologies and qualitative methods. This research aims to gain a thorough understanding of the legal factors that govern the purchase of goods and services and how legal protection is offered in the event of a dispute. To achieve this goal, a qualitative method is used. Various laws and regulations, court decisions, and dispute resolution processes are analyzed using descriptive-analytical techniques, which are also used to describe phenomena that occur in the practice of procurement of goods and services.

Literature research involving the review of various primary and secondary legal sources was used to collect data in this study. The legal precedents cited include a number of laws and executive orders related to the procurement of public and private sector goods and services, including Law Number 2 of 2017 concerning Construction Services and Presidential Regulation Number 16 of 2018 concerning the Procurement of Government Goods and Services. To better understand the application of the law in resolving certain cases, this study also looks at court decisions related to procurement conflicts. The study used a variety of secondary legal sources, including academic journals, scientific publications, law books, and research reports, to delve into the topic of legal protection in procurement agreements. Primary legal sources are also included in this study.

The purpose of this literature review is to assess the effectiveness of current laws and regulations in protecting aggrieved parties and to gain theoretical insights into preventive and repressive legal protection mechanisms. The purpose of this study is to provide a thorough examination of legal protection in the purchase of goods and services by examining a number of scientific sources. Normative and empirical methods were used in the data analysis in this study. In order to apply a normative approach, the necessary legal concepts and laws relating to the procurement of goods and services agreements are examined.

Case studies and analysis of regulatory implementation in various institutions provide an overview of the practical application of legal requirements through an empirical approach. This study uses a mixed method approach, which means that this study looks at normative legal features and factors that affect the use of legal protection in the field when purchasing products and services. This study intends to find out how effective the current processes are in preventing and resolving conflicts,

as well as how much legal protection is available to the aggrieved parties in the agreement for the procurement of goods and services, using this research technique.

#### 3. FINDINGS AND DISCUSSION

#### Types of Problems in Goods and Services Procurement Agreements

It is not uncommon for problems to arise during the procurement process, which can hinder the project or result in losses for any or all parties involved. These problems can occur as a result of carelessness, administrative errors, or even deliberate attempts to gain unfair advantages (Anissa & Multazam, 2024). In order to foresee and resolve the most common types of problems in goods and services procurement agreements, it is necessary to have a thorough understanding of these forms.

Default is a common problem that occurs when one of the parties to an agreement does not do what it promises. Delays in completing tasks, work results that do not meet the required criteria, or non-fulfillment of contracts are examples of defaults. Contractors who fail to meet project deadlines or deliver substandard work are considered defaulters in the construction procurement industry, for example. Therefore, the aggrieved party, whether it is the government or the ordering company, can ask for compensation or impose penalties in accordance with the terms of the agreement (Wandika & Windiarti, 2024).

Administrative errors during the purchase process are another common problem. Incomplete documents, inaccurate budget estimates, or tender procedures that do not follow the relevant standards are examples of errors that can occur. Administrative errors like these are usually caused by carelessness or failure to understand rules and regulations. The result can be a delay in the procurement process or, worse, a termination of a contract. Some individuals or groups may be able to commit fraudulent acts that harm the state or company through administrative errors. Breaking the law, including doing things that are contrary to the rules in buying goods and services, is another big problem.

Corruption, Collusion, and Nepotism (KKN) which often occurs at auctions and direct appointments is one example. Such violations often manifest in the form of corrupt practices such as bribery for contracts, the selection of incompetent partners who have personal connections with the authorities, or changes in project terms to weed out competitors. The public loses confidence in a supposedly open and fair procurement system, and as a result the finances of the state or companies are hit. Differences in contract interpretation between the parties also often cause procurement issues. The technical and complicated nature of many contract clauses for the procurement of goods and services leaves room for misunderstandings between service providers and consumers. In infrastructure development projects, for example, service providers may think that they are only responsible for supplying raw materials, but in reality, service consumers often expect them to handle the installation as well. Disputes stemming from these differences of opinion can derail the project. Issues with procurement agreements can also arise from outside sources, such as policy changes or force majeure.

