

Original Article

# Improving Contract Monitoring Process at JOB Kasyaira

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**Abstract:** *This research comprehensively addresses the issues surrounding the contract monitoring process in Indonesia's oil and gas industry, specifically focusing on the case of JOB Kasyaira. The study delves into the reasons why the issues need to be studied, highlighting the significance of contract management, contract monitoring, and performance monitoring in the procurement process. The background of the industry, the procurement process, and the company profile are thoroughly discussed to provide a contextual understanding. The narrative analysis method is employed to understand the structure, content, and context of the current contract monitoring process at JOB Kasyaira. The literature review covers theoretical foundations such as contract management and contract monitoring, providing a comprehensive theoretical framework for the study. The proposed implementation plan, aligning with frameworks from the International Association of Oil & Gas Producers (IOGP) and the United Nations (UN) Procurement Handbook, is presented to address the limitations and challenges of the current process and improve overall contract monitoring at JOB Kasyaira. The research aims to contribute to the science by providing actionable insights for improving the contract monitoring process, aligning with the research questions and objectives outlined in the study.*

**Keywords:** *Contract Management, Contract Monitoring, Contract Performance, Upstream Oil and Gas Industry.*

## I. INTRODUCTION

The oil and gas industry in Indonesia has been a critical driver of Indonesia's economic growth, contributing substantially to government revenues and offering employment opportunities. This industry holds a broad and pivotal role in Indonesia's business landscape. Indonesia is endowed with significant oil and natural gas reserves, making it a notable player in the global energy market. These reserves have long been a source of economic growth and government income. The upstream segment, encompassing exploration and production, dominates the industry.

In the realm of upstream oil and gas activities in Indonesia, the process spans from exploration to production. Initial exploration involves seismic exploration, drilling activities, and comprehensive studies. Subsequent stages include appraisal drilling for assessment and commercialization, involving engineering/screening, FEED (Front End Engineering Design), AMDAL & HSSE (Environmental Impact Assessment & Health, Safety, Security, and Environment), facility construction, and development drilling, typically spanning 3 to 6 years (SKK Migas, 2023).

Procurement in the upstream oil and gas industry in Indonesia involves the acquisition of goods and services necessary for the exploration, drilling, and production of oil and natural gas. Management of goods and services in Indonesia upstream oil and gas companies must have guidelines or rules. Under SKK Migas, the Indonesian government issues procurement regulations for those companies. The entire procurement procedure for the Indonesian Oil and Gas Company is outlined in PTK 007. Management of the contractor and supply chain and cooperation must be run according to existing guidelines. PTK 007 provides a detailed breakdown of the process, including its duration and the sequential steps involved, from the initial planning stage to the final signing of the contract.

Joint Operating Body (JOB) Kasyaira (undisclosed name) is one of the Cooperation Contract Contractors (KKKS) under the supervision of SKK Migas, which carries out operational activities for the upstream oil and gas sector in the working area with the main task of carrying out oil & gas exploration and production activities of natural gas under the supervision of SKK Migas. To perform their oil and gas exploration and production activities, JOB Kasyaira has a Supply Chain Management Department, and one of their functions is responsible for the company's supply chain process. In performing their business, the SCM department at JOB Kasyaira has the job of finding and obtaining goods and services or works from external sources to meet the needs by carrying out procurement activities.

JOB Kasyaira's procurement division oversees various activities, from contractor selection to project completion. Despite heavy reliance on contracts, the company lacks a proper contract management procedure, impacting compliance and collaboration. Current monitoring processes involve sporadic performance reviews, focusing on budget and timeline adherence. This inadequacy affects not only procurement but all contract users and external contractors. Delays in monitoring lead to



increased Change of Order Requests, disputes, and subpar work. The contract performance analyst struggles to track contractor performance, lacking proper tools. Contractors face challenges without an objective assessment and measurable performance targets. Implementing a proper monitoring system is crucial for effective contract management, ensuring compliance, collaboration, and successful project completion.

Based on the issue described in the introduction, this research is trying to answer the research questions below:

1. What is the current condition of the contract monitoring process at JOB Kasyaira?
2. What improvement is proposed to ensure contract monitoring is done properly and measurable at JOB Kasyaira?

