

Legal Analysis of Handover Report (BAST) Clauses in Indonesian Government Hospital Construction Contracts

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Abstract

Purpose: This study aims to analyze the legal framework, contractual structure, legal compliance, and potential risks arising from the implementation of the Handover Report (*Berita Acara Serah Terima*/BAST) clause in the Ministry of Health Vertical Hospital Construction Project in Surabaya, Indonesia.

Research Methodology: The study employs an empirical legal research approach with a socio-legal perspective. Data were collected through document analysis, in-depth interviews, and observations involving key project stakeholders. The data were analyzed qualitatively using NVivo 12 Plus to identify dominant themes, patterns, and legal issues related to BAST implementation.

Results: The findings indicate that although BAST has a clear legal basis under Indonesian construction and procurement regulations, the regulatory framework lacks detailed provisions regarding risk allocation, post-handover liability, and latent defects. NVivo analysis shows that ambiguity in post-handover responsibility is the most dominant issue. The study also identifies significant gaps between national practices and international standards such as FIDIC, particularly in defect notification periods and post-completion claims.

Conclusions: The BAST clause primarily functions as an administrative document rather than a comprehensive legal instrument for risk management. Stronger contractual clarity is required to enhance legal certainty, accountability, and dispute prevention in public construction projects.

Limitations: The study is limited to a single case and focuses on legal and contractual dimensions.

Contributions: This research contributes to construction contract law by providing empirical evidence on legal gaps in BAST implementation and offering recommendations for improving contractual risk allocation in public infrastructure projects.

Keywords: *BAST (Handover Report); Construction Contract; Legal Certainty; Public Procurement; Risk Allocation*

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1. Introduction

The development of healthcare infrastructure has become one of the key priorities of the Government of Indonesia in its effort to improve public access to high-quality healthcare services. As part of this commitment, the Indonesian Ministry of Health has initiated the construction of Vertical Hospitals (*Rumah Sakit Vertikal*) across various regions of the country as strategic national healthcare projects. These projects are intended not only to enhance the capacity of referral healthcare services but also to improve the distribution and accessibility of quality medical treatment while reducing the dependence of Indonesian citizens on healthcare services abroad. In the implementation of Vertical Hospital construction projects, construction contracts play a crucial role as legal instruments governing the rights and obligations of all parties involved. One of the most significant documents within a construction contract is the Handover Report (*Berita Acara Serah Terima*/BAST), which serves as formal evidence that the contracted work has been completed and accepted by the project owner.

In public construction projects, the BAST represents a critical administrative milestone that formally marks the transfer of completed work from the contractor to the government institution acting as the project owner. The document serves not only as proof of project completion in accordance with contractual specifications but also as a legal basis for final payment procedures and post-completion responsibilities. Consequently, the BAST has substantial legal implications for both service providers and service users throughout the project lifecycle. Ideally, under the principles of public contract law, a BAST should clearly specify the completion status of the work, supporting documentation, quality assessment results, the effective date of handover, and procedures for addressing any deficiencies. Moreover, the BAST should comply with the principles of transparency, accountability, and legal certainty as mandated by Indonesian public procurement regulations, including Presidential Regulation No. 16 of 2018 and its implementing regulations.

However, practical implementation often reveals discrepancies between contractual provisions concerning the BAST and the administrative practices applied in government procurement projects. In the Vertical Hospital construction project of the Ministry of Health in Surabaya, several challenges have emerged regarding the preparation and implementation of BAST clauses. These challenges include uncertainty regarding the timing of physical project handover, ambiguity concerning post-handover responsibilities, integration with other regulatory requirements such as the Certificate of Feasible Function (*Sertifikat Laik Fungsi*/SLF), and inconsistencies between procurement regulations and construction industry standards applicable to healthcare infrastructure projects.