The conditions of the contract or the need to make difficult amendments to the contract may be changed by unexpected regulatory changes. Unforeseen events such as natural disasters, pandemics, or economic crises can hinder or even stop the implementation of a project. In such cases, the only way to reach a settlement is to renegotiate the contract or use pre-arranged legal procedures. An effective dispute resolution process, strict oversight, and an open procurement system are required to address these issues. Reducing the likelihood of problems occurring during procurement can be achieved by using a transparent tender process, clear and precise contract drafting, and a system of regular monitoring and evaluation of contract execution. A clean and professional procurement environment is also greatly helped by strict law enforcement against violations that occur. The purpose of these measures is to make the procurement process more efficient and effective by reducing the frequency and severity of problems that occur during the process.

#### Preventive Legal Protection in the Procurement of Goods and Services

The procurement of goods and services in the public and private sectors is often a potential source of disputes between the parties involved, both providers and service users (Permata, 2024). Preventive legal protection mechanisms are needed to minimize the legal risks that may arise. One of the main strategies in preventive legal protection is the drafting of contracts that are clear, transparent, and in accordance with applicable regulations. The preparation of a good contract serves as a guideline in the implementation of the project, as a risk mitigation tool that can avoid the parties from potential legal disputes in the future.

The contract for the procurement of goods and services must be drafted in detail by stating the rights and obligations of each party firmly. In this case, contract clauses must be designed in such a way that they cover all aspects of procurement implementation, starting from the technical specifications of goods or services, implementation time, prices and payments, implementation guarantees, to dispute resolution mechanisms. Inaccuracies in the formulation of contract clauses can open up loopholes for disagreements or even abuse of authority that lead to legal disputes. Contract design must be done carefully so that every aspect of the procurement of goods and services can be well accommodated.

The principle of transparency is a key factor in the preparation of procurement contracts. Transparency in contracts includes clarity in the content of contracts, and openness in the process of drafting and executing them. When contracts are drafted in a transparent manner, all parties involved can clearly understand their rights and obligations, and avoid potential conflicts that may arise due to misinformation or unclear contract terms. This transparency is in line with the principles of good governance which prioritize accountability and justice in every procurement process of goods and services.

Contracts for the procurement of goods and services must be prepared in accordance with applicable regulations. In Indonesia, regulations related to the procurement of goods and services in the public sector are regulated in Presidential Regulation (Perpres) Number 12 of 2021 concerning Amendments to Presidential Regulation Number 16 of 2018 concerning the Procurement of Government Goods or Services (Suharwati et al., 2025). These regulations govern the basic principles in procurement, including efficiency, effectiveness, transparency, fair competition, and accountability. Through reference to applicable regulations, procurement contracts will have a strong legal basis so that they can provide legal certainty for the parties. Compliance with regulations can also avoid the parties from potential administrative and criminal sanctions due to violations of the law in the procurement process.

Dispute resolution mechanisms must also be considered in the preparation of contracts for the procurement of goods and services. Even if the contract has been designed in a clear and transparent manner, potential disputes can still occur due to various factors, such as differences in contract interpretation, delays in performance, or inconsistencies in the goods and services provided. The contract must include a clear dispute resolution mechanism, either through mediation, arbitration, or litigation in court. Resolving disputes through arbitration is often a more efficient option than litigation, as the process is faster, confidential, and the award is final and binding. With a clear dispute resolution mechanism in the contract, the parties can resolve issues professionally without having to engage in a long and tiring legal process.

Monitoring and evaluation of contract implementation is also part of preventive legal protection in the procurement of goods and services. Strict monitoring of contract performance can help detect potential problems early and prevent breaches. The government and private companies often form a special team tasked with overseeing the implementation of the contract to ensure that all parties comply with the terms that have been agreed upon. With effective monitoring, irregularities in the procurement of goods and services can be immediately detected and followed up before they develop into larger legal problems.

The involvement of legal experts in the preparation of contracts for the procurement of goods and services is also a strategic step in preventive legal protection. Legal experts can assist in drafting contract clauses that are not in accordance with the needs of the parties, but are also in line with applicable legal provisions. Legal personnel can provide assistance in the contract negotiation process to ensure that the rights and interests of all parties are fairly accommodated. The involvement of legal experts from the beginning, the potential for disputes can be minimized and the contract drafted can be stronger legally. Preventive legal protection in the procurement of goods and services can be achieved through the preparation of clear, transparent, and in accordance with applicable regulations. A good contract must include important aspects such as the rights and obligations of the parties, dispute resolution mechanisms, and compliance with applicable laws and regulations. Supervision of contract implementation and the involvement of legal experts are also part of the legal risk mitigation strategy in the procurement of goods and services.

