

CHAPTER III

ANALYSIS AND DATA INTERPRETATION

This research aims to evaluate the effectiveness of ULP as an assessor in E-Procurement in the Central Java Province.

In this chapter, the researcher will discuss the research results gathered from in-depth interviews with the key actors on the auction of E-Procurement in Central Java until the determination of the winner. Most specifically, this research focuses on two factors essential to the effectiveness of procurement, price and time.

A. Interviewee Identity

The key interviewees in this research were the Chief of Sub-Division in Infrastructure and Spatial, Bureau of Administration and Regional Development Central Java (Kepala Sub Bagian Infrastruktur dan Tata Ruang, Biro Administrasi Pembangunan Daerah Setda Provinsi Jawa Tengah), Technical Information team of ULP, PPE administrator, and LPSE network administrator.

Table 3.1. List of Interviewees

No	Name	Functional Position	Institution	Age	Address (Institution)
1	Agus Munawar Shodiq, S.H	Chief of Subdivision of Infrastructure and Operational Bureau in Administration and Regional Development Central Java (Kepala Sub Bagian Infrastruktur dan Tata Ruang, Biro	Bureau in Administration and Regional Development Central Java (Kepala Sub Bagian Infrastruktur dan Tata Ruang, Biro Administrasi Pembangunan	48	Jl. Menteri Supeno Semarang

		Administrasi Pembangunan Daerah Setda Provinsi Jawa Tengah	Daerah Setda Provinsi Jawa Tengah		
2	Irawan Kristianto	Technical Information Team of ULP	Unit Layanan Pengadaan	35	Jl. Menteri Supeno Semarang
3	Tri Febrianto NH	Technical Information Team of ULP	Unit Layanan Pengadaan	36	Jl. Menteri Supeno Semarang
4	Agus Aminudin	PPE admin and Network admin	Layanan Pengadaan Secara Elektronik	34	Jl. Siliwangi Krapyak Semarang

B. The Effectiveness of ULP as Assessor of E-Procurement in Central

Java

ULP, in collaboration with LPSE, utilized E-Procurement in their structure in 2012 to facilitate expediency in transactions. E-Procurement exists to minimize the availability in corruption, collusion and nepotism in procurement in local area and national area as it easily identifies opportunity for providers to enter into the system, thereby minimizing the personal meeting of the officer and the provider.

3.1. Effectiveness

Effectiveness is associated with efficiency. The effectiveness of the officer reflects the conduct of service. Below are important factors contributory to the effectiveness of the officer during transactions:

1. The good bidding of procurement;
2. The good structure of ULP/LPSE as the actor of procurement and standard system of E-Procurement;

3. The cheapest price of auction;
4. The shortest time of auction;
5. The updated status of procurement;
6. Good quality of work;
7. Good quantity of work, and
8. Targeted

These eight factors are influenced in the effectiveness of ULP as a daily actor of procurement.

A good bidding shows the effectiveness of the officer in giving the specifications needed from the project provider. On the other hand, the good structure of ULP and LPSE as the electronic-based system also influences the effectiveness because the two departments have the crucial role of cooperating with one another to minimize mistakes in procurement. The provider with the cheapest price would mean cost-efficiency on the side of ULP thus making it a significant factor. The shortest time of auction is also a significant factor for it shows the effectiveness of the provider to deliver the project as soon as possible. Those five factors are influenced in the effectiveness of ULP as daily actor of procurement.

In other side, the good structure of ULP as daily actor of procurement, and LPSE as the electronic based system also influence the effectiveness. Something can be effective when the two departments are implementing the work together without any mistake or over job. The cheapest price also becomes the one and important case in effectiveness. Meanwhile the shorter tie of bid also become the one that shows the effectiveness of some projects. In this research the researcher will focus on the two factors of effectiveness;

This research will focus on two factors of effectiveness – price and time.

3.1.1. Price

Price or budgeting is one of the important values in public service management because the cheapest price in the bidding is a salient point in the auction. The price introduced on the initial stage of procurement is called the “self-estimated price” or *Harga Perkiraan Sendiri*. This self-estimated price is used to measure the budget availability of the department that holds the bid or auction. The winner of procurement usually comes from the provider with the most realistic bid in price offering or price bidding wherein there is a lesser gap between the self-estimated price and price offering.

Figure 3.1. Example of Self-Estimated Price and Price Offering

2	KODE LELANG	KATEGORI	NAMA LELANG	SKPD	PAGU PAKET	HPS PAKET	HARGA PENAWAR	HARGA TERKORBAT	PESERTA	PEMENANG	DAERAH
3	10001042	Jasa Konsultasi Perseorangan	PENYUSUNAN DOKUMEN EVALUASI LINGKUNGAN HIDUP (DELH) GEDUNG BP DIKJUR DINAS PENDIDIKAN PROVINSI JAWA TENGAH TAHUN ANGGARAN 2015	Dinas Pendidikan Jawa Tengah	150000000	149407500	141515000	145365000	5	PT. STADIA REKA	Semarang (Kota) Jawa Tengah
4	9934042	Jasa Konsultasi Perseorangan	Pengadaan Jasa Konsultasi Konstruksi DED Diorama Sejarah Jawa Tengah	Badan Arsip dan Perpustakaan Jawa Tengah	394725000	199574000	181300000	181300000	8	PT. SANGKUR RIANG	Bandung (Kota) Jawa Barat
5	9919042	Jasa Konsultasi Perseorangan	Supervisi Pengadaan dan Pemasangan Perlengkapan Jalan Nasional di Wilayah Kabupaten Kalten	Satuan Kerja Perhubungan Darat Provinsi Jawa Tengah	150000000	149640000	147470000	147470000	11	PT. VASA SARWAHITA	Semarang (Kota) Jawa Tengah
	9918042	Jasa Konsultasi Perseorangan	Supervisi Pengadaan dan Pemasangan Perlengkapan Jalan Nasional di Wilayah Kota Semarang	Satuan Kerja Perhubungan Darat Provinsi Jawa Tengah	150000000	149640000	146570000	146570000	10	CV. HRV PLANNE R. CONSUL	Semarang (Kota) Jawa Tengah

Sources: *Lpseprovjateng.go.id*, 2016

Figure 3.1 shows that the self-estimated price of procurement can be the basis of the price offering. Sometimes the price offering is higher than the price initially offered however, still close to the self-estimated price. Those who lay down the self-estimated price and price offering also attend the *Pagu Paket* as the main base on the bid's price.

“Of course, we need the lower price or the cheaper price during bidding. The auction will work well when the price is not as high as the pagu paket; the implementation of the auction by the lowest price prevents the possibility of corruption.” (An interview with Agus Munawar Shodiq, S.H on November 25, 2016 09.00 AM)

The budget management is important since it will affect the sustainable development in local and national stages. The planning for price management must be done systematically as part of the budget management system. Price management hoped to minimize the budgeting needs in procurement for it encourages the efficiency in public procurement.

“Pagu paket here is only become the one of standard, we make it bigger indeed to make sure about the providers budget capability. When the price are closer from the pagu paket, we will choose those provider for having the contract. In case of the lower 200.000.000 will also become the same way in choosing the winner. The standard sometime become the upgraded session from last year and sometimes will be used for the next 2 years.” (An interview with Irawan Kristianto on Friday, November 25, 2016 10.30 AM)

The main focused that can be summarizing form those interview were comes from the availability of lowest price in procurement. The lowest price only does not can be affecting into the good effectiveness. However the effectiveness also can be seen from the closer price with the *pagu paket* as the standard price in some bidding. The other way that can be affected the good effectiveness is by implementing some punishment for those who does not follows the rule of procurement.

The price that should be prepared by the government is amount the same as the amount that should be prepared by the providers. *Pagu paket* that become the standard of auction also shows the ability of providers. Again, the most realistic and reliable price offering that will be declared as the winner of certain auction. The data minimization also refer to evaluation methods-based-quality. The next

methods-based on quality and budget will be main focused in this sub-chapter. Here is several requirement that should be fulfil by both of ULP and providers in auction plan.

Simple way to evaluate the budget quality in procurements;

1. Evaluate the administration requirements by *sistem gugur*;
2. Assess on price offering by value system (*sistem nilai*);
3. Assess of budget offering by passing grade;
4. Sumarize the final result by this formula (Nilai/skor penawaran teknis x bobot penawaran teknis) + (nilai/skor penawaran Biaya x Bobot Penawaran Biaya);
5. Clarify and negotiate the best price offering, and
6. This clarification and negotitaition should be refers to the performance framework (Kerangka Acuan Kerja)

This seven way will become the simple way in evaluating the availability of price offering that helped the ULP in identifying the winner. The good quality od price offering also causing the better e-procurement implmentation in the future. When the price are settled, the way of procurement will be move on the next step.

3.1.2. Time

Time management is a way to plan the availability of implementation of the project or program. The time management is used to minimize the tendency to corrupt the funds since it will determine the beginning of the signing of the contract until the end of the procurement process. The shortest time to be offered during the bidding has the highest tendency to win.

“In e-procurement, of course we need to shorten time of bidding. The

bidding will be implemented directly when the auction time is shorter than necessary.” (An interview with Irawan Kristianto on Friday, November 25, 2016 10.30 AM)

The shorter time of the auction process also reflects the stability of bidding. Hence, the bidding is stable when the duration of auction is shorter and the price is cheaper.

Figure 3.2. The Long-Term of Auction

Tahap	Mulai	Sampai	History Perubahan
Pengumuman Pascakualifikasi	27 Mei 2016 08:00	02 Juni 2016 11:00	1 Kali Perubahan
Download Dokumen Pengadaan	27 Mei 2016 08:01	06 Juni 2016 13:00	1 Kali Perubahan
Pemberian Penjelasan	30 Mei 2016 11:00	30 Mei 2016 12:00	Tidak ada
Upload Dokumen Penawaran	30 Mei 2016 12:01	07 Juni 2016 10:00	Tidak ada
Pembukaan Dokumen Penawaran	07 Juni 2016 10:01	09 Juni 2016 09:00	Tidak ada
Evaluasi penawaran	08 Juni 2016 09:00	24 Juni 2016 11:00	1 Kali Perubahan
Evaluasi Dokumen Kualifikasi	17 Juni 2016 09:00	27 Juni 2016 09:00	Tidak ada
Pembuktian Kualifikasi	21 Juni 2016 10:00	27 Juni 2016 10:00	Tidak ada
Upload Berita Acara Hasil Pelelangan	27 Juni 2016 08:00	28 Juni 2016 12:00	Tidak ada
Penetapan pemenang	28 Juni 2016 10:00	28 Juni 2016 13:00	Tidak ada
Pengumuman Pemenang	28 Juni 2016 13:01	28 Juni 2016 14:30	Tidak ada
Masa Sanggah Hasil Lelang	29 Juni 2016 08:00	01 Juli 2016 10:00	Tidak ada
Surat Penunjukan Penyedia Barang/Jasa	11 Juli 2016 08:00	12 Juli 2016 15:00	Tidak ada
Penandatanganan Kontrak	13 Juli 2016 08:00	18 Juli 2016 15:00	Tidak ada

Figure 3.2 shows the examples of the implemented bid. The long-term bidding process also shows the time management. The stages of bidding were beginning from the giving out of information from the provider (i.e. post-qualification) until the determination of the project provider. Here are several stages in bidding implementation (Ipseprovjateng.go.id):

1. Pre and Post-qualification of provider;
2. Downloading of the procurement document (for each provider);
3. Forum Group Discussion about the material of procurement;
4. Uploading the offering of documents;
5. The preface of the offering of documents;
6. Evaluation of offering;
7. Evaluation of qualification documents;

8. The proof of qualification;
9. Uploading the information of bidding result;
10. Enactment of the winner;
11. The information of the winner;
12. The interruption of the bidding result;
13. The letter of pointers in procurement; and (*surat penunjukan penyedia barang dan jasa*)
14. Signing of the contract.