## II. LITERATURE REVIEW

### A) Contract Management

Lowe defined contract management as an arrangement in which two parties exchange promises of one doing something for the other in exchange for a consideration, typically money, and which imposes duties on both parties to carry out their end of the bargain (Lowe, 2004). This contract management process starts with identifying the purchaser's needs and concludes with the completion of the contract. Oluka and Basheka explain that a successful and efficient contract management process will help contract parties meet stakeholders' needs, achieve the best value for money, manage the potential risks and liabilities and improve service delivery (Oluka & Basheka, 2014). Similar to the previous understanding, the United Nations Handbook for Procurement Practitioners defined contract management as a broader and more strategic concept that covers the whole procurement cycle, including planning, formation, execution, administration and closeout of a contract and goes beyond the day-to-day "administrative" activities in the procurement cycle (United Nations, 2017).

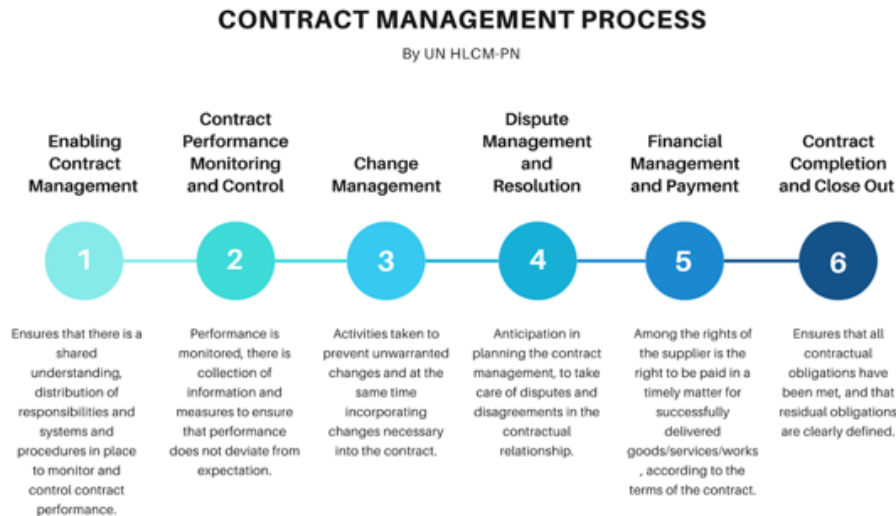


Figure 1: Contract Management Process

### B) Contract Monitoring

Contract monitoring can be defined as a process of ensuring that a vendor adequately performs a contracted service (Hinton, 2003). In his report, Hinton specifically explained that when a state agency contracts out the performance of a service to a vendor, the agency remains responsible for ensuring the work is performed satisfactorily, and government funds are used appropriately. Ultimately, the state agency is responsible for the consequences of poor performance, whether the agency or a vendor provided the service. According to the PTK PP7, the contract owner is responsible for overseeing the contract's implementation in compliance with regulations, legislation, engineering standards, and specified provisions. This includes ensuring work adherence to contract terms, evaluating and guiding contract executors, managing costs and time, overseeing PLK (Pekerjaan Lainnya dan Kegiatan), ensuring compliance with import duty regulations, supervising and verifying TKDN (Tingkat Komponen Dalam Negeri) values, and promoting commitments to work locations and cooperation with local entities (SKK Migas, 2023). Additionally, the contract owner must ensure payment fulfillment, prepare periodic reports, manage guarantees, and handle the administrative and documentary aspects of contract implementation, including evaluation and closure, in accordance with archival regulations.

### **C) IOGP and IPIECA OMS Framework**

The framework comprises Four Fundamentals and Ten Elements, including monitoring, reporting, and learning. According to the OMS framework, effective risk controls and operations require thorough monitoring and accurate reporting for successful implementation (IOGP & IPIECA, 2014). IOGP divides monitoring into verification, inspections (monitoring), and audits, each serving specific purposes in evaluating compliance and performance. Checks to ensure scheduled Verification and Monitoring activities are crucial in contractor management, promoting safety and performance improvement. The plan should outline a systematic verification schedule, integrating various checks to prevent redundancy and specifying the frequency, personnel, and procedures for addressing non-conformities. Establishing Key Performance Indicators (KPIs) is a collaborative effort between clients and contractors to measure monitoring efficiency (IOGP & IPIECA, 2014). Formal joint HSE performance meetings, including on-site meetings, are essential for evaluating progress and reviewing agreed-upon KPIs.