Despite the practical significance of the BAST in construction projects, existing legal scholarship has primarily focused on broader topics such as construction disputes, project delays, contractual claims, risk management, and general construction contract implementation. Studies specifically examining the legal construction of BAST clauses, particularly within the context of Ministry of Health Vertical Hospital projects, remain limited. Furthermore, little research has been conducted comparing Indonesian BAST regulations and practices with internationally recognized construction contract standards, such as the FIDIC Red Book 2017, which serves as a widely accepted reference in global construction projects. This gap highlights the need for a more comprehensive legal analysis of BAST clauses and their implications within public construction contracts.

Accordingly, this study is guided by three research questions. First, how is the BAST clause regulated within the Indonesian legal and procurement framework governing the Ministry of Health Vertical Hospital Project in Surabaya? Second, what legal weaknesses and contractual risks arise from the implementation of the BAST clause, particularly with respect to risk allocation, post-handover liability, and latent defects? Third, how does the Indonesian BAST arrangement compare with the FIDIC Red Book 2017 regarding taking-over, the defects notification period, and post-completion claim mechanisms?

2. Literature Review

2.1 Contract Theory

Contract Theory serves as the primary theoretical foundation of this study because the Handover Report (BAST) constitutes an integral component of construction contract implementation. Modern contract law views contracts not merely as formal agreements but as legal instruments governing complex and dynamic relationships among parties. According to [Salim \(2021\)](#), a contract creates legal rights and obligations that must be fulfilled by the contracting parties, and contemporary scholarship further emphasizes that modern contracts should promote contractual fairness and relational considerations, particularly in long-term agreements such as construction contracts. In this context, the BAST clause functions as a formal mechanism marking the completion of the contractor's primary obligations, the transfer of responsibilities, and the potential emergence of contractual disputes.

From a contractual perspective, the BAST also serves as an important evidentiary instrument in determining whether contractual performance has been properly completed in accordance with the agreed specifications, quality standards, and completion deadlines. The document provides legal certainty for both project owners and contractors by establishing a clear record of work acceptance and the transfer of responsibilities. Consequently, disputes concerning defects, delays, or non-conforming work often center on the interpretation and legal consequences of the BAST, making it a critical element in construction contract administration and dispute resolution.

2.2 Legal Certainty Theory

Legal Certainty Theory is a fundamental principle in contract and construction law, emphasizing the clarity of legal norms and the consistency of their application. Based on the ideas of Gustav [Radbruch \(2006\)](#), legal certainty is one of the three core values of law alongside justice and utility, and is essential for building trust in the legal system. Lawrence M. [Friedman \(2016\)](#) stresses that certainty depends not only on written rules but also on legal structures and culture. In the Indonesian context, [Febrian et al. \(2020\)](#) and [Arifin et al. \(2023\)](#) demonstrate that the application of Friedman's legal system theory reveals persistent gaps between formal legal provisions and their implementation in practice, a tension that is particularly evident in government construction contracts. In construction contracts, unclear contractual provisions are among the primary causes of disputes ([Candaş & Tokdemir, 2022](#); [Assaad & El-adaway, 2021](#)). Therefore, legal certainty in BAST clauses requires clear provisions regarding the timing of project handover, post-handover responsibilities, and the rights of parties to make claims.

Legal certainty is particularly important in construction projects because they involve multiple stakeholders, substantial financial investments, and long-term contractual obligations. The existence of clear and enforceable contractual provisions enables parties to understand their respective rights and responsibilities, thereby reducing ambiguity and minimizing the potential for disputes. In the context of the BAST, legal certainty ensures that the conditions for project acceptance, responsibility transfer, and post-completion obligations are explicitly defined and consistently applied throughout the project lifecycle.

Moreover, legal certainty contributes to effective contract administration and dispute prevention by providing predictable legal consequences for contractual actions and omissions. When BAST clauses clearly regulate issues such as defect liability periods, maintenance responsibilities, claim procedures, and project acceptance standards, parties are better equipped to manage risks and fulfill their obligations. Consequently, strengthening legal certainty within construction contracts not only enhances contractual compliance but also supports fairness, accountability, and sustainable business relationships in the construction sector.