Those fourteen stages of bidding are the general way to conclude the winner of the auction. The management of time for one bid is about nine (9) months in general. The long-term duration of the procurement process is due to the type of procurement, the location of procurement and the by the participant of bidding. The effectiveness of ULP as daily actor also can be seen from the availability of good human resources in the office. The longterm of bidding is also shows the availability of providers in having the implementation of procurement.

“The other way to identify the time of procurement can be seen from the readiness of provider itself. When the provider become ready with the short time and the lowest prices. We are as the winner determination will be choose those providers to come with us (An interview with Irawan Kristianto on Friday, November 25, 2016 10.30 AM)

By this interview known that the other factors that can be determine the winner of procurement can be seen from the price and time. The monitoring of procurement implementation also should be managed by the society instead of the government. The society also has the authority to claim about some problem that caused by the building procurement. Found some of procurement in central java already mentioned clearly about the availability of procurement in certain area. The

example were located in Magelang (Jl. Magelang-Salatiga) that attached in the attachment. This auction of construction were need for more that 200.000.000 and implement by ULP officer.

3.2. ULP as Assessor

Unit Layanan Pengadaan/ULP as the actor of procurement should implement their job efficiently since its focus is on the obligation to provide quality service as the procurement officer. In this research, the researcher identifies the important indicators that affect quality of procurement of ULP in the Central Java Province.

3.2.1. Updated on Website

Since 2010, ULP served as the actor of E-Procurement in the process. The information provided by Unit Layanan Pengadaan will be collected by the LPSE, the department that focus on information concerns. The assessment of ULP as has not been mentioned in the regulation.

“There is a regulation that states the importance of assessing ULP from the Governor of Central Java which can be found in Governor Regulation No. 08 in 2012 about Unit Layanan Pengadaan (ULP) or the re-exchangeable version from Law number 66 2012 which has become the derivative of Law No. 54 in 2010.” (An interview with Agus Munawar Shodiq, S.H on Friday, November 25, 2016 09.00 AM)

Law No. 54/2010 is about the procurement system that has the same operational function with Law No. 70/2012. The significant change between them is only in the efficiency of direct procurement. In Law No. 54/2010 only one hundred million rupiahs has been budgeted for the procurement while Law No. 70/2012 has upgraded the budget to two hundred million rupiahs. Presidential

Decree (Peraturan Presiden) Number 4/2015 provides details on the innovation of the electronic aspect of procurement, specifically e-tendering and e-purchasing. This regulation published in Jokowi's Era is hoped to bring several facilities and easiness in procurement.

As much as there is a provision of local regulation for procurement from the other aspects of government, the regulation of procurement itself should be broken down into local regulation.

“Actually, we have not found any regulation about “assessing” the regulation which only mentioned about the availability of ULP and also the job description of ULP.” (An interview with Irawan Kristianto on Friday, November 25, 2016 10.10 AM)

The answer regarding the assessment of the regulation is also strengthened in this statement:

“The assessing process is not mentioned clearly, it only talks about the job description and a little reference on transparency and accountability process of procurement, and I think it only refers to assessment process of public procurement.” (An interview with Tri Febrianto NH on Friday, November 25, 2016 10.20 AM)

Until now, the assessing values are not ruled and regulated clearly and deeply in the regulation. However, every job description quoted a few assessment values; every officer of ULP including experts should monitor the whole procurement processes starting from the annual plan. The annual plan that ordered by the ULP refers to the good implementation of procurement. The expertise team that focused on the assessing values also needs to be fixed it.

“In addition to the regulation, aside from the determination of the formal job description of ULP, the regulation also ruled about the amount of work in every group (kelompok kerja) and the amount work for technicians.” (An interview with Tri Febrianto NH on Friday, November 25, 2016 10.20 AM)

The regulation is not concerned on the technicalities of the job and its function but is concerned on the employee's or officer's facilities such as the salary per month and some other facilities the officer will receive. The newest regulation also mentions clearly about the availability of e-catalogue that which has caused the ease in the procurement process itself.

“This regulation was enacted on January 23, 2013 and has been implemented immediately even though we do not have any room to archive the procurement document. The room serves as a single Bangda. After 2 years, ULP have been provided the proper building in supporting the work and as a result, this province has become efficient compared to other surrounding provinces ex: Special Province of Yogyakarta and East Java” (An interview with Agus Munawar Shodiq, S.H on Friday, November 25, 2016 09.00 AM)

“The actor of this regulation is of course the people from ULP itself. The organization structure is composed of the Chief of ULP, Secretary of ULP, Information Technician team, and the sixteen work group (kelompok kerja) coming from certain department that should have their auction through ULP.” (An interview with Agus Munawar Shodiq, S.H on Friday, November 25, 2016 09.00 AM)

Every ULP officer must be informed of the regulation in detail and with utmost specificity so that every employee can fulfill their obligation as workers and are bestowed the right for the use of facilities to support their job. The problem is some of officers seem to not totally understand the general law of procurement, hence, the Governor Regulation should be expedited to the officer. The certain actor also need to be intended into the good information.

“The impact of e-procurement implementation was expedited significantly because when ULP became the sub division of Bangda.” (An interview with Agus Munawar Shodiq, S.H on Friday, November 25, 2016 09.00 AM)

In reality, the process of auction was not as easy as the officer thought based from the regulation. The process of auction itself needs several stages to be fully

completed. Meanwhile, the regulation also does not focus on the external issues of procurement and e-procurement thus the partnership with LPSE wherein it will serve its purposes on documentary system, data verification, and making of the procurement application.

“For us, the impact of this regulation is nil as it only facilitated us (ULP) in doing the work. The work of ULP became more specific, indeed, but it did not give better facilities or obligations for the actors of auction.” (An interview with Agus Munawar Shodiq, S.H on Friday, November 25, 2016 09.00 AM)

The effect of the regulation was different between Bangda. For Bangda, it helped expedite their work but ULP considered the regulation only as a facilitative tool. Hence, the implementation of the regulation is essential to bring positive impact in program implementation.

