



International Journal of Applied Business and Economic Research

ISSN : 0972-7302

available at <http://www.serialsjournals.com>

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Volume 15 • Number 25 • 2017

The Effectiveness of the Management of the Procurement of Goods/ Services in the Provincial Government of North Sulawesi

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Abstract: This paper will examine the effectiveness of procurement of government goods / services. This research was conducted at North Sulawesi Provincial Government. The essence of this paper aims to determine whether the management of procurement of goods / services on the Provincial Government of North Sulawesi has been effective. Data collection techniques and procedures through in-depth interviews to a number of informants related to the management of procurement of goods / services such as officials making commitments, technical activity executives, procurement officers, committees / officials receiving the work, third parties in the Public Works Department, The National Education Office, the Office of Culture and Tourism, and the Development Bureau, and the Auditor of the Inspectorate of North Sulawesi Province. The results of this study indicate that the management of procurement of goods / services at the Provincial Government of North Sulawesi has not been fully effective, this is because the application of effectiveness-forming factors that are efficient, transparent, open, competing, fair / non-discriminatory and accountable in the management of goods / In each stage starting from the planning, implementation and to the stage of control. These problems include planning not compiled by competent apparatus, not conducting market price surveys, public access to general procurement plans is considered to be lacking, public information is still limited, procurement procurement prices, technical specifications determined not all can be fulfilled provider, The interventions to the goods / services procurement management apparatus, archives and records are not fully documented, and there are jobs that have passed the contract period but are not subject to reprimands and are not levied with late fees.

Keyword: Not effective, Management, Goods / services, Managers, Systems, Problems.

INTRODUCTION

The current ineffectiveness of procurement of goods and services is evidenced by the large number of corruption cases related to procurement of government goods and services handled by the Corruption Eradication Commission (KPK), this corruption is generally due to collusion and nepotism practices from both employers and From service providers, collusion and nepotism practices occur because procurement

is not done efficiently, transparently, openly, competitively, fairly and not transparently. In KPK's annual report until 2015, corruption cases in the procurement sector of goods / services became the second most cases handled by KPK after bribery cases.

Research conducted by Neupane *et al.* (2012) concluded that 'public procurement processes have different phases and each phase has a risk of corruption'. According to Hardjaloka (2014), the largest corruption currently occurs in the procurement of goods and services. Approximately 42.70% or as many as 114 cases of total 267 corruption cases in semester II 2013 is a case of procurement of goods and services (ICW, 2014). The characteristics of the procurement of goods and services that cause irregularities and corruption include: 1) closed nature is not transparent or widely announced, so that interