Organizational Implementation Of Procurement Contract Amendments Under Changing Project Conditions
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ABSTRACT

This study examines how PT Pertamina Hulu Mahakam implemented contract amendments for long lead item (LLI) storage when project conditions changed during the Sisi Nubi Area of Interest (SNB AOI) project. It compares two purchase orders, PO101A for a jacket tubular can and PO102A for an actuated valve, both affected by the retendering of the EPSCC contract. Although the trigger was identical, only PO101A required a Contract Time Extension and additional storage costs, while PO102A did not. Using a qualitative case study, the research analyzes procurement documents and interviews with five Supply Chain Management and Project team informants through Edwards III's implementation framework, covering communication, resources, disposition, and bureaucratic structure. The findings show that amendments were implemented through coordination, justification, and formal approval. Legally separate contracts remained operationally interdependent, and the outcome depended on the timing between material readiness and the EPSCC contractor's readiness to receive the goods. Formal procedures did not obstruct adaptation; rather, they enabled accountable contract changes when supported by timely cross-functional communication. The study contributes to procurement governance by explaining the organizational process behind contract amendments and recommends aligning LLI readiness with project readiness to prevent prolonged storage and avoidable costs.

Keywords: contract amendment, long lead items, EPSCC, procurement governance, policy implementation, oil and gas projects.