“This regulation served as the sub-law because ULP did not become the new division, instead it became the subdivision of Bangda (Biro Administrasi Pembangunan Daerah)” (An interview with Agus Munawar Shodiq, S.H on Friday, November 25, 2016 09.00 AM)

In addition, information regarding the regulation was elaborated by Tri Febrianto NH:

“The entire thing about regulation is that it is the basis of organization/department in its affairs. Not much has been said about the job description. Even if the regulations mentioned the job and facilities in detail, ULP also had the biggest part of monitoring and controlling the entire procurement implementation” (An interview with Tri Febrianto NH on Friday, November 25, 2016 11.00 AM)

In addition, a ULP officer explains on the role of the regulation:

“Yes, I agree with what Mr. Agus have said before, that the Presidential Decree mentioned the details of the monev (monitoring and evaluation). That decree also became the basis for every province in Indonesia wherein ULP operates as the daily actor of Procurement.” (An interview with Irawan Kristianto on Friday, November 25, 2016 10.30 AM)

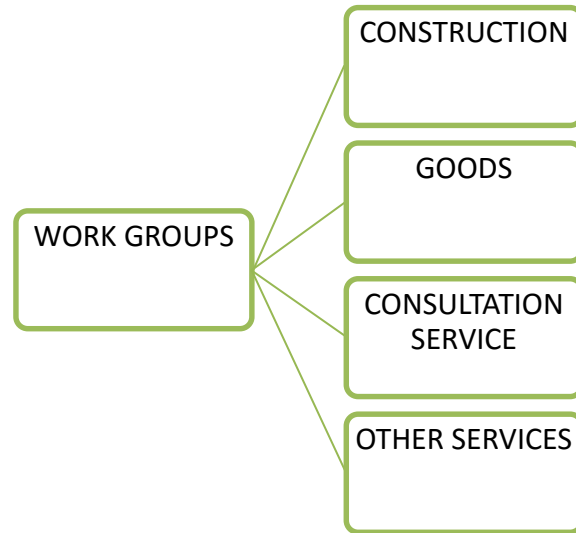
Both statements concluded that the monitoring and evaluation are mentioned in the Presidential Decree as it focuses on the innovation of procurement as shown in the availability of *E-procurement, E-tendering, E-catalogue and E-purchasing*. The electronic systems will be implemented by LPSE which currently focuses on information system and is independent of the roles focused by ULP. The actual way in procurement is when the estimated price more than 200.000.000 rupiah, it should be implemented by ULP. In order to fulfill the obligation of ULP as the actor of assessment in procurement, the ULP was structured in a specific way as stated below:

“The number of officers this year (2016) were 60 which is composed of the TI team: 12 people, Admin: 6 people, the Chief, the Secretary, expert team: 5 people. The members of the expert team were taken from the Bangda department which focused on the infrastructure development. The TI team were all filled by men wherein 10 people will stay at ULP and the rest would stay at Bangda.” (An interview with both of Irawan Kristianto and Tri Febrianto NH)

Based on the answer, the number of ULP workers was divided into four work groups; 3 work groups for goods and consultation services, and 5 work groups for construction services (consultation of corporation, self-consultation, and other services).

Below is a sample table about the work group structure:

Structure 3.1. Work Group Structure



Sources: Interview with ULP officer, 2016

Structure 3.1 shows the factors affecting the evaluation of work group structures. In 2015, the work groups consisted of 6 work groups of construction work, 7 work groups of goods procurement, and 3 work groups of consultation services. From that evaluation, it is concluded that the amount of spent on goods and services led to a higher amount of personnel expenditure.

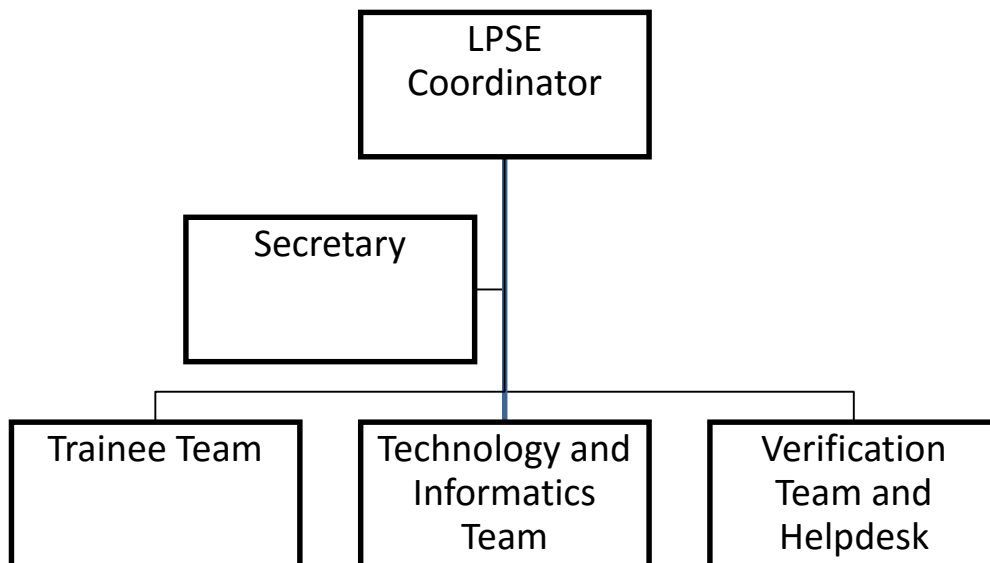
“In LPSE, the structure is not as robust as ULP since LPSE is only an actor of electronic services. It’s like LPSE is the supermarket, ULP is the customer, and the Providers are the goods that are sold in supermarket. The amount of officers in 2015 were only 14 people that were divided into 14 sectors; the guarantor, the chief of LPSE, the secretary of LPSE, coordinator of technology, administrator of system and network, coordinator of administration and verification, secretary ship, coordinator of application services and verification, helpdesk, and trainer.” (An interview with Mr. Agus Aminuddin on December 28, 2016 at 12:33 PM)

With the answer from Mr. Aminuddin, it is has been known that LPSE only caters to the electronic system and not on anything else outside their scope; hence serving only as the middleman of the goods from the provider to the customer who wants to buy the goods, in this case, the middleman between the project providers

and ULP. The effectiveness of LPSE can be seen in the final report of auction in the year, which is helped by the efficiency in the cheapest cost of e-procurement than the traditional way of procurement.