# Repressive Legal Protection for Injured Parties

In the process of procurement of goods and services, although various preventive efforts have been made through the preparation of clear, transparent, and in accordance with applicable regulations, there is still a possibility of disputes that are detrimental to one of the parties. Repressive legal protection is a solution for parties who suffer losses due to contract violations, defaults, or even criminal acts in the procurement process. Legal remedies that can be taken by aggrieved parties include civil lawsuits, criminal charges, and alternative dispute resolution aimed at obtaining justice and restoration of violated rights.

Civil lawsuits are one of the legal mechanisms that can be used by parties aggrieved by defaults or unlawful acts in the procurement of goods and services (Sidarta & Lestari, 2025). This lawsuit is filed in court to demand performance in accordance with the agreement, indemnity, or cancellation of the contract. A default in procurement can occur when one of the parties does not carry out its obligations as agreed in the contract, such as delays in the completion of work, the provision of goods that do not meet specifications, or failure to meet predetermined quality standards. Within this scope, parties who feel aggrieved can file a lawsuit in the district court with a strong legal basis, including Law Number 2 of 2017 concerning Construction Services and Presidential Regulation Number 16 of 2018 concerning the Procurement of Government Goods or Services (Kholika, 2024). A civil lawsuit can also include claims for damages, both in material and immaterial form, depending on the impact of the losses suffered by the aggrieved party.

The aggrieved party can take the criminal law route if there is an element of a criminal act in the implementation of the procurement of goods and services. Some cases in the procurement of goods and services involve default, but criminal acts such as corruption, fraud, document forgery, or collusion cause losses to the state or other related parties. In this case, the aggrieved party can report the violation to law enforcement officials, such as the police, prosecutor's office, or the Corruption Eradication Commission (KPK) if it is related to an alleged corruption crime. For example, in cases where the procurement of goods and services is carried out through a non-transparent process and there are indications of bribery or gratuities, an investigation can be carried out based on Law Number 31 of 1999 concerning the Eradication of Corruption. In criminal law proceedings, in addition to criminal punishment for the perpetrator, the court can also order the return of damages to the affected parties.

Outside of litigation, Alternative Dispute Resolution (ADR) is often a faster and more efficient option for aggrieved parties in the procurement of goods and services. This dispute resolution method includes negotiation, mediation, conciliation, and arbitration. One of the advantages of ADR is that it is more flexible than the lengthy and costly judicial process. Mediation, for example, can be done by involving a neutral third party to mediate the conflict and find a solution that is mutually beneficial for both parties. Arbitration can be a more formal and binding solution, especially for procurement contracts that have included arbitration clauses as a dispute resolution mechanism. Arbitration is

widely used in disputes over the procurement of goods and services because it has advantages in terms of confidentiality and faster legal certainty than general courts.

The aggrieved party may file complaints or administrative disputes with the competent institutions, especially within the scope of government procurement of goods and services. The Government Goods or Services Procurement Policy Institute (LKPP) has an administrative dispute resolution mechanism that allows parties to file objections or appeals against decisions in the procurement process that are considered detrimental. In some cases, the Indonesian National Arbitration Board (BANI) is also often a dispute resolution forum for procurement contracts that are complex and involve international parties (Wibowo, 2025). In practice, the effectiveness of repressive legal protection is highly dependent on the evidence and documentation possessed by the aggrieved party. Good recording and documentation in each stage of procurement of goods and services is a key factor in strengthening the legal position of the aggrieved party when filing a claim. Contracts, work orders, handover minutes, and official correspondence between the parties can be strong evidence in legal proceedings, both in civil lawsuits and criminal charges.

Repressive legal protection for aggrieved parties in the procurement of goods and services includes various legal channels, both through civil lawsuits, criminal prosecutions, and alternative dispute resolution. Each mechanism has its own advantages and disadvantages, depending on the type of breach and the form of loss suffered by the aggrieved party. With effective legal protection, the procurement process of goods and services can run more fairly and accountably, and provide legal certainty for all parties involved.