### **D) UN Procurement Practitioners Handbook**

The UN handbook gave guidelines on managing contracting work from the contract enabling to the contract completion. Nonetheless, this explanation will focus on the monitoring process. The resources devoted to monitoring the nature, size, and complexity of the contract work and the available resources will determine the tasks and methods employed. In the case of small, straightforward, non-critical contracts, occasional phone calls may suffice to ensure that everything is progressing as planned (United Nations, 2017). However, large and more complex contracts may require extensive reports, regular progress meetings, formal testing, and technical reviews and audits to ensure adherence to service-level agreements.

To ensure there are no failures for either party to fulfill the contract, the company must include clear and reasonable KPIs, hold regular inspections/meetings, and ensure progress reports (United Nations, 2017). In performance-based contracts, performance indicators established during the planning phase and mutually accepted in the contract are utilized to oversee performance. In certain instances, the supplier's quality assurance plan may serve as a foundation for monitoring their performance. The observation and collection of information should focus on four key control points: cost control, schedule control, adherence to specifications, terms of reference, and statement of work (quality assurance and control), compliance with terms and conditions, paperwork requirements, and administrative aspects of performance.

## **III. RESULTS AND DISCUSSION**

### **A) Current Contract Monitoring Process at JOB Kasyaira**

Interviews will be used to picture the current contract monitoring process as it is the most appropriate method to collect data since primary document data is unavailable as JOB Kasyaira has not documented the contract monitoring procedures they are using. For this research, in-depth semi-structured interviews will be used to obtain the flexibility of in-depth interviews while still utilizing guidelines to ensure the data are obtained. Interview participants will be chosen based on a homogenous type of sampling, where participants are focused and simplified into individuals who have direct contact with business issues that are happening in order to help best the research questions (Creswell & Creswell, 2018). Interview participants for this research will be focused on people who have direct experience with contract management in the company, 2 of them are chosen:

- Mr. A from the Procurement Division is positioned as the Head of Procurement with 19 years of experience in the Indonesian oil and gas procurement industry.
- Mr. B, from the System and Planning Division, is positioned as the Contract Performance Analyst with 6 years of experience in the oil and gas contract performance function.

For the secondary data source, the research was then carried out using data collection techniques sourced from documents. This research will use several types of documents, such as company reports, contract reports, and procurement documents. Company reports, such as annual reports and sustainability reports available on the company website, will be used to describe the industry situation and explore business issues. Further, contract reports and procurement documents shared by the procurement division will also be used to analyze the problem and answer the research questions. The data obtained regarding the actual conditions of contract monitoring currently used at JOB Kasyaira will be explained based on the UN Procurement Practitioner Handbook framework and will be divided into 6 phases, that is stated below:

#### **a. Enabling Contract Management**

Before tendering, contract users at JOB Kasyaira engage with qualified vendors on CSMS to discuss financial matters and budgeting, preparing for the tender process. Additionally, a risk assessment, based on PTK007, evaluates human, asset, environmental, and reputation risks to guide the tender criteria. The outcomes (high, medium, or low risk) influence the next tender steps.

Following the planning phase, JOB Kasyaira proceeds to the Pre-Qualification (PQ) stage. CIVD assesses contractor licensing and company administration, while CSMS evaluates safety management. PQ examines contractors' business field, financial performance, and experience on similar jobs. Qualified contractors advance to the tender process, where pricing,

technical and administrative qualifications are compared. The chosen contractor moves to the awarding phase, preceded by a kick-off meeting to align understanding.

A kick-off meeting follows the tender win involving JOB Kasyaira's technical, project management, and procurement representatives. Responsibilities, obligations, and performance monitoring are discussed. The meeting determines the frequency of monitoring sessions and reporting based on contract value and duration. Key individuals responsible for activities are appointed during this meeting.

#### **b. Contract Performance Monitoring and Control**

The performance assessment plan agreed upon at the kick-off meeting with winning contractors and JOB Kasyaira representatives are dynamic and contingent on consensus. Contract nature (value and duration) dictates the monitoring frequency. Short-term contracts (1 year) report weekly, while longer-term contracts (over 1 year) report biweekly, with flexibility based on circumstances.

Project users focus on ensuring PTK007 compliance during contract monitoring. Control measures address violations, and contracts adhering to PTK007 are rated as good. Violations result in warnings and sanctions per PTK007 categories, potentially leading to contract termination with associated costs and procurement process repetition. The lack of measurable targets in monitoring leads to subjective assessments. Although some assessment plans may outline contractor performance metrics, JOB Kasyaira lacks set quantifiable targets. Technical monitoring relies on on-site personnel reporting progress to contract users, with on-site technical staff ensuring HSE compliance.