The structure below shows the organizational structure.

Structure 3.2. LPSE Organizational Structure



Sources: LPSE Website, <http://lpse.jatengprov.go.id>, 2017

Structure 3.2 aims to provide the process of electing and choosing officers in LPSE who would do the whole job description. The main job of LPSE is to verify the data from the provider who would join in the auction. In addition, LPSE becomes a subdivision of the Department of Transportation, Communication and Informatics that focuses on Information System to facilitate cooperation.

In one of the data provided in the system, the researcher spotted a discrepancy between the corrected price (harga terkoreksi) which is zero (0) rupiah and the estimated price (harga perkiraan) which is more than 100.000.000 rupiah. To clear this, below is a statement from LPSE and ULP:

“Huh? Are you sure that the corrected price is only 0 rupiah? It’s weird. Maybe the LPSE officer forgot to input the price in the website. Of course it is forbidden to write only in 0 rupiah. Maybe the LPSE officer does not monitor along the auction, or maybe because the auction is cancelled. (An interview with Irawan Kristianto on Friday, November 25, 2016 10.30 AM)

In the other hand, the LPSE officer who was the administrator of the website who knows about procurement auction has a different explanation about the discrepancy:

“When you ask about the indication 0 rupiah for the price, for us as servers, it is normal. It is not our fault in updating the website. The price is just 0 rupiah. Example, the estimated price for certain auction is 500.000.000 rupiah in terms, and 551.000.000 in text, after several way of elimination, we found the winner of the auction (of course ULP which is decided the winner). When the corrected price does not increase or decrease and if it is the same as estimated price, the system will write down 0 rupiah. It means that the officer does not need the current price. (An Interview with Mr. Agus Aminuddin on December 28, 2016 at 12:33 PM)”

The differences in answers from ULP and LPSE above reflect the current situation of the bureaucracy of Indonesia, especially in Central Java Province. The lack of communication and coordination causes a massive impact to the society. Here, it shows that the effectiveness between ULP and LPSE needs more improvement to make the website more stable. The stability of work can also be perceived as the effectiveness of work. The stability is seen from the upgraded amount of procurement, the amount of officers and the final report document. Stability of work is also rated by good moral, free of self-interest or some community, and the accountability of the officer in ULP.

With the issue on the discrepancy of amounts, many of assessors from the private sectors and college students asked for the transparency in auction. The zero (0) rupiah of procurement is the amount of correction and when the auction does

not have the different amount than what is estimated, it means that there is no need to correct the price in the auction. Below is a figure showing the possibility of the existence of a corrected price of 0 rupiah.

Figure 3.3. Example of zero (0) rupiah

The screenshot shows the following details for the procurement item:

- Nama Lelang:** Pembuatan Sistem Informasi Jawa Tengah
- Kategori:** Jasa Konsultansi Perancangan
- Instansi:**
- Satuan Kerja:** Kantor Perwakilan Jakarta
- Pagu:** Rp 227.800.000,00
- HPS:** Rp 227.000.000,00
- Nama Pemenang:** CV. Alifra Intranusa
- Alamat:** Jl. Abdulrahman Saleh No.26A - Semarang (Kota) - Jawa Tengah
- NPWP:** 01.830.668.8-503.000
- Harga Penawaran:** Rp 183.425.000,00

The bidder list is as follows:

No	Nama Peserta	Administrasi Teknis	Harga Penawaran	Harga Terkoreksi	Pemenang	Alasan
1	PT. Majapahit Cipta Mandiri - 71.376.218.5-618.000					
2	CV. SAFIRA MEDIA UTAMA - 21.004.986.2-657.000					
3	CV. MAHARANI KARYA ABADI - 31.666.864.9-518.000					
4	CV. DIGINET MEDIA - 02.298.472.5-542.000					
5	CV. Alifra Intranusa - 01.830.668.8-503.000	✓	Rp 183.507.500,00	Rp 0,00	★	
6	PT. Bimer Teknologi Indonesia - 66.487.531.1-071.000					
7	PT. EZRA PRATAMA - 21.040.109.7-503.000					
8	CV. SURYA APARTAMA - 02.772.687.5-517.000					
9	PT. EVINDO GEOMATIKA - 02.120.795.6-031.000					
10	PT.CITRAMUDA INDO CONSULTANT - 02.299.411.5-517.000					
11	CV. ARYA DUTA DINASTY - 31.376.319.3-517.000					
12	PT INTIMITRA CIPITAKARYA - 02.682.759.2-542.000					
13	CV ATHAR - 72.072.648.8-503.000					
14	CV BIROE - 77.067.738.4-515.000					

Source: LPSEprovateng.go.id, 2016

The example of zero (0) rupiah that shows above were focused on the implementation of daily procurement. However, the mishap of procurement also refers to the human resources management in appraisal. Before held the appraisal, the officer should be remaining the effectiveness in every side of job description. Some of officer were not really understood of law and regulation. The statements bellow become the one of answer that shows about effectiveness.