2.3 Legal Protection Theory

Legal Protection Theory emphasizes the role of law in safeguarding the rights and interests of parties within legal relationships, particularly in contractual arrangements. According to [Rahardjo \(2014\)](#), law must function as a means of protecting human interests, while Philipus M. [Hadjon \(2019\)](#) distinguishes legal protection into preventive protection (through clear legal rules and procedures) and

repressive protection (through dispute resolution mechanisms after a violation occurs). In construction contracts, legal protection is closely related to the balance of rights and obligations between project owners and contractors ([Loosemore & Cheung, 2020](#)). Modern contract scholarship further argues that contractual arrangements must ensure fairness and prevent one party from bearing disproportionate risks ([Khalef, El-adaway, Assaad, & Kieta, 2021](#)).

In the context of the Handover Report (BAST), legal protection is reflected through procedures that ensure the work has been inspected, verified, and accepted in accordance with contractual requirements before responsibility is transferred from the contractor to the project owner. Preventive legal protection is achieved through detailed contractual clauses governing acceptance procedures, defect liability periods, and quality standards, thereby reducing the likelihood of future disputes. At the same time, the BAST provides documentary evidence that can be relied upon if disagreements arise regarding the fulfillment of contractual obligations.

Furthermore, legal protection in construction contracts extends beyond the completion stage and includes mechanisms for addressing post-completion claims, hidden defects, and contractual breaches. Effective legal protection requires not only clear contractual provisions but also accessible dispute resolution mechanisms, such as negotiation, mediation, arbitration, and litigation. Therefore, the effectiveness of the BAST as a legal instrument depends on its ability to balance the interests of both parties, provide legal certainty, and ensure accountability throughout the construction project lifecycle.

2.4 Risk Allocation Theory

Risk Allocation Theory explains how risks are distributed among contracting parties. Nael [Bunni \(2018\)](#) emphasizes that effective risk allocation is a key determinant of successful construction contracts and that risks should be assigned to the party best able to manage them. Major construction risks generally include technical, time-related, and legal risks, and disputes often arise due to unclear risk allocation mechanisms ([Zou & Li, 2010](#); [Ke et al., 2010](#)). In the context of BAST, risk allocation concerns the transfer of risk following project handover, liability for latent defects, and maintenance responsibilities during the post-completion period.

Risk Allocation Theory is particularly relevant to construction projects because the completion and handover stages often determine the point at which responsibility for project-related risks shifts between the contractor and the project owner. The BAST serves as a legal instrument that clarifies this transfer by documenting the completion of contractual obligations and establishing the extent of each party's responsibilities after project acceptance. Clear provisions regarding risk transfer help minimize uncertainty and reduce the likelihood of disputes arising from project defects, delays, or operational failures following handover.

Moreover, effective risk allocation contributes to contractual efficiency and fairness by ensuring that liabilities associated with latent defects, maintenance obligations, and warranty periods are explicitly regulated. When risk allocation is clearly defined in the contract and reflected in the BAST, both parties gain greater legal certainty regarding their rights and obligations. Consequently, a well-structured risk allocation framework not only supports successful project completion but also strengthens dispute prevention and promotes sustainable contractual relationships in construction projects.

2.5 Construction Law Theory

Construction Law governs legal relationships arising in construction projects, including contractual obligations, liabilities, and dispute resolution mechanisms. [Murdoch and Hughes \(2020\)](#) describe construction law as encompassing contract administration, responsibility allocation, and dispute management, and characterise construction projects as highly complex systems requiring robust legal regulation. In Indonesia, construction law is primarily governed by the Construction Services Law and public procurement regulations. Within this framework, dispute resolution mechanisms have been the subject of growing scholarly attention: [Ingratubun \(2023\)](#) documents the use of mediation in

government project disputes, [Yudhantaka et al. \(2023\)](#) and [Vidyapramatya et al. \(2023\)](#) analyze the authority and binding power of dispute boards as an emerging mechanism for resolving construction conflicts, and [Fitriyanti and Adly \(2021\)](#) examine lessons from dispute board implementation.

