

## Validity of Collective Agreements in Village Development Cooperation Involving Contractors as Third Party

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### Abstract

*The aims of this study are to find out Validity of Collective Agreements in Village Development Cooperation Involving Contractors as Third Party. The type of research used to discuss this problem is normative juridical. The result shows that Cooperation between contractors as third parties and village administrators can be carried out with due regard to the principles of the law of engagement. In the agreement there is a consensus which states that the parties are bound in an agreement and give birth to rights and obligations for the parties. In village development cooperation involving contractors as third parties, it must have been stated in the village RKP in the previous year and the latest was made in September. This RKP is also supported by community participation and knowing the funds owned by the village for development cooperation with contractors. The contractual relationship between the contractor and the village administrator is a public contract that does not only pay attention to the principle of consensus in civil law.*

### Keywords

validity of collective;  
agreements; village  
development



### I. Introduction

Villages based on the provisions of Article 1 point 1 of Law Number 6 of 2014 concerning Villages (hereinafter referred to as the Village Law) are defined as traditional villages and villages or what are called by other names, hereinafter referred to as villages, are legal community units that have territorial boundaries that are has the authority to regulate and manage government affairs, the interests of the local community based on community initiatives, origin rights, and/or traditional rights that are recognized and respected in the system of government of the Unitary State of the Republic of Indonesia. The village is one of the autonomous regions that is at the lowest level of the regional autonomy hierarchy in Indonesia, the village is the lowest government unit. One form of village government affairs that is under the authority of the village is village financial management. According to Suhartono, the general characteristics of the village are:

1. Generally located or very close to the center of the agricultural (agricultural) area,
2. In the region, agriculture is the dominant economic activity,
3. Land tenure factors determine the life style of the community, (4) unlike in cities or big cities where most of the residents are immigrants, the rural population is more "replaced by itself", (5) social control is more informal and the interaction between villagers is more personal in the form of face-to-face, and
4. Has a relatively high level of homogeneity and relatively tighter social ties than cities.

Villages are formed on the initiative of the community by taking into account the origins of the village and the socio-cultural conditions of the local community. Village

formation must meet several requirements in accordance with Article 8 paragraph (3) of the Village Law, including:

- (1) Population, namely:
  - a. Java area at least 6,000 (six thousand) people or 1,200 (one thousand two hundred) heads of families;
  - b. the area of Bali at least 5,000 (five thousand) people or 1,000 (one thousand) heads of families;
  - c. the territory of Sumatra at least 4,000 (four thousand) people or 800 (eight hundred) heads of families;
  - d. areas of South Sulawesi and North Sulawesi at least 3,000 (three thousand) people or 600 (six hundred) heads of families;
  - e. the territory of West Nusa Tenggara at least 2,500 (two thousand five hundred) people or 500 (five hundred) heads of families;
  - f. areas of Central Sulawesi, West Sulawesi, Southeast Sulawesi, Gorontalo, and South Kalimantan at least 2,000 (two thousand) people or 400 (four hundred) heads of families;
  - g. the areas of East Kalimantan, West Kalimantan, Central Kalimantan and North Kalimantan are at least 1,500 (one thousand five hundred) people or 300 (three hundred) families;
  - h. the regions of East Nusa Tenggara, Maluku and North Maluku at least 1,000 (one thousand) people or 200 (two hundred) heads of families; and
  - i. areas of Papua and West Papua at least 500 (five hundred) people or 100 (one hundred) heads of families.
- (2) work areas that have access to inter-regional transportation;
- (3) socio-cultural that can create social harmony in accordance with village customs;
- (4) has potential which includes natural resources, human resources, and supporting economic resources;
- (5) village area boundaries stated in the form of village maps that have been stipulated in the regent/mayor regulations;
- (6) facilities and infrastructure for village government and public services; and
- (7) the availability of operational funds, fixed income, and other allowances for village government officials in accordance with the provisions of laws and regulations.