Below is a statement regarding the effectiveness of ULP:

“When you talk about the appraisal, we could only refer to the effectiveness of our job as seen in the availability of e-procurement. The e-procurement helps us (officers) in work. For example, when the provider has already joined for more than three auctions, then we can monitor that provider, which is really different with the past public procurement system. However, sometimes we find something disturbing in the report of auction about the application of the network due to a slow connection. We don’t know

anything about those kinds of network and application because that's the main job of LPSE." (An interview with both Irawan Kristianto and Tri Febrianto NH)

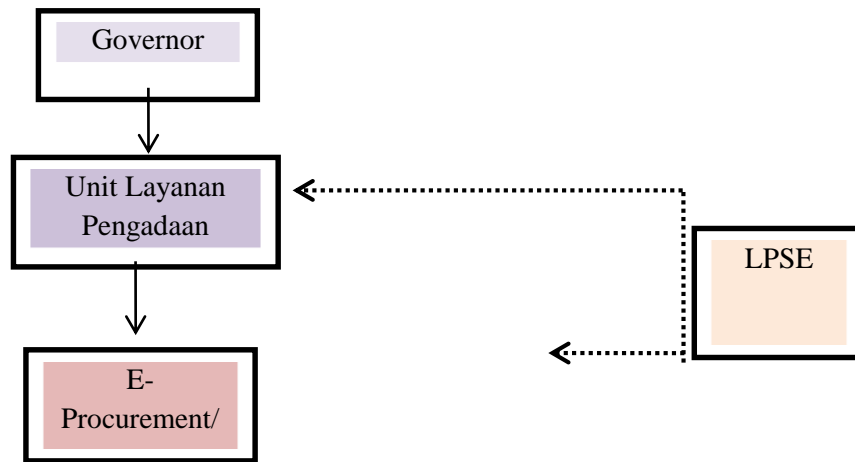
Based on the statement, e-procurement helped in minimizing the vulnerability of corruption since there is a minimal to no case of personal interaction with the provider and the customer. In addition, previous transactions could be monitored, hence, the convenience of comparing.

To further the assurance of transparency, LPSE will be monitored by LKPP (Lembaga Kebijakan Pengadaan Barang dan Jasa Pemerintah) or Government Procurement of Goods and Services Agency (national level). LKPP is the higher position of public procurement department in Indonesia. To assist LKPP, the president declared to create a special team that focuses on public procurement. It should be remembered the update in website actually is not the main job of ULP, in order to assess the procurement system of Central Java Province; the ULP takes a role to monitor and control the website update. The assessment values were implemented by ULP in monitoring and controlling the auction (if the last corrected price was less than 200.000.000 rupiah).

3.2.2. Monitoring and Controlling Provider Qualifications and Provider Electability

Monitoring is a process to control the progress of an on-going activity, whether it runs well and corresponds to the plan periodically and systematically. Monitoring that held by the government already has the pattern and illegible basic of law. the systematic of monitoring can be different from one institution toward

another institution. Systematically, the ploy of monitoring system of ULP towards E-Procurement is shown in the figure below:



Source: Primary data (Interview with ULP)

The figure above shows the authority of the governor in the local area in managing the whole aspect or services in procurement towards ULP. ULP would focus on the procurement starting from the pre and post qualification while LPSE would inform the society about the auction availability. In this case, both ULP and LPSE have the right and obligation to monitor and control the e-procurement implementation.

The provider qualification in the auction should be mentioned clearly in the registration form provided in the LPSE website as the procurement actors also needs to get special treatment and facilities in order to create a good procurement process. To attain a better understanding of the qualifications, the chief of infrastructure said:

“Some of works cannot work effectively because of the lack of infrastructure. Every work group does not have their private room, the room is used for two work groups, ULP does not have any archived room for saving their documents, and also the rule from LKPP has not mentioned about salary, the higher stage of promotion and also special salary. All those

three were managed by Regional Personnel Agency (Badan Kepegawaian Daerah).” (An interview with both Irawan Kristianto and Tri Febrianto NH)

Based on the interview above, the challenge of ULP in delivering effectively is its lack of infrastructure. An efficient infrastructure inspires effective conduct of affairs for it would provide the space for proper documentation of auctions. The complete database is only found from LPSE and it only accounts for the 2015 auction. The other auction that does not mentioned in the monitoring website of LPSE.

Provider qualification is one of the most important requirements for joining the auction. For example, when the provider is from the garment sector, it should join an auction related to garment. Fashion is one example that can be used in procurement because of the availability of daily formal attire for civil servant. In reality, the provider that joins the auction will be a winner for more than one time. The other example also from the food-related factory should be joining the procurement that related to the food.

“Oh, it is ok, and it does not matter if the provider wins more than twice a year since it already shows the capability of provider. Meanwhile, the maximum number for becoming a winner is 6 times. It means that the maximum chance for provider to win the auction is only 6 times in a year.” (An interview with Agus Munawar Shodiq, S.H on Friday, November 25, 2016 09.00 AM)

The provider qualification also shows the time accuracy in submitting the final report. Even though some auctions are ruled by ULP, the final report is also made and created by the several departments that need the auction. The formal way to identify the winner is by 2 factors: internal factor and external factor. The *internal factor* decides the winner by the following qualifications:

1. Success on Administration requirement;
2. Success on Technical requirement;
3. The competitive price is commended; and
4. Meeting and discussing about the material and requirements of auction;

The administration requirement should consist of the newest documents like NPWP, corporate certificate, the license of the corporate to join the auction, and the list of expert staff. The completion of these requirements is needed so that once it is entered into the LPSE system, the provider does not need to fill the registration form anymore, hence, being more efficient.

The *external factor* finds the winner by seeing the provider capability from the previous auctions. Those external factors are decided by the Commitment Maker Officer (Pejabat Pembuat Komitmen/PPK) who focuses on the funding and commitment of the provider that will join the auction. Sometimes, the external factors relate to the interest of the officer and below is a clarification:

“PPK does not become a part of ULP structure. It’s another structure that is taken from ombudsman. And I’m sure that central java province does not ensure the self interest in deciding the winner.” (An interview with Agus Munawar Shodiq, S.H on Friday, November 25, 2016 09.00 AM)

The technical requirement is needed to monitor the capability of the provider to respond on technical issues. In addition, the prices set should be competitive and realistic. To ensure the provider’s capability, a meeting is vital. After this, evaluations would be made which are aimed at giving guides for implementation in the future, to help the governor in the procurement process and to clarify the budget. The budget evaluation will be implement after finished the procurement. The evaluation that implement by the certain department were back

into the monitor and control from the certain department.