Construction law also emphasizes the importance of legal certainty and accountability throughout the project lifecycle, from contract formation to project completion and post-construction obligations. Within this framework, the BAST functions as a critical legal instrument that formally records project acceptance, verifies compliance with contractual requirements, and establishes the transfer of responsibilities between the contractor and the project owner. As a result, the legal validity and implementation of the BAST have significant implications for determining liability, managing project risks, and resolving potential disputes.

2.6 Previous Studies and Research Position

Recent studies on construction and public infrastructure projects have predominantly focused on technical and managerial issues, including project delays, risk management, cost control, and project efficiency. [Doloi et al. \(2012\)](#) and [Marzouk and El-Rasas \(2014\)](#) attribute most disputes to time overruns and their cascading cost effects, but treat handover as a fixed end-point rather than a contested legal event. [Alaloul et al. \(2021\)](#) and [Amoah and Pretorius \(2020\)](#) develop risk-identification frameworks for infrastructure delivery; in each case, however, 'legal' or 'contractual' risk is treated as one variable among many rather than as the object of analysis. Studies of contract administration and disputes more directly relevant to this article [Asadi et al. \(2022\)](#), [Candaş and Tokdemir \(2022\)](#), [Rahman et al. \(2021\)](#), and [Olanrewaju and Anahve \(2021\)](#) consistently find that vague contractual provisions and weak administration drive claims, while [Hwang et al. \(2013\)](#) and [Elkhayat and Marzouk \(2022\)](#) show how delivery models and digital tools redistribute risk. What this literature does not do is interrogate the handover instrument itself: none isolates the acceptance document as the locus where completion, payment, and liability are simultaneously decided. The present study addresses precisely that gap.

In Indonesia, previous research has similarly identified weaknesses in government construction contracts, particularly regarding risk allocation and the clarity of contractual responsibilities. [Agyekum et al. \(2020\)](#) document the inadequacy of risk-management practice in government projects, and [Christiawan \(2020\)](#) demonstrates that contractual clarity, rather than additional regulation, is the binding constraint on legal certainty in government construction contracts. [Jibril and Ekadhani \(2022\)](#) highlight the significance of the good faith doctrine as a safeguard of contractual fairness. Nonetheless, limited attention has been given to the legal analysis of BAST clauses, despite their critical role in determining project completion, transfer of responsibility, risk allocation, and dispute prevention.

The identified research gap is significant because the BAST occupies a unique position within construction contracts as the legal instrument that simultaneously determines project completion, payment entitlement, transfer of responsibility, and the commencement of post-completion obligations. Although previous studies have examined contract administration, risk allocation, and dispute resolution, they have generally treated project handover as an administrative procedure rather than as an independent legal issue. Consequently, the legal implications of BAST clauses and their influence on contractual rights and liabilities remain insufficiently explored in both international and Indonesian scholarship.

This study therefore contributes to the existing literature by repositioning the BAST as a central object of legal analysis within construction law. By examining the legal consequences of handover provisions, the allocation of post-completion responsibilities, and the role of BAST clauses in preventing disputes, the research extends current discussions beyond technical project management concerns. The findings are expected to provide a stronger theoretical and practical foundation for improving contractual certainty, risk management, and dispute prevention in government and private construction projects.

3. Research Methodology

This study adopts an empirical legal research design (socio legal research) to examine the implementation and legal implications of BAST (Handover Report) clauses in construction contracts within the Ministry of Health Vertical Hospital Project in Surabaya. Empirical legal research is employed because the issue under investigation extends beyond written legal provisions and involves the practical application of contractual clauses, organizational policies, administrative procedures, and institutional practices. Through this approach, the study seeks to understand how BAST clauses are implemented in practice and how they affect legal certainty, risk allocation, and contractual responsibilities among the parties involved.