#### **c. Change Management and Dispute Management**

If any changes occur in executing the contract, the discussion will be the priority measure to ensure that changes can be made without harming either party. Contract change can be proposed by the contractor or by JOB Kasyaira and amendment is possible when both parties agree. Amendments documents need to be made in response to any change that agreed to update the previous contract. Contract changes that may usually occur are cost change (additional cost for the job signed or other price adjustments), scope of work change (if there is any emergency, crisis, or force majeure), time period change (extension of period), and volume of work change.

Dispute resolution is similar to change management; whenever problems arise, both parties are encouraged to have some discussion on how to resolve the issue. Most of the disputes happening at JOB Kasyaira are solved using negotiation and mediation, resulting in a contract amendment. Follow-up amendments document also needs to be made if the dispute resolution results in a change of the contracts.

#### **d. Financial Management and Payment**

All contract payments in JOB Kasyaira did not use advance payment as the contractor screening for their financial capability is done in the tender process. The winning contractors are expected to execute the activity or deliver the goods before getting paid. Other payment options outside advance payment can be chosen and agreed on at the kick-off meeting.

#### **e. Contract Completion and Close Out**

Upon completion of the contract, contractors need to fill out the contract evaluation form as below. The form is used to evaluate the performance of the contractors by rating HSE performance, personnel competencies, equipment and materials, and performance of work and services. Performance evaluation will be rated using points from 1 to 5, 1 being unsatisfactory and 5 being excellent. Contract users will ensure that the contractor does not violate the agreed clause.

After filling out the evaluation form, the procurement function will review and approve the performance report. Approval from the procurement function will be the requirement for the contractors to obtain the payment. If the performance result from the completion assessment is unsatisfactory, it only affects the contractor's record in the system. The record from the contract performance evaluation at the end of the contract will be used for further reference in the tender process of the next similar job activity.

### ***B) Proposed Implementation Plan to Improve Contract Monitoring Process at JOB Kasyaira***

This proposed implementation plan has been discussed and approved by Mr. A and Ms. B from JOB Kasyaira. It is also tailored to resource availability at JOB Kasyaira, and all of the activities and duration mentioned have been confirmed feasible to be implemented. The implementation plan below will describe in detail how JOB Kasyaira can improve its contract execution monitoring process to address the identified problems and limitations, aiming to improve the overall contract monitoring at JOB Kasyaira.

Considering current resources at JOB Kasyaira, where there are only 3 contract performance analysts to monitor the contracts, the implementation plan needs to be tailored to the company's feasibility. Directly implementing the procedure from

the other framework will not be feasible and not ideal for JOB Kasyaira. Some principles should be implemented to improve the current contract monitoring process, mainly:

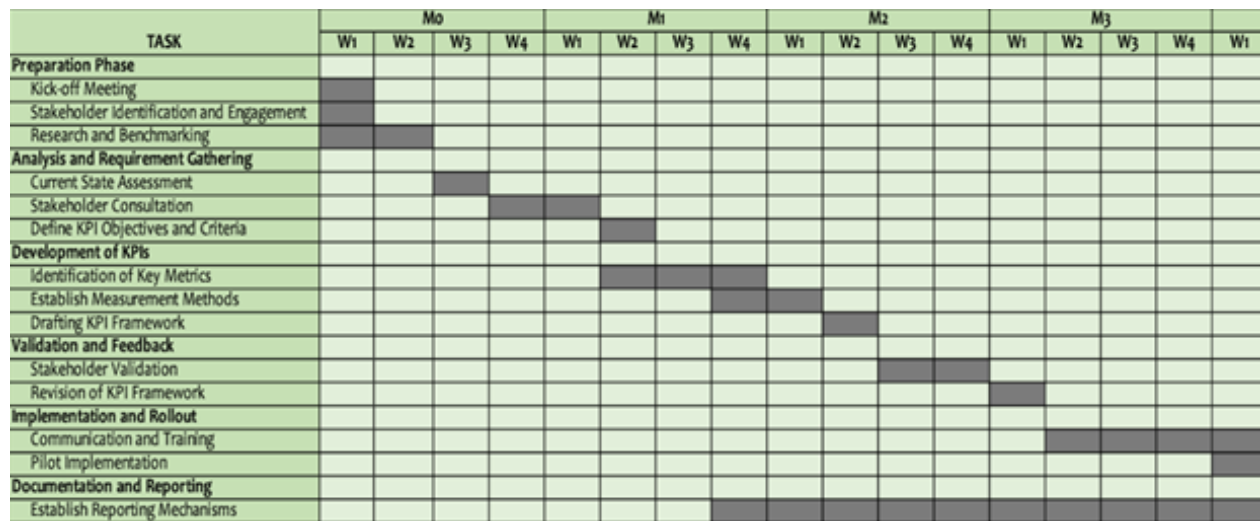
#### a. Establish Clear Performance Indicators