Below is a photograph of the facilities:

Figure 3.4. Work Groups Room Situation



Source: interview with ULP officer, 2016

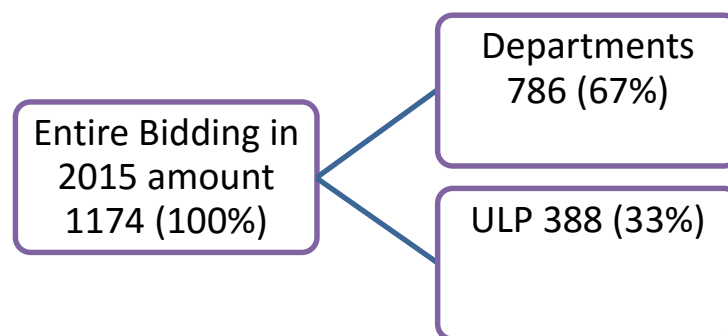
“Honestly, we do need more spaces to keep the archives of procurement. Even though the procurement implemented by ULP is not as much as the total amount of procurement in Central Java, around 1100 auctions in 2015 were reported by LPSE and that’s going to take a huge amount of space” (An interview with both Irawan Kristianto and Tri Febrianto NH)

The stability of work that causes the effectiveness and efficiency of the work can be seen from the infrastructure that the officers get. The good and clean infrastructure can be concluded as a good facilitation. When the facilitation is fully accomplished, the work of job description will be better and positively. The other way to show the effectiveness of ULP officer is by having final report that mentions the entire auction in a year. The report in each institution can be different. The report of ULP was attached in the attachment.

The report of auction listed by LPSE was the total amount of auctions in a

year. However, ULP only reports the availability of procurement that is implemented by ULP itself. The auction that is implemented by ULP in 2015 is 33% of the total auctions, 388 auctions held by ULP. The other of 67% was implemented back by the certain department. The department that has a lot of auction in 2015 is Dinas Bina Marga that rules the street maintenance.

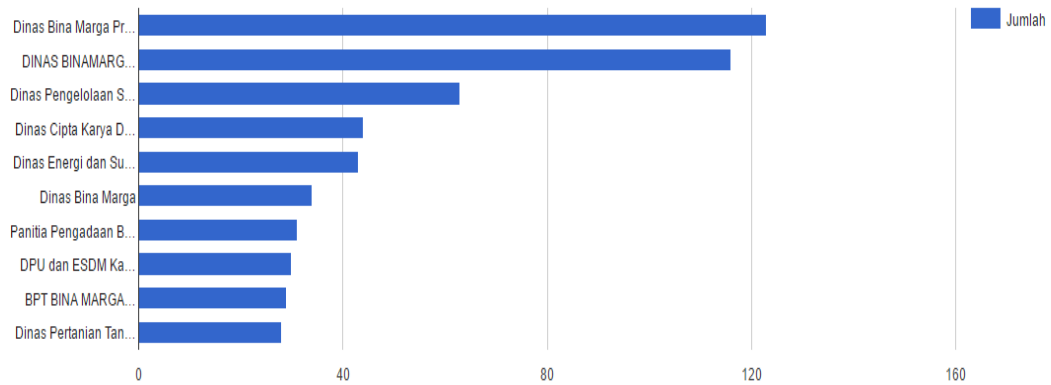
Figure 3.5. Figure of Procurement in 2015



Sources: Interview with ULP officer, 2016

Figure 3.5 shows there were 1174 packages auctioned in 2015. The 67% of the auction went back to its originating department. Most of the successful winners of the auction were on the procurement of construction, goods, and consultation services. In addition, the success of the auction is also affected by the capability of provider which can be traced from its previous records. the unsuccessful data of auction were not been found in the website that monitor the whole procurement implementation in Central Java.

Figure 3.6. Top Ten list of Procurement from Departments



Sources: LPSEprovjateng.go.id, 2016

Figure 3.6 shows that the last in rank is Department of Agriculture with less than 40 auctions in 2015. This list shows that the maintenance of public space is needed in Central Java. Dinas Bina Marga focused on the public space maintenances such as local street (jalan lokal), regional street (jalan antar kabupaten), and bridge. Governor Regulation of Central Java 72/2008 stated that Dinas Bina Marga took a large part in the construction procurement, as noticed in every report.

The other way to say the conclusion from the winner determination of ULP officer, can be seen from the internal and external factors. Those two factors were has different focused. Internal factors can be seen from the current regulation, budget, facilities, and value. In other side, the external factor can be referring to melue of procurement, social and politics factor.

Internal Factors that focused on the regulation already mentioned in the PERKA ULP as guideliness. For budget will be refereing to the local budget that can be increasing every year. The facilities that got by the officer also should be fulfil the work stability. Example of the facilities already mentioned above. In case

of **External Factors**, the melue can be seen and clarify by the availability of value of good governance. The good governance can be inspiring a lot of government project. The social factors also seen from the chance of the collusion between officer and providers. The last is politics, this factor became the most difficult factor to avoid. Some of officer that already joined the political party will be joining into the circe of political interest.

3.3. Responsible and Responsive Conduct of Affairs

In achieving a good quality standard of services, the government of central java concerns on creating the good governance values in daily services. The good governance values mentioned here are; responsible and responsive. Both of responsible and responsive will never be apart in the value. And the researcher is going to mention and analyses about the responsibility and responsiveness of ULP in procurement. The responsibility is used to clarify the good quality control of standard in auction. Meanwhile, the several of primary responsibilities, should be founded in every services.

Good governance requires a responsible and responsive conduct of affairs. The responsibility is used to clarify the good quality control of standard in auction. Here are the primary responsibilities of the procurement process (Scottish Policy Authority, 2008):

- a. Acting as the interface between the contracting organization and the external marketplace on commercial matters;
- b. Determining requirements and establishing specifications in collaboration with end users;
- c. Challenging the organization's/end-users' requirements critically for the

need and cost effectiveness, taking account of whole life costs and cooperating social responsibility/sustainability issues;

- d. Conducting market engagement and research;
- e. Managing supplier relationships, including responding to suppliers' inquiries and complaints;
- f. Managing commercial relationships;
- g. Managing procurement competitions;
- h. Managing the award of contracts;
- i. Contracting management;
- j. Establishing a comprehensive contract register; and
- k. Establishing arrangements related to authority to procure.