Based on the definitions of the village above, the village has its own autonomy and territorial boundaries to regulate and manage the interests of the village community itself. With the enactment of the Law on Villages, villages are required to be independent in carrying out their government affairs, especially in managing village finances. The source of village income that comes from village original income is a form of village independence in managing finances. So that the village does not depend on the transfer of funds from the local government or the central government. The lowest government unit in the State of Indonesia is the village. The concept of the village as a social entity is very diverse, namely according to the intent and point of view that will be used in viewing the village. The term village can be a concept without political meaning. The village has its own government, which is called the village government. This village government is the administration of government affairs by the village government and village consultative bodies in regulating and managing the interests of the local community based on local origins and customs that are recognized and respected in the system of the Government of the Unitary State of the Republic of Indonesia. The implementation of village government is a subsystem of the government administration system, so that the village has the authority to regulate and manage the interests of its people. In village development, it is

hoped that it must go through the village community, as has also been stated by Article 54 of the Village Law:

- (1) The Village Deliberation is a deliberation forum that is participated by the Village Consultative Body, the Village Government, and elements of the Village community to discuss strategic matters in the administration of Village Government.
- (2) The strategic matters as referred to in paragraph (1) include:
  - a. Village arrangement;
  - b. Village planning;
  - c. Village cooperation;
  - d. investment plans that enter the Village;
  - e. establishment of BUM Desa;
  - f. addition and disposal of Village Assets; and
  - g. extraordinary event.
- (3) The Village Deliberation as referred to in paragraph (1) shall be held at least once in 1 (one) year.
- (4) The Village Deliberation as referred to in paragraph (1) shall be financed from the Village Revenue and Expenditure Budget.

The authorities owned by the village encourage the village to be more independent, creative and innovative in an effort to improve the welfare of its community, namely by generating initiatives and potentials of existing resources. In carrying out the wheels of government, the village is obliged to be able to improve development, public services and implement village financial management in a good, transparent, and accountable manner. In Article 1 point 8 of Government Regulation Number 47 of 2015 concerning Amendments to Government Regulation Number 43 of 2014 concerning Implementing Regulations of Law Number 6 of 2014 concerning Villages it is explained that what is meant by village funds are funds sourced from the state budget of revenues and expenditures. earmarked for villages that are transferred through the district/city regional revenue and expenditure budget and used to finance government administration, development implementation, community development, and community empowerment. Village development has stages starting from:

1. Planning
2. implementation, until
3. village development monitoring.

In Article 121 paragraph (3) of Government Regulation Number 43 of 2014 concerning Implementing Regulations of Law Number 6 of 2014 concerning Villages (hereinafter referred to as PP 43 of 2014), the implementation of development prioritizes the use of human resources and natural resources in the village as well as empowering self-help and community cooperation. In addition, village development is coordinated by the village head and carried out by village officials and/or elements of the village community. Based on the description above, the development of village infrastructure is carried out by the apparatus and/or elements of the village community and prioritizes empowering self-help and community cooperation. The village development process does not close the scope for the involvement of third parties as long as there is a cooperation agreement or joint regulation. This is stated in Article 143 paragraph (1) of PP 43/2014 which explains that village cooperation is carried out between villages and/or with third parties. "Third parties" in the Elucidation of Article 128 paragraph (2) of PP 43 of 2014 are non-governmental organizations, universities, community organizations or companies whose financial sources and activities do not come from the government, provincial government, regency/municipal government and/or village. Cooperation with third parties is regulated

in a collective agreement if it is carried out with a third party and a joint regulation with the village head if it is carried out between villages, which contains: "Third parties" in the Elucidation of Article 128 paragraph (2) of PP 43 of 2014 are non-governmental organizations, universities, community organizations or companies whose financial sources and activities do not come from the government, provincial government, regency/municipal government, , and/or village. Cooperation with third parties is regulated in a collective agreement if it is carried out with a third party and a joint regulation with the village head if it is carried out between villages, which contains: "Third parties" in the Elucidation of Article 128 paragraph (2) of PP 43 of 2014 are non-governmental organizations, universities, community organizations or companies whose financial sources and activities do not come from the government, provincial government, regency/municipal government, , and/or village. Cooperation with third parties is regulated in a collective agreement if it is carried out with a third party and a joint regulation with the village head if it is carried out between villages, which contains:

- a. scope of cooperation
- b. cooperation field
- c. procedures and conditions for the implementation of cooperation
- d. time period
- e. rights and obligations
- f. funding
- g. procedures for changes, postponements, and cancellations
- h. dispute resolution.