# The Role of the Court in Resolving Disputes in the Procurement of Goods and Services

The court has a role in resolving disputes over the procurement of goods and services, especially when negotiation or alternative dispute resolution efforts do not achieve the expected results. In many cases, parties who feel aggrieved in the procurement of goods and services choose to take the litigation route to obtain justice and legal certainty. The court, through the judgments it produces, can resolve conflicts between the parties and can create a legal precedent that can be used as a reference in similar cases in the future.

In practice, disputes over the procurement of goods and services that enter the realm of the court are generally related to defaults or unlawful acts, either by the provider of goods or services or by the service user. For example, in a case where the contractor fails to fulfill the obligation to complete the work according to the contract, the service user can file a lawsuit in court to demand performance or damages. Goods and services providers can also file a lawsuit if service users commit defaults, such as delaying payment or unilateral cancellation of contracts that are not in accordance with legal provisions.

In resolving disputes, the court can look at the contractual aspects, and can consider the applicable regulations in the procurement of goods and services. In Indonesia, Presidential Regulation Number 16 of 2018 concerning the Procurement of Government Goods or Services and Law Number 2 of 2017 concerning Construction Services are often the legal basis in deciding cases related to the procurement of government goods and services. The judge refers to general legal principles, such as the principles of legal certainty, justice, and proportionality in assessing whether one party has committed a violation that harms the other.

Several court decisions in procurement disputes have set a major legal precedent and contributed to the formation of legal practice in this area. The Court emphasized the importance of transparency and accountability in the procurement process, so it serves as a warning for the parties to be more careful in carrying out their obligations.

The court plays a role in handling criminal cases related to the procurement of goods and services. It is not uncommon for abuse of authority in the procurement process, such as corrupt practices, collusion, and nepotism that cause state losses. In cases like this, the corruption court (Tipikor) has the authority to prosecute parties who are proven to have committed irregularities in the procurement of

government goods and services. Court decisions in corruption cases in the procurement of goods and services are often a reference for law enforcement in handling similar cases and provide a deterrent effect for perpetrators in this sector.

The role of the court in resolving disputes over the procurement of goods and services is also growing with efforts to digitize the judicial system and reform the dispute resolution mechanism. Currently, some courts have begun to implement e-court systems that allow case administration processes to be carried out electronically, thereby speeding up the litigation process and reducing the potential for abuse of procedures. Through this system, parties involved in disputes over the procurement of goods and services can file lawsuits and supporting files online, which certainly provides convenience in terms of time and cost efficiency.

Although the courts have a large role in resolving disputes over the procurement of goods and services, the litigation process is often considered a last resort due to its lengthy, complex, and cost-effective nature. Many contracts for the procurement of goods and services include arbitration clauses or other alternative dispute resolution mechanisms in an attempt to resolve disputes out of court. However, if the non-litigation settlement does not yield satisfactory results, the court remains the institution that has the authority to render a final and binding decision for the parties.

The courts play a very crucial role in resolving disputes in the procurement of goods and services and in establishing legal precedents that can be used as a reference in similar cases. The existence of court decisions that prioritize the principles of justice, transparency, and legal certainty, it is hoped that the practice of procurement of goods and services in Indonesia can be more professional and avoid various forms of irregularities. The role of the court in handling criminal cases related to the procurement of goods and services also provides a deterrent effect for perpetrators who try to commit abuse in the procurement process.

#### Alternative Dispute Resolution in the Procurement of Goods and Services

Disputes in the procurement of goods and services are often an obstacle to the smooth implementation of projects, both in the public and private sectors. Although the courts have the authority to resolve these disputes, the litigation process is often considered a last resort due to its lengthy, complex, and costly nature. Alternatives to out-of-court dispute resolution, such as mediation, arbitration, and negotiation, are becoming faster, more flexible, and more effective. These methods allow the parties to reach an agreement that benefits both parties without having to engage in lengthy legal proceedings.