The research applies both the Sociology of Law Approach and the Socio-Legal Approach. The Sociology of Law Approach is used to analyze the interaction between legal norms and their implementation in real-life construction projects. The Socio-Legal Approach integrates legal analysis with social science perspectives to examine organizational factors, institutional culture, decision-making processes, and stakeholder relationships that influence the implementation of BAST provisions within public construction projects.

The study utilizes both primary and secondary sources of data. Primary data were obtained directly from the field through in-depth interviews with key informants who possess knowledge, authority, or direct involvement in the preparation, implementation, and evaluation of BAST procedures. Informants were selected using purposive sampling to ensure that the collected information was relevant to the objectives of the research. Secondary data were gathered through an extensive literature review, including laws and regulations governing construction contracts and project handovers, Ministry of Health regulations and internal policies, academic textbooks, national and international journal articles published between 2020 and 2025, as well as official reports and other relevant documents.

Data collection was carried out using three techniques are in-depth interviews to obtain comprehensive information regarding the implementation of BAST clauses, challenges encountered during project handover, and the effectiveness of existing contractual provisions, library research to examine relevant legal materials and academic literature, and documentation analysis through the collection and examination of contracts, internal policies, official reports, project records, and other supporting documents related to the project handover process.

The collected data were analyzed using a descriptive qualitative method using NVivo 12 Plus as an analytical aid to manage and code interview transcripts, legal documents, and project records. Coding proceeded through open coding, axial coding, and selective coding. Key features applied included Nodes, Coding Queries, Word Frequency Queries, and Matrix Coding Queries. Conclusions were drawn using an inductive reasoning approach, synthesizing specific empirical findings into broader conclusions linked to relevant legal theories, principles of construction law, and applicable regulatory frameworks.

4. Results and Discussions

4.1 Regulatory Framework Governing BAST in the Surabaya Ministry of Health Vertical Hospital Project

The findings indicate that the implementation of the Handover Report (BAST) in the Surabaya Ministry of Health Vertical Hospital Project is governed by a hierarchical legal framework consisting of national legislation, government procurement regulations, ministerial regulations, and technical standards. At the statutory level, the Construction Services Law establishes the legal foundation for the rights and obligations of contractors and project owners. At the regulatory level, Presidential Regulation No. 16 of 2018 concerning Government Procurement serves as the principal legal instrument governing project handover procedures, requiring that project handover be preceded by both administrative and technical verification to ensure conformity with contractual requirements.

In addition to national regulations, the project incorporates several international technical standards

applicable to healthcare infrastructure, including ISO 7396 for medical gas systems, ISO 14644 for cleanroom environments, NFPA standards for fire safety and emergency power systems, AIA hospital design guidelines, and ASHRAE standards for healthcare facility ventilation systems. The incorporation of these standards strengthens technical certainty and reduces the risk of disputes arising from differing interpretations of construction quality requirements.

Table 1. Regulatory framework governing BAST in the project

Regulatory Instrument	Main Function	Relevance to BAST
Construction Services Law	Establishes rights and obligations of contracting parties	Provides legal basis for project completion and acceptance
Presidential Regulation No. 16 of 2018	Regulates government procurement procedures	Governs verification and formal handover processes
Ministry of Health Regulations	Regulates healthcare facility requirements	Ensures compliance with sector-specific standards
ISO, NFPA, AIA, and ASHRAE Standards	Establish technical requirements	Supports objective verification of project quality

As can be seen in Table 1, the regulatory framework governing BAST is multilayered, encompassing statutory law, procurement regulations, sectoral health standards, and international technical standards. This structure indicates that the BAST mechanism is governed not by a single regulatory instrument, but by an integrated and hierarchical legal system. Against this regulatory backdrop, it is important to examine how regulatory provisions are interpreted and operationalized in actual project implementation, particularly through stakeholder practices identified in the NVivo-assisted analysis. This allows the study to bridge the gap between formal legal structure and empirical contractual behavior.

4.2 Analysis of BAST Clauses Based on NVivo Findings

The NVivo-assisted analysis revealed that ambiguity in BAST provisions constitutes one of the most significant challenges in the project. Among 384 coded references derived from NVivo analysis of interview transcripts, project documentation, and supporting regulatory materials, 99 references (25.8%) were associated with unclear definitions and standards governing the handover process. This finding indicates that contractual uncertainty remains a dominant issue affecting project stakeholders.

The analysis further revealed substantial differences in stakeholder interpretations of the concept of 'project completion.' Contractors generally considered work complete once all major physical construction activities had been finished, despite the existence of minor punch-list items. In contrast, representatives from the Ministry of Health interpreted completion as the absence of any significant defects, while hospital representatives emphasized operational readiness as the primary indicator of completion. These differing interpretations demonstrate the absence of a common contractual definition regarding project completion and handover requirements.

Table 2. Stakeholder interpretations of project completion

Stakeholder	Interpretation of Completion
Contractors	Physical construction substantially completed with only minor deficiencies remaining
Ministry of Health	No significant defects or non-conformities present
Hospital Management	Facility fully operational and ready for healthcare services

As shown in Table 2, differing interpretations not only reflect semantic variation but also generate distinct legal and operational risk consequences for each stakeholder group. These differences indicate the absence of a unified contractual definition, which contributes to legal uncertainty during the handover stage. The findings also indicate that contractors were required to submit formal completion notifications accompanied by supporting documentation, including as-built drawings, operation and maintenance manuals, testing and commissioning certificates, procurement records, and supervision

reports. These documents served as the basis for administrative and technical verification prior to BAST approval.

However, the study found that documentation verification frequently experienced delays. NVivo timeline analysis indicates that the verification process exceeded the planned schedule by an average of 52 days, reflecting systemic inefficiencies in document validation and approval procedures that directly affect contractual closure certainty and project handover legitimacy. Such delays were primarily attributed to incomplete documentation, differences in technical interpretations, and the complexity of verifying specialized healthcare systems.

The study found that documentation verification frequently experienced delays. NVivo timeline analysis indicates that the verification process exceeded the planned schedule by an average of 52 days, reflecting systemic inefficiencies in document validation and approval procedures that directly affect contractual closure certainty and project handover legitimacy. Such delays are consistent with the rework and documentation problems reported by [Love, Edwards, Sing, and Ika \(2019\)](#) and with the contract-administration weaknesses identified by [Asadi, Rotimi, and Wilkinson \(2022\)](#) and [Olanrewaju and Anahve \(2021\)](#).

Table 3. Major documentation required before BAST approval

Documentation	Purpose
As-Built Drawings	Reflect final construction conditions
Operation and Maintenance Manuals	Support operation of hospital systems
Testing and Commissioning Certificates	Verify functionality and performance
Procurement Records	Confirm conformity of materials and equipment
Supervision Reports	Demonstrate compliance during construction

As can be observed in Table 3, the documentation requirements for BAST approval are extensive and technically demanding, which contributes to delays in the verification process and affects the timeliness of project handover. The findings demonstrate that BAST plays a strategic role in establishing legal certainty, allocating contractual risks, and determining the transfer of responsibility between contractors and project owners. Nevertheless, ambiguities regarding completion standards and acceptance criteria create opportunities for conflicting interpretations among stakeholders. The findings also demonstrate that ambiguity in BAST provisions generates multidimensional legal consequences that can be explained through Contract Theory, Legal Certainty Theory, Risk Allocation Theory, Legal Protection Theory, and Construction Law Theory. Collectively, these theories indicate that unclear contractual definitions disrupt the balance of obligations, reduce predictability in enforcement, and create disproportionate risk distribution between contracting parties.

Beyond these three lenses, Legal Protection Theory and Construction Law Theory help explain why ambiguity in the BAST is consequential rather than merely technical. From the standpoint of Legal Protection Theory, the absence of clear acceptance criteria weakens both preventive protection (clear ex ante allocation of obligations) and repressive protection (predictable remedies once a defect emerges), leaving the project owner exposed to latent defects and the contractor exposed to open-ended liability. From the standpoint of Construction Law Theory, the BAST is one node in a wider system of contract administration, supervision, and dispute management; when that node lacks defined verification standards, weaknesses propagate to payment certification, the maintenance period, and any subsequent claim. Read together, the five theories converge on the same conclusion: the BAST is currently under-specified relative to the legal work it is expected to perform.

These findings extend rather than merely echo prior research. Studies on delay and overruns [Doloi, Sawhney, Iyer, and Rentala \(2012\)](#) and on construction risk in infrastructure [Alaloul, Musarat, Rabbani, Iqbal, Maqsoom, and Farooq \(2021\)](#) treat handover largely as a scheduling or cost milestone, whereas the present case shows that the legal under-specification of the handover itself is an independent source of dispute. The 52-day average verification delay observed here is consistent with

the rework and documentation problems reported by [Love et al. \(2019\)](#) and with the contract-administration weaknesses identified by [Agyekum, Asante, and Danso \(2020\)](#) and [Olanrewaju and Anahve \(2021\)](#), but it locates the cause in an absent contractual definition of “completion” rather than in managerial capacity alone. Comparative work on risk allocation in standard-form and exculpatory clauses suggests that the disproportionate post-handover risk borne by the project owner in the BAST could be mitigated by the explicit, party-of-best-control allocation that such studies advocate. In the Indonesian setting specifically, reach a convergent conclusion that contractual clarity, rather than additional regulation, is the binding constraint on legal certainty in government construction contracts.

The findings demonstrate that BAST plays a strategic role in establishing legal certainty, allocating contractual risks, and determining the transfer of responsibility between contractors and project owners. Nevertheless, ambiguities regarding completion standards and acceptance criteria create opportunities for conflicting interpretations among stakeholders ([Candaş, & Tokdemir, 2022](#); [Elkhayat, & Marzouk, 2022](#)).

4.3 Comparative Analysis: BAST and the FIDIC Red Book 2017

The comparison with international standards highlights key structural differences between the Indonesian BAST system and the FIDIC Red Book 2017.

Table 4. Comparison of the Indonesian BAST arrangement and the FIDIC Red Book 2017

Aspect	FIDIC Red Book 2017	Indonesian BAST practice (this case)
Completion / taking over	Taking-Over Certificate (Clause 10) issued when the works are substantially complete; minor outstanding work and defects are listed but do not bar taking over.	First handover (PHO) via BAST; "completion" is not contractually defined, so contractors, the Ministry, and hospital management interpret it differently.
Defects liability period	Defects Notification Period (Clause 11), commonly 365 days from taking over; obligations end only when the Engineer issues the Performance Certificate.	Maintenance period (masa pemeliharaan) closed by a second handover (FHO); its length is set contract-by-contract with no uniform notification procedure.
Latent / post-completion defects	After the Performance Certificate, each party remains liable for obligations still unperformed (Clause 11.10); residual latent-defect liability follows the governing law.	Building-failure liability of up to 10 years exists under the Construction Services Law, but the contract is largely silent on latent defects after the second handover.
Claims mechanism	Structured notice-and-claims procedure (Clause 20) with defined time bars and a Dispute Avoidance/Adjudication Board.	No standardised post-handover claims or time-bar mechanism; disputes default to the tiered route (mediation, conciliation, arbitration) under Art. 88 of Law No. 2 of 2017 (Ingratubun, 2023).
Risk-allocation principle	Explicit allocation, with each risk assigned to the party best able to manage it.	Point of risk transfer at handover is not expressly defined; ambiguity over post-handover responsibility is the most dominant coded issue.

As shown in Table 4, the comparison between the Indonesian BAST mechanism and the FIDIC Red Book 2017 reveals significant differences in the regulation of construction completion, defect liability, claims procedures, and risk allocation. While the BAST framework primarily functions as an administrative handover document without a standardized contractual definition of completion, FIDIC provides a clearly structured mechanism through the Taking-Over Certificate (Clause 10), which formally defines project completion and establishes legal certainty for all contracting parties. The adoption of structured claims and dispute avoidance mechanisms such as those in FIDIC's Clause 20 has been shown to reduce litigation significantly in construction projects ([Okudan & Çevikbaş, 2022](#); [Fitriyanti & Adly, 2021](#)).

5. Conclusions

5.1 Conclusion

This study concludes that the implementation of the Handover Report (BAST) clause in the Surabaya Ministry of Health Vertical Hospital Project is not yet fully effective in ensuring legal certainty, contractual clarity, and risk allocation in construction governance. Although the BAST mechanism is formally grounded in national construction and procurement regulations, its implementation remains highly dependent on contractual interpretation, resulting in variations in the understanding of project completion, risk transfer, and post-handover responsibilities. The novelty of this study lies in its integrated socio-legal analysis combining Contract Theory, Legal Certainty Theory, Risk Allocation Theory, Legal Protection Theory, and empirical NVivo-based coding analysis. A comparative analysis with the FIDIC Red Book 2017 further confirms that international construction contracts provide a more structured and predictable framework for completion, defect liability, claims procedures, and risk allocation.

5.2 Research Limitations

This study has several limitations that should be acknowledged. First, the research focuses on a single case study, namely the Ministry of Health Vertical Hospital Project in Surabaya, which may limit the generalizability of the findings. Second, the analysis primarily examines the legal and contractual dimensions of the BAST clause and does not comprehensively evaluate the technical, financial, or project management aspects. Third, the empirical data were obtained from a limited number of key stakeholders involved in the project. Finally, the study relies on the prevailing Indonesian legal framework and selected international standards, which may evolve over time.

5.3 Suggestions and Directions for Future Research

Based on the findings of this study, several recommendations can be proposed for future research. First, comparative studies involving multiple government construction projects across different sectors and regions are needed. Second, future studies may adopt interdisciplinary approaches by integrating legal analysis with project management, risk management, and construction engineering perspectives. Third, further research should investigate the effectiveness of adopting international contract standards, such as FIDIC, in Indonesian public construction contracts. Finally, quantitative studies involving a larger sample of construction stakeholders could be conducted to measure the relationship between contractual clarity, risk allocation mechanisms, legal certainty, and project performance outcomes.

In addition to the proposed directions, future research should explore the practical implementation of BAST clauses through empirical investigations involving contractors, project owners, consultants, and government procurement officials. Such studies would provide deeper insights into the challenges encountered during project handover, the interpretation of contractual provisions, and the factors contributing to disputes. Empirical evidence would complement the normative findings of this study and help assess whether existing legal frameworks effectively address the needs of construction stakeholders.

Furthermore, future studies could examine the role of digital technologies and electronic contract administration systems in enhancing legal certainty and transparency during the project handover process. The increasing adoption of digital documentation, Building Information Modeling (BIM), and electronic procurement systems may influence the preparation, verification, and enforcement of BAST provisions. Investigating these developments would contribute to a better understanding of how technological innovation can support more effective contract management, risk allocation, and dispute prevention in the construction sector.

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Author Contributions

RH conceived the study, designed the research, conducted the fieldwork and data analysis, and drafted the manuscript. SA supervised the research, contributed to the legal-theoretical framework, and critically revised the manuscript. NH contributed to the methodology and data interpretation and reviewed the manuscript. All authors have read and approved the final version of the article.

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