Based on the description above, the contractor (company) as a third party is allowed to carry out infrastructure development funded by village funds as long as it is regulated in a collective agreement. An agreement or contract is one of the legal bases that gives rise to an engagement. The definition of "commitment" according to the doctrine (experts) is a relationship in the field of assets between two (or more) people, where one party (the debtor) is obliged to perform an achievement, while the other party (the creditor) is entitled to that achievement. Not all agreements result in an engagement, only agreements that are classified as obligatory agreements. An obligatory agreement is an agreement that creates obligations for the parties involved. This engagement is a legal relationship between two or more parties in the field of assets, where one party is obliged to fulfill the performance (the debtor) and the other party is entitled to the achievement in question (the creditor). Starting from the core of the engagement above, the description can briefly be explained, that what is meant by legal actions is nothing but actions that cause legal consequences. The definition of debtor is the party who is obliged to fulfill the achievement, while the creditor is the party entitled to the achievement in question. From the description it is implied that achievement is the object of the engagement.

The scope of the agreement is not only between people and people or private contracts, there are also contracts that involve between individuals and the government, or what is more often called a public contract. As a consequence of the use of civil law instruments by the government which is commonly referred to as contractualization, there is a mixture of private and public elements in the contractual relationship that is formed. The implication of the mixing of private and public elements is not only regarding the validity of the contract formation, but also on the implementation and enforcement aspects of the contract. The existence of this public law element causes the legal rules and principles in private contracts not to fully apply to contracts made by the government.

Construction services law is a legal field that is classified as mixed law, in which there are private elements and public elements. The elements of private law are contained

in construction contracts, while elements of public law (administrative law) are related to licensing, guidance, supervision and imposition of sanctions. Under the Construction Services Law, various types of laws are also applicable which are directly or indirectly related to the enactment of the Construction Services Act. The Construction Services Act is a source of law for various aspects of human life. Law Number 2 of 2017 concerning Construction Services (hereinafter referred to as the Construction Services Act) states that construction services are construction consulting services and/or construction work. Construction work implementation services businesses provide implementation services covering the fields of architectural, civil, mechanical, electrical, and/or environmental work. The scope of construction work supervision services may consist of supervising the implementation of construction work, and supervision of quality assurance and timeliness in the work process and the results of construction work. The scope of integrated planning, implementation, and supervision services may consist of design, planning, procurement, and execution services or the implementation of finished work.

In general, construction activities start from planning carried out by the planning consultant and then carried out by the construction contractor who is the project manager/head of the project. The parties work in the office, while the implementation in the field is carried out by the project foreman who supervises construction workers, builders and other construction experts to complete the physical construction of a construction. The transfer of the order is carried out by the Field Executor. In the implementation of this building, it is also supervised by a Supervision Engineer.

A construction is usually carried out an integrated planning. This is related to the method of determining the amount of costs required, design and construction, and other effects that will occur during construction. A good planning schedule, will determine the success of a building related to funding, environmental impact, environmental safety, material availability, logistics, public inconvenience related to construction work, preparation of tender documents, and so on.

There are two parties in construction services that have a working relationship based on the law, namely the service user and the service provider. Service users are individuals or entities as assignors or owners of work or projects that require construction services. Service providers are individuals or entities whose business activities provide construction services. In the implementation of construction work, the service provider can function as the main service provider from other service providers. On the other hand, the term service user appears, namely those who provide work which can be in the form of individuals, business entities or government agencies.

Village development, when viewed from the Village Law, involves village communities by prioritizing the principle of gotong royong. However, the implementing rules allow third parties, namely contractors, to participate in village development, with the condition of approval from the village community and the village body, so that transparency and accountability in village development involve third parties using the village funds.

## **II. Review of Literature**

### **2.1 Validity of Agreement**

Making an agreement cannot be separated from the legal terms of an agreement. The conditions for the validity of the agreement are regulated in article 1320 BW. This is very necessary to understand in order to create a valid agreement. Article 1320 BW mentions four conditions so that an agreement can be said to be valid, namely:

1. Agree for those who bind it, where the parties who enter into the agreement must agree and agree with what will be agreed without any coercion or oversight.
2. The ability to make an agreement, where the parties must have the skills according to law between adults and in good health
3. A certain thing, where in the agreement has been determined the object of the agreement or the thing that was agreed upon.
4. A lawful cause, where in this agreement must be based on things that are not contrary to the applicable law. Article 1337 BW explains that what is meant by a lawful cause is that it does not conflict with decency, public order, and statutory regulations.

Contract law is within the scope of civil law. In this connection there are two terms that are almost the same, but have different meanings, namely engagement and agreement. The word engagement has a broader meaning than agreement. Because the engagement does not only contain the meaning of legal relations arising from the agreement, but also regarding legal relations that do not originate in an agreement at all, namely concerning engagements arising from the Act.

Article 1313 BW states that "an act by which one or more people bind themselves to one or more other people." From the provisions of the article that the agreement in question is an agreement that is unilateral, namely an agreement that only creates obligations on one party. As stated in Article 1234 BW, there are three forms of achievement, namely giving something, doing something, and not doing something. The essence of achievement as an obligation on the backs of the parties must be fulfilled. The truth that achievements must be fulfilled can be seen in Article 1235 BW which states that in an agreement to give something, the debtor is obliged to surrender the object in question and maintain it properly before the delivery is made.

An agreement or commonly called a contract has principles to support the validity of a contract so that it has binding legal force, while the principles in the contract are as follows:

1. The principle of freedom of contract (freedom of contract), the principle of freedom of contract can be analyzed from the provisions of Article 1338 paragraph (1) BW which reads "all agreements made legally apply as law for those who make them". The principle of freedom of contract is a principle that gives freedom to the parties to: (1) make or not enter into an agreement; (2) enter into an agreement with anyone; (3) determine the contents of the agreement, implementation, and requirements; and (4) determine the form of the agreement, written or oral.
2. The principle of Pacta Sunt Servanda, this principle is called the principle of legal certainty. This principle is related to the effect of the agreement. The principle of pacta sunt servanda stipulates that judges or third parties must respect the substance of contracts made by the parties, as befits a law. They must not interfere with the substance of the contract made by the parties.
3. The principle of consensualism, the principle of consensualism is that the birth of the contract is at the time of the agreement. Thus, if an agreement is reached between the parties, a contract is born, even though the contract has not been executed at that time. This means that when an agreement is reached by the parties, it creates rights and obligations for them or it is also known that the contract is obligatory in nature, that is, it creates obligations for the parties to fulfill the contract. The principle of consensualism is contained in Article 1320 BW.
4. According to Article 1338 paragraph (3) BW, a contract must be executed in good faith (goeder trouw, bona fide). The formulation of Article 1338 paragraph (3) BW indicates that actually good faith is not a condition for the validity of a contract as stated in

Article 1320 BW. Good faith is required in terms of "performance" of a contract, not "making of a contract. This is because the element of "good faith" in terms of making a contract can already be covered by the "legal cause" element of Article 1320 BW.

As explained above, an agreement that results in an engagement is an obligatory agreement. The agreement in question is a personal agreement. It is called a personal agreement because the agreement only binds the parties who make it. With the legal basis of Article 1315 jo 1340 BW.

## 2.2 Village Development Cooperation

Village finances are all rights and obligations in the context of administering village government which can be valued in money, including all forms of wealth related to the rights and obligations of the village.<sup>10</sup> Village finances come from village original income, APBD, and APBN. The implementation of village government affairs under the authority of the village is funded from the Village Budget, central government assistance and regional government assistance. The implementation of regional government affairs organized by the village government is funded from the APBD, while the implementation of the central government organized by the village government is funded from the APBN.

The Minister of Home Affairs Regulation Number 1 of 2016 concerning Village Asset Management explains that village assets are village assets originating from the village's original assets, purchased or obtained at the expense of the Village Revenue and Expenditure Budget (APB Desa) or other legitimate rights. Article 76 paragraph (1) of the Village Law states, village assets can be in the form of village treasury land, communal land, village market, animal market, boat moorings, village buildings, fish auctions, auction of agricultural products, village-owned forests, village, public baths, and other assets belonging to the village. The sources of village income come from the following five elements:

1. Village Original Income, which includes, among others, the results of village operations, the results of village assets (such as village treasury land, village markets, village buildings), the results of self-help and participation, the results of mutual cooperation, and other legitimate village original income;
2. Revenue sharing for the district/city tax is at least 10% (ten percent) for the village and from the district/municipality retribution which is partly allocated for the village;
3. The portion of the Central and Regional Fiscal Balance Fund received by the district/city for the village is at least 10% (ten percent), which is divided by each village proportionally which is the allocation of village funds;
4. Financial assistance from the government, provincial government, and district/city governments in the context of implementing government affairs;
5. Non-binding third party grants and donations.

The village government is obliged to manage village finances in a transparent, participatory and accountable manner and be carried out in an orderly and disciplined manner. Transparent which means openly managed, accountable means legally accountable, and participatory means involving the community in its preparation. Village finances must be recorded in the correct accounting system in accordance with the rules of the government financial accounting system.

The contract is an important document in the project. All matters relating to rights and obligations between parties as well as risk allocation are regulated in the contract. After the direct appointment or tender process is completed, a construction work contract is drawn up which aims as a legal basis and implementation guideline for contractors given by the project owner, the work contract can also function as a signpost for the contractor and

project owner regarding matters that are their obligations and rights. in a working relationship for the implementation of a construction work contract. There are various types of construction contracts, including:

1. Cost calculation aspect
  - a. Fixed Lumpsum Price: In general, Fixed Lumpsum Price contract is a contract in which the volume of work stated in the contract may not be re-measured.
  - b. Unit Price(Unit Price): In general, Unit Price contracts are contracts where the volume of work stated in the contract is only an estimate and will be re-measured to determine the volume of work actually carried out.
2. Aspects of Service Calculation
  - a. Cost Without Fee
  - b. Cost Plus Fixed Service (Cost plus Fee)
3. Aspects of Payment Method
  - a. Monthly Payment Method (Monthly Payment)
  - b. Method of Payment for Achievements (Stage Payment)
  - c. Full Prefinanced from the Service Provider (Contractor's Full Prefinanced)
4. Aspects of Division of Tasks
  - a. Conventional Contract Form
  - b. Specialist Contract Form
  - c. Design Contract Form
  - d. Engineering, Procurement & Construction (EPC) Contract Form
  - e. BOT/BLT Contract Form
  - f. Self-Managed Form

### **III. Research Method**

#### **3.1 Legal Research Type**

The type of research used to discuss this problem is normative juridical, namely research based on relevant laws and regulations such as BW, Village Law and Construction Law, as well as laws that will support this research.

#### **3.2 Problem Approach**

The first approach in this research is the statute approach or the approach to legislation. The statute approach is a legal research that places the approach to legislation as one approach. The statute approach is carried out by reviewing all laws and regulations that have to do with the legal issues being handled. In this writing, the required laws and regulations include BW, Village Law and Construction Law.

The second approach used is the conceptual approach, which is done by looking for existing theories and doctrines to be used as a reference in order to understand a view and doctrines in building a legal argument in solving the issues at hand. The conceptual approach connects existing concepts with legal issues related to public contracts containing construction work involving village development involving contractors as third parties.

### **IV. Result and Discussion**

The working relationship between service users and service providers is based on law and is stated in the form of a construction work contract. The construction work contract is the entire document that regulates the legal relationship between service users and service providers in the implementation of construction work. Service users must have

the ability to pay the cost of construction work supported by proof documents from banking institutions and/or non-bank financial institutions.

The binding in the construction service working relationship is carried out based on the principle of fair competition through the selection of service providers by means of public or limited auctions. Binding is a process taken by service users and service providers on an equal footing in reaching an agreement to carry out construction work. Rights and obligations must include the rights of service users to obtain the results of construction work and their obligations to fulfill the agreed conditions. On the other hand, the right of service providers to obtain information and compensation for services and their obligations to carry out construction work, as stated in Article 18 paragraph 1 to paragraph (4) of the Construction Services Law.

According to Article 1339 BW, an agreement is not only binding for things that are expressly stated in the agreement, but also for "everything that according to the nature of the agreement is required (required) by propriety, custom and law". Thus, every agreement is equipped with the rules contained in the law, in customs (in a certain place and in a certain circle), while the obligations required by propriety (norms of propriety) must also be heeded. Construction is an activity that has an important role in improving the national economy and community welfare. Construction is also a business or work that is not cheap because every person or legal entity or government agency that uses its services will incur costs ranging from hundreds of thousands to billions of rupiah depending on the type of project to be carried out. In Law no. 2 of 2017 concerning Construction Services is regulated regarding Construction Work Contracts in Article 1 point 8 which states that "Construction Work Contracts are the entire contract document that regulates the legal relationship between service users and service providers in the implementation of Construction Services." So this construction work contract has been regulated by law and has legal certainty.

It is possible for village officials to enter into cooperative agreements that are self-supporting outside of the village community's gotong royong activities to carry out village development. This is done for one of the village development efforts so that the village becomes better and everything is in accordance with the village budget owned by the village government and with the approval of the village government organizers and the participation of the village community. Article 116PP 43 of 2014 has explained that in the medium-term development that can be done by cooperating with a contractor as a third party is as follows:

- (1) In preparing the Village RPJM (Medium-Term Development Plan) and RKP Village, the Village Government is obliged to hold a participatory Village development planning deliberation.
- (2) The Village development planning deliberation as referred to in paragraph (1) shall be attended by the Village Consultative Body and elements of the Village community.
- (3) The Village RPJM draft and the Village RKP draft as referred to in paragraph (1) are discussed in the Village development planning deliberation.
- (4) The Village RPJM draft as referred to in paragraph (3) shall at least contain a description of the vision and mission of the elected Village head and the direction of the Village development planning policy.
- (5) The design of the Village RPJM as referred to in paragraph (4) takes into account the direction of the district/city development planning policy.
- (6) The Village RKP draft as referred to in paragraph (3) is an elaboration of the Village RPJM draft for a period of 1 (one) year.

A building contracting agreement is an agreement in which one party (contractor) binds himself to carry out a job for another party, who does the contracting (aanbesteder, assignor) by receiving a specified price. In building contracting, in addition to the party who bought out the task (Bouwheer, Principal) and the contractor (Contractor, Aanmener), other parties can also participate, such as: experts (architects) namely designers, planners, cost estimators, workers building, and supervisors (Directors) of construction workers. In contrast to other special agreements, the building contracting agreement recognizes the tastes of the parties in the agreement, also recognizes the personnel/participants of the agreement who are not parties to the contracting agreement but have an important role in the implementation of the agreement. The legal relationship between the party who is buying and the party of the contractor is regulated as follows:

- (1) If both the one who is buying and the contractor is the government, then the relationship between the two is an official relationship.
- (2) If the government is the one who buys up the government while the private party is the contractor, then the legal relationship is called a charter agreement which can be in the form of an underhand deed, Work Order (SPK), Work Agreement/Contract.
- (3) If both the contractor and the contractor are private parties, then the legal relationship is called a chartering agreement which can be in the form of an underhand deed, a work order (SPK), a charter agreement/contract.

In Article 11 of Presidential Regulation Number 16 of 2018, it is stated that the Commitment Making Officer in the Procurement of Goods/Services as referred to in Article 8 letter c has the following duties:

- (1) Prepare procurement planning;
- (2) Establish technical specifications/Terms of Reference (TOR);
- (3) Determine the draft contract;
- (4) Set HPS (Temporary Preparation Price);
- (5) Determine the amount of the advance to be paid to the Provider;
- (6) Propose changes to the schedule of activities;
- (7) Establish a support team;
- (8) Assign a team or experts;
- (9) Carry out E-purchasing for a value of at least more than Rp. 200,000,000.00 (two hundred million rupiah);
- (10) Establish a Letter of Appointment for Goods/Services Providers;
- (11) Controlling the Contract;
- (12) Report the implementation and completion of activities to PA/KPA;
- (13) Submit the results of the work on the implementation of activities to the PA/KPA with the minutes of delivery;
- (14) Store and maintain the integrity of all activity implementation documents; and
- (15) Assess Provider performance.

The implementation of construction work includes several stages, namely the planning stage and the implementation stage along with their supervision, each stage carried out through preparation, work and completion activities. In the implementation of the implementation of construction work, it is obligatory to comply with the provisions concerning engineering, manpower, and environmental management, it is imperative to fulfill the required obligations in ensuring the orderly implementation of the construction. The stages of the implementation of construction work are as follows:

- a. Planning Phase The scope of the construction work planning phase includes feasibility studies, feasibility studies, general planning, and engineering planning. Construction work planning must be supported by the availability of fields, documents, facilities, and

equipment as well as construction workers, each of which is adjusted to the activities of the planning stage. The service provider is obliged to submit the results of the planning work which includes the results of the stages of work, the results of the first submission, and the results of the final delivery in a timely manner. Service users are required to make payments for the delivery of the work of the service provider in the right amount and on time.

- b. **Implementation Phase and Supervision** The scope of the implementation phase and construction work supervision includes physical implementation, supervision, testing, and submission of work results. The implementation and supervision of construction work must be supported by the availability of fields, documents, facilities, equipment, and construction workers as well as building materials or components, each of which is adjusted to the activities of the implementation and supervision stages.

In order for the agreement between the contractor and the village administrator to run well, it is necessary to make a village work plan as regulated in Article 118PP 43 of 2014:

- (1) The Village Government Work Plan (RKP) as referred to in Article 117 is an elaboration of the Village RPJM for a period of 1 (one) year.
- (2) The Village RKP as referred to in paragraph (1) contains a plan for the implementation of Village Government, implementation of development, community development, and empowerment of the Village community.
- (3) The Village RKP as referred to in paragraph (2) shall at least contain a description of:
  - a. evaluation of the implementation of the previous year's Village RKP;
  - b. priority programs, activities, and Village budgets managed by the Village;
  - c. priority programs, activities, and Village budgets that are managed through inter-Village cooperation and third parties;
  - d. Village program plans, activities, and budgets managed by the Village as assignment authority from the Government, provincial regional governments, and district/city regional governments; and
  - e. implementing Village activities consisting of elements of Village apparatus and/or elements of the Village community.
- (4) The Village RKP as referred to in paragraph (3) shall be prepared by the Village Government in accordance with information from the regency/city regional government regarding the Village indicative ceiling and the plan for activities of the Government, provincial regional government, and regency/city regional government.
- (5) The Village RKP began to be compiled by the Village Government in July of the current year.
- (6) The Village RKP is determined by Village regulation no later than the end of September of the current year.
- (7) The Village RKP is the basis for determining the Village Budget.

## **V. Conclusion**

Cooperation between contractors as third parties and village administrators can be carried out with due regard to the principles of the law of engagement. In the agreement there is a consensus which states that the parties are bound in an agreement and give birth to rights and obligations for the parties. In village development cooperation involving contractors as third parties, it must have been stated in the village RKP in the previous year and the latest was made in September. This RKP is also supported by community participation and knowing the funds owned by the village for development cooperation with contractors. The contractual relationship between the contractor and the village administrator is a public contract that does not only pay attention to the principle of consensus in civil law.

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