Other examples of the responsibilities of the procurement officer is to focus on *health and safety, fair business practice, environmental protection, human rights, and local community development.*

Figure 3.7. Procurement Responsibility



Source: <http://www.tatasteleurope.com>, 2011

Figure 3.4 shows a cycle of important values in procurement responsibility.

Furthermore, below are the important values explained in detail (Tata Steel , 2011):

- Health & Safety – expect the suppliers to adopt management practices in respect of Health & Safety which provide a high level of safeguarding for their workers.
- Fair Business Practices – the Tata Code of Conduct outlines the ethical standards and fair business practices by which Tata Steel conducts business and we expect our suppliers to adopt similar principles.
- Environmental Protection – expect the suppliers to maintain effective policies, processes and procedures to manage their environmental impact.
- Human Rights – expect the suppliers to develop and implement policies and procedures to ensure all human rights in their business and to encourage their suppliers to do likewise.
- Local Community Development – expect the suppliers to contribute to the social, economic and institutional development of the communities in which they operate.

In case of Indonesian procurement, ULP as the procurement actor has the following responsibilities:

1. Preparing the form before uploading to LPSE website;
2. Rechecking the availability of auction;
3. Rechecking the location that will be used in auction;
4. Clarifying the health and safety of the location before auction;
5. Helping the department in order the successful of auction; and
6. Monitoring and controlling the entire auction in a year, especially the auction that implement by ULP.

An interview with ULP officers further elaborates its role as an actor:

“ULP is responsible for jobs that it ought to do. However, there are several job desks that do not work properly so we take initiative of the job to help them. But again, most of us are responsible people who know to act. (An interview with both of Irawan Kristianto and Tri Febrianto NH)

The interview revealed that some members of the work group came from other departments during auction, hence, the need to take over on some works that are not fully attained by the latter. The statement from ULP was argued by the LPSE officer as quoted below:

“ULP is not functioning responsibly as what they are saying in reality. Some ULP officers do not join general meetings which declare the winner of the auction. However, there are still diligent and participative officers in the general meeting. For me, the values of responsibility is marked 7. Why seven? It’s because the responsibility value is not implemented by all officers.” (An Interview with Mr. Agus Aminuddin on December 28, 2016 at 12:33 PM)

Responsive becomes the most important thing in public services. The public service will work effectively and efficiently when the officer has responsiveness and responsibility in work. Responsiveness also can be the factors of the bidding documents in auction. The responsiveness will be gathered by the responsibilities that are offered by the officers. Responsiveness is one of the most important values in public services since it can be a factor during bidding. The example of responsiveness in procurement is:

“Of course we are responsive, if we aren’t the the auction will be cancelled. Sometimes, some vendors who take a part in the auction tell us about the error in the website or the application. In case of LPSE jobdesk, we should not help the vendor in fixing their site. However, we helped them by contacting the admin of website or application to fix it up. It means that ULP is a responsive institution. (An interview with both Irawan Kristianto and Tri Febrianto NH)

From the statement above, it could be understood that to expedite the process, one department goes out of its way to aid the other department’s problem – that is being responsive to the need of the time. The figure below shows the indicators of responsiveness:

Figure 3.8. Responsiveness in Public Service

1. Listening to citizen-users	2. Informing citizen-users	3. Responding to public concerns
Public consultations	Educational initiatives	Changes in service provision
Customer and user surveys	Public health initiatives	Reallocation of resources
Deliberative initiatives	Availability of service information	Complaints procedures
Local needs assessments	Spend on service information	Complaint outcomes
Local partnerships	Spend on educational initiatives	Feedback initiatives
Choice initiatives	Availability of procedural information	Ongoing evaluations
Use of user-held budgets	Spend on procedural information	Impacts of service changes
Representation on committees	Transparency of procedures	Explaining why <i>no</i> change
BME engagement	Feedback on service changes	Tracking preference changes
Engaged Leadership (in interaction with the public)	Visionary leadership (from front)	Responsive Leadership (from behind and below)

Sources: *Handbook of Public Procurement, 2016*

To be more responsible and responsive, ULP officers should listen to the concerns of its customers in order to provide deliberative initiatives. They should monitor and control the implementation of the job description and should conduct awareness dissemination to the citizen-users in order to give more initiatives on education, public health, and to inform on the availability of the service. In addition, ULP needs transparency in its procedures and visionary leadership to be responsive.

The final step for effective responsiveness is for the officer to check if the initiative aligns with the public issue. First, it needs to determine if there is a change in the service provision and now has the ability to fix the procedure, the stable evaluation, and explanation about the change. When the officer comes with these three factors, the officer can be declared as responsive.

The responsiveness of ULP can be seen from the answer of an LPSE officer:

“Yes, they (ULP) really help in responding to the problem in LPSE. As we know, LPSE is only a system of e-procurement which has no role in the management of the auction. ULP helps the LPSE officer in fixing the issue that is related to bidding. (An Interview with Mr. Agus Aminuddin on December, 28th 2016 at 12:33 pm)

Based on the interview above, it is observable that the responsiveness of ULP to the needs of LPSE has brought a positive impact on implementation. The researcher noticed that most of the workers are men, hence, the answer of ULP:

“Are you curious about the officers and why they are men? It is because the work of ULP is hard. We need to dig deeply into the place or the thing that we will use for the target of e-procurement. I know that it is a gender inequality, but when the officers are women, it should be difficult for responding in a good way. (An interview with both Irawan Kristianto and Tri Febrianto NH)

The statement shows that women jobs are only concerned on office works and therefore they can't work on the field for these mainly concerns on the construction of good and services. If Central Java needs to fix some roads or buildings, the ULP officer should visit the certain place before having an auction and it would be responded immediately if the officer is a man.

With price and time as the two main research variables in this research, it was found out that the implementation of E-Procurement in Central Java paved the way for more efficient and effective procurement process. Data show that ULP and LPSE worked in cooperation for the responsible and responsive delivery of goods, therefore addressing the needs of the public.