Develop and agree upon clear Key Performance Indicators (KPIs) during the planning stage and incorporate them into the contract monitoring process. These KPIs should be measurable, specific, attainable, relevant, time-based, and aligned with the contract's objectives. KPIs for contract execution monitoring are essential to track the progress and success of contractual agreements. JOB Kasyaira can consider the below example of KPIs for contract monitoring:

**Table 1: Recommendation of Contract Monitoring KPIs**

Components	KPI	Measurement
Time and Duration	On-time delivery of goods/services.	Percentage of contracts completed on or before the scheduled delivery date.
Compliance	Adherence to contract terms and conditions.	Percentage of contracts in compliance with agreed-upon terms and conditions.
Quality	Quality of delivered goods/services.	Number of defects or errors per unit, customer satisfaction surveys.
Cost Performance	Cost control and budget adherence.	The variance between planned and actual costs for contract execution.
Risk Management	Identification and mitigation of risks.	Number of identified risks, percentage of risks mitigated.
Communication	Effective communication between parties.	Frequency of communication, resolution time for issues, and feedback from stakeholders.
Contract Renewal Rate	Successful contract renewals.	Percentage of contracts renewed successfully.
Performance Metrics	Achievement of performance metrics outlined in the contract.	Comparison of actual performance against agreed-upon metrics.
Customer Satisfaction	Satisfaction of involved parties.	Surveys, feedback, and complaints resolution time.
Completion Time	Timely completion of milestones or phases.	Percentage of milestones completed on or before the scheduled date.
Performance Review	Regular performance reviews.	Frequency and effectiveness of performance reviews.
Contractual Changes	Management of contract changes and amendments.	Number of change requests, time taken to process changes.
Legal Compliance	Adherence to legal requirements and regulations.	Number of legal issues and compliance audits.

To establish KPIs in contract monitoring, JOB Kasyaira can use below 17 weeks of establishing contract monitoring KPIs implementation plan:



**Figure 2: Gantt Chart for Establishing Contract Monitoring KPIs**

The table below will explain activity on every step along with the duration to establish contract monitoring KPIs:

**Table 2: Establishing Contract Monitoring KPIs Plan**

Phase	Activity	Objective
Preparation (Duration: 2 weeks)	Kick-off Meeting	Introduce the project, discuss goals, and assign roles.
	Stakeholder Identification and Engagement	Identify key stakeholders and engage them in the process.
	Research and Benchmarking	Conduct a thorough review of industry best practices and benchmarking studies related to contract monitoring KPIs.
Analysis and Requirements (Duration: 4 weeks)	Current State Assessment	Assess the current contract monitoring process at JOB Kasyaira and identify strengths, weaknesses, and areas for improvement.
	Stakeholder Consultation	Engage with stakeholders to gather their perspectives on necessary KPIs.
	Define KPI Objectives and Criteria	Clearly define the objectives for contract monitoring and establish criteria for effective KPIs.
Development of KPIs (Duration: 6 weeks)	Identification of Key Metrics	Identify specific metrics that align with the defined KPI objectives and criteria.
	Establish Measurement Methods	Determine how each KPI will be measured and tracked.
	Drafting KPI Framework	Create a framework outlining each identified KPI, purpose, measurement method, and target benchmarks.
Validation and Feedback (Duration: 3 weeks)	Stakeholder Validation	Present the draft KPI framework to stakeholders for validation and feedback.
	Revision of KPI Framework	Incorporate feedback and make necessary revisions to the KPI framework.
Implementation and Rollout (Duration: 4 weeks)	Communication and Training	Develop communication materials and conduct training sessions to ensure a smooth transition to the new KPI.
	Pilot Implementation	Implement the new KPI framework on a pilot basis to identify and resolve any potential issues.
Documentation and Reporting (Duration: Ongoing)	Establish Reporting Mechanisms	Define reporting formats and frequency for communicating KPI results to stakeholders.