One of the most commonly used dispute resolution methods is mediation, which is a process in which the disputing parties are assisted by a neutral mediator to reach an agreement that is fair and acceptable to both parties (Martinelli et al., 2024). In the scope of procurement of goods and services, mediation can be an effective solution when disputes relate to differences in contract interpretation, delays in the completion of work, or inconsistencies in the specifications of the goods and services provided. Mediators in this process are usually chosen from parties who have expertise in contract law or the procurement of goods and services, so that they can provide an objective view that helps the parties find the best solution. The main advantage of mediation is that it is more flexible and non-binding, so that the parties retain control over the final outcome achieved. The mediation process is confidential, allowing for dispute resolution without damaging the business relationship between the parties involved.

Arbitration is one of the dispute resolution mechanisms that is widely used in the procurement of goods and services, especially for high-value contracts or projects involving international parties. Arbitration is a more formal method of resolving disputes outside of court than mediation, where the final decision is binding and has the same legal force as a court decision. In arbitration, the parties agree to appoint one or more arbitrators who will examine the case and render a decision based on the facts and applicable law. One of the main advantages of arbitration is the speed of the process compared to litigation in court, as it is not bound by rigid and bureaucratic legal procedures. Arbitration is more

confidential, so as to avoid the negative impact of publication that may arise in court proceedings. In Indonesia, the Indonesian National Arbitration Board (BANI) is often an option for companies or government institutions in resolving disputes over the procurement of goods and services through arbitration (Yulwansyah & Nataatmadja, 2024).

Another method that is often used in resolving disputes over the procurement of goods and services is negotiation, which is the process in which the parties directly communicate to reach a mutually acceptable agreement without a third-party intermediary. Negotiation is often the first step in resolving disputes before moving on to other methods such as mediation or arbitration. In many cases, negotiations conducted in good faith and a professional approach can result in a quick and mutually beneficial solution without the need to involve external parties. The success of negotiations depends heavily on openness and willingness on both sides to find a fair solution, as well as a good understanding of the contract that has been agreed.

The main advantage of this dispute resolution alternative is its efficiency in terms of time and cost compared to litigation in court. In court proceedings, disputes can last for years before reaching a final verdict, while through mediation, arbitration, or negotiation, disputes can be resolved in a much shorter amount of time. Because the alternative dispute resolution process is more flexible and less formal, the parties have more room to reach a more creative solution that suits their individual needs.

While this alternative dispute resolution has many advantages, its success still depends on the willingness of the parties to cooperate and abide by the agreement reached. In some cases, especially those related to the public interest or alleged violations of the law, litigation in court remains the option to take. In the preparation of a contract for the procurement of goods and services, it is necessary to include a clear dispute resolution clause, including specifying alternative mechanisms to be used in the event of a dispute.

Alternative dispute resolution such as mediation, arbitration, and negotiation offers faster, more cost-effective, and more flexible solutions than judicial processes. By using these methods, the parties can resolve disputes over the procurement of goods and services in a more efficient way, maintain business relationships, and avoid the negative impact of a long and tiring legal process. This approach is increasingly being adopted in procurement contracts, both in the public and private sectors, as part of legal risk mitigation strategies in the procurement of goods and services.

## The Effectiveness of Regulations in Protecting the Disadvantaged Party

Regulations in the procurement of goods and services have an important role in creating legal certainty, transparency, and protection for the parties involved, especially for parties who suffer losses due to breach of contract or abuse of authority. In Indonesia, regulations regarding the procurement of goods and services have been regulated in various regulations, such as Presidential Regulation Number 16 of 2018 concerning the Procurement of Government Goods or Services and Law Number 2 of 2017 concerning Construction Services. Other regulations related to legal protection in procurement also include Law Number 31 of 1999 concerning the Eradication of Corruption, which affirms sanctions for perpetrators who commit fraud in the procurement of goods and services.

One of the main problems that often occurs is the lack of compliance with existing regulations, both by the providers of goods and services and by government agencies or companies that are service users. In practice, there are still often cases where the provider experiences a delay in payment from the government or service user companies, which causes financial losses for the provider. Regulations have regulated dispute resolution mechanisms and on-time payment obligations, the implementation is still often constrained by bureaucracy and weak supervision systems.