#### b. Regular Monitoring Control

The IOGP recommends monitoring and quality oversight based on supplier and contractor capabilities, considering associated risks. Aligned with the UN Procurement Handbook, this ensures contractors meet standards. JOB Kasyaira should implement a prioritization level in the tender process for effective monitoring. This guides appropriate monitoring measures based on contract importance, optimizing resource efficiency. The implementation plan details steps for utilizing prioritization levels.

##### i. Planning:

Risk assessment is done in the planning process to define priority levels in the next phase. For contractors, risk assessment is done using CSMS to assess their safety management capability. For the job requested, risk assessment is done using a risk assessment form derived from PTK007 that has already been explained before. The result of this assessment will be used in assigning contract priority levels. Ensuring everyone is aware of their obligations and liabilities concerning risk management is the main goal of the risk assessment process. This will ensure clear roles and responsibilities, effective communication and engagement, and alignment of business objectives with health risk management.

##### ii. Tender Process:

After passing the pricing, administrative, and technical qualifications, contractors will move to the awarding phase, where they sign the contract and go to the kick-off meeting. The contract priority level will also be assigned in this stage. As the risk has been evaluated, the degree of risk will be categorized using risk rating systems such as the risk assessment matrix above. After receiving results on the associated risks, sort the contracts and prioritize them into a prioritization level that considers components such as contract risk, contract value, and market availability. 3 levels will be used to rate these components (high, medium and low), which will be explained in the table below:

**Table 3: Indicators for Priority Components**

Priority Components	Indicators
Contract Risk	<b>High Risk, Medium Risk, Low Risk</b> (This level of risk is obtained from risk assessments that are already done in the

	planning phase)
<b>Contract Value</b>	<b>High Value:</b> Contract value is more than US\$5,000,000 (USD 5 million) / Rp. 50,000,000,000 (IDR 50 billion)
	<b>Medium Value:</b> Contract value is more than US\$500,000 (USD 5 hundred thousand) / Rp. 5,000,000,000 (IDR 5 billion) until US\$5,000,000 (USD 5 million) / Rp. 50,000,000,000 (IDR 50 billion)
	<b>Low Value:</b> The contract value is more than US\$100,000 (USD 1 hundred thousand) / Rp. 1,000,000,000 (IDR 1 million) until US\$500,000 (USD 5 hundred thousand) / Rp. 5,000,000,000 (IDR 5 billion)
<b>Market Availability</b>	<b>High Availability, Medium Availability, Low Availability</b> Assess market availability on the same contracting job: <ul style="list-style-type: none"> <li>• <b>High availability</b> means similar contracting jobs are widely available on the market; therefore, <u>low switching cost</u></li> <li>• <b>Medium availability</b> means a similar contracting job is available on the market; therefore, <u>low to medium switching cost</u></li> <li>• <b>Low availability</b> means similar contracting jobs are rare and not available on the market; therefore, <u>high switching cost</u></li> </ul>

The 3 levels were then assigned a numerical value of 3 for the high level, 2 for the medium level, and 1 for the low level in contract risk and contract value components. For market availability, the value is started on 1 for high availability, 2 for medium availability, and 3 for low availability. Categorize the contract into priority levels by calculating the contract score, considering the numerical value:

**Table 3: Numerical Value for Components Level**

Level	Risk	Value	Availability
High	3	3	1
Medium	2	2	2
Low	1	1	3

Calculate the total score for each contract by summing the numerical values across the three components. This total score represents the overall prioritization level. To define the priority level for each contract, a threshold below will be used:

- High Priority: Total Score > 7
- Medium Priority:  $6 < \text{Total Score} \leq 4$
- Low Priority: Total Score  $\leq 3$

**Table 4: Result of Priority Level Calculation**

Contract	Risk	Value	Availability	Total Score	Priority Level
Contract1	2	3	2	7	High
Contract2	1	1	2	4	Medium
Contract3	1	1	1	3	Low

Contracts with higher total scores are deemed a higher priority. This priority level will then be used to decide what monitoring measures are needed with resources available at JOB Kasyaira. In the kick-off meeting of the awarding process, identify the need for a more thorough risk assessment and rank possible concerns as high, medium, or low.

Other than prioritizing contracts, JOB Kasyaira also needs to ensure clear and reasonable KPIs are agreed upon and understood by both parties in the awarding process. Incorporate those KPIs into a performance assessment plan to help the performance analysts in the execution phase. Make sure contractors and contract users understand how the KPIs will be measured when to measure them, and who will measure them.

### iii. Execution:

Monitor and control the contracts based on the priority level assigned in the tender process. For contracts with high priority levels, monitor closely the contract with regular monitoring by having progress meetings and on-site inspections. Involve the senior project manager or general manager in the formal progress meeting. If any problems occur, take preventive action immediately to ensure the problem is solved. For contracts with a medium priority level, regular monitoring by having progress meetings can be reduced in time, more dynamic following the nature of the contract, and on-site inspections are not really necessary.

For contracts with low priority levels, regular monitoring can be done by progress reports, and progress meetings can be held as needed. Rather than on-site inspections, contract users can focus more on written reports to make sure the activity is being delivered as agreed on the contract. Incorporate the agreed KPIs into the progress report and monitor the regular achievement of those KPIs.

**Table 5: Monitoring Measures for Each Priority Level**

Priority Components	Indicators
<b>High Priority</b> Assign: Senior Project Manager, GM	<ul style="list-style-type: none"> <li>• <b>Regular progress meeting</b> <ul style="list-style-type: none"> <li>➢ Per 3 months by manager</li> <li>➢ The annual meeting involving senior manager</li> <li>➢ Pre-completion meeting involving senior manager</li> </ul> </li> <li>• <b>On-site inspection</b> <ul style="list-style-type: none"> <li>➢ Involve SCM / Procurement representatives</li> </ul> </li> <li>• <b>Regular written reports and documents</b></li> </ul>
<b>Medium Priority</b> Assign: Project Manager	<ul style="list-style-type: none"> <li>• <b>Regular progress meeting</b> <ul style="list-style-type: none"> <li>➢ Per 6 months by the manager</li> <li>➢ Pre-completion meeting involving the manager</li> </ul> </li> <li>• <b>Regular written reports and documents</b></li> </ul>
<b>Low Priority</b> Assign: Project Manager	<ul style="list-style-type: none"> <li>• <b>Regular progress meeting</b> <ul style="list-style-type: none"> <li>➢ Once or twice during the contract execution involving the project manager</li> </ul> </li> <li>• <b>Regular written reports and documents</b></li> </ul>

## IV. CONCLUSION

### A) Conclusion

It can be concluded that the current condition of the contract monitoring process at JOB Kasyaira is characterized by subjective monitoring with irregular meetings between the contract users and the contractor. It delves into the structure, content, and context of the existing process, which involves pre-qualification, tender process, awarding process, execution, and controlling process. The lack of structured performance measurement and regular progress meetings has impacted the supply chain function, and improvements in the procedure for contract monitoring are needed. This approach contrasts with the ideal contract monitoring process outlined by the IOGP OMS and UN frameworks, which emphasize the need for extensive reports, regular progress meetings, formal testing, and technical reviews and audits to ensure adherence to service level agreements and compliance with terms and conditions.

The proposed strategy emphasizes the importance of risk assessment and prioritization of contracts by introducing Key Performance Indicators (KPIs) and a structured approach encompassing preparation, analysis, development, validation, implementation, and reporting. This approach is expected to lead to improved contract management, ensuring compliance with legal standards and facilitating successful contract renewals. The findings of this hopefully can contribute valuable insights to the field and serve as a guide for practitioners seeking to optimize contract monitoring processes in the oil and gas industry.



## B) Recommendations

To improve the contract monitoring process at JOB Kasyaira, stakeholders involved in the contract monitoring process should actively engage in the implementation of the new framework. Training sessions for contract users and contractors are important to instil an understanding of the updated process, focusing on the introduced priority levels based on contract risk, value, and availability. Additionally, regular progress meetings, on-site assessments, safety committee meetings, and risk assessment reviews during crew changes should be prioritized to enhance communication and ensure effective contract monitoring. Incorporating performance metrics is essential for objective evaluation, and establishing a continuous improvement mechanism will further refine practices based on stakeholder feedback. By adhering to these recommendations, JOB Kasyaira can improve its contract monitoring process, aligning it with industry best practices and fostering improved efficiency and compliance.

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