The aspect of transparency in the procurement process is also a crucial factor in determining the effectiveness of regulations. Although there have been regulations that require the procurement process to be carried out openly and competitively, the reality is that there are still many practices that are not in accordance with the principles of good governance. For example, there are cases where the winner of the tender has been determined from the beginning through a mechanism that is not transparent,

thus harming other parties who follow the tender process legally. In these conditions, aggrieved parties often find it difficult to obtain optimal legal protection because the available complaint and dispute resolution mechanisms are not fully effective.

The existence of regulations that regulate dispute resolution mechanisms is also one of the aspects that need to be evaluated in terms of its effectiveness in protecting the aggrieved party. Currently, the regulation of procurement of goods and services provides several dispute resolution channels, including through courts, arbitration, and administrative dispute resolution facilitated by the Government Goods/Services Procurement Policy Institute (LKPP). In practice, many parties are reluctant to take the legal route due to the long process and high costs (Mulyadi & Rahmawati, 2022).

The dispute resolution mechanism, the aspect of enforcing sanctions against violations in the procurement of goods and services is also the main factor in measuring the effectiveness of regulations. Existing regulations have actually regulated strict sanctions for those who commit violations, including fines, blacklisting, and criminal prosecutions in cases involving corruption or abuse of authority. These sanctions are not applied consistently, especially in cases involving parties with significant political or economic power. Existing regulations have not fully provided a deterrent effect for violators, which ultimately has an impact on weak protection for those who suffer losses.

#### **Case Studies**

Putusan Pengadilan Negeri Jember Nomor 52/Pdt.G.S/2022/PN Jmr merupakan salah satu Concrete examples of law enforcement in cases of default in government procurement contracts and services. In this case, Guntaryo Tri Indarto as the plaintiff sued PT. Pramudia Utama Group as a service provider for alleged default in the implementation of the contract for the procurement of goods. At the heart of this dispute is the defendant's non-compliance with the terms of the contract, where the defendant fails to deliver the goods according to the specifications and time that has been set. The trial process lasted for 166 days, with both sides presenting their respective evidence and arguments before a panel of judges.

The court considered that the defendant had indeed failed to fulfill its contractual obligations, so the plaintiff had the right to seek compensation. In his consideration, the judge not only focused on the financial losses suffered by the plaintiff, but also paid attention to the impact of the default on the broader development process, considering that the procurement of government goods and services has a strategic role in supporting national development. Therefore, an effective settlement mechanism is needed to protect the interests of the state while ensuring justice for the parties involved.

Normatively, the legal basis used in this decision refers to the Civil Code (KUHPerdata) and government procurement regulations for goods and services. Service providers who are proven to be in default can be subject to sanctions in the form of late fines, unilateral termination of contracts by the Commitment Making Officer (PPK), and demands for compensation in court. In this case, the court asserted that any breach of contract could lead to serious legal consequences, including claims for damages and other administrative sanctions.

This decision also explains how transparency and accountability in the management of procurement contracts are. The judge considers the evidence from both parties objectively, so the service provider must have complete and accurate documentation to support his claim or defense. The legal implications of this ruling are significant, not only for the parties to the dispute, but also for procurement practices nationwide. This decision strengthens the government's position as a service user to demand compensation for losses due to default, while providing a deterrent effect for undisciplined service providers. In addition, this decision is a lesson for all procurement actors to be more careful in drafting contracts and ensure the implementation of obligations appropriately and accountably.

#### 4. CONCLUSION

Legal protection for aggrieved parties in goods and services procurement agreements is a crucial aspect to ensure justice and legal certainty in the implementation of procurement, both in the public and private sectors. Problems that often arise, such as defaults, administrative errors, violations of the law, and differences in contract interpretation, have the potential to cause losses for one of the parties. Legal protection mechanisms are provided through two main approaches: preventive and repressive. Preventively, protection is realized through the preparation of clear, transparent, and regulatory contracts, so as to minimize the risk of disputes. Meanwhile, repressively, protection is provided through dispute resolution channels such as mediation, arbitration, or lawsuits to the court, where the aggrieved party can demand the implementation of performance, compensation, or termination of the contract. However, the effectiveness of this legal protection still faces challenges in the form of regulatory uncertainty and less transparent practices, so it is necessary to improve the procurement system to ensure justice and optimal protection for the aggrieved parties in every procurement agreement for goods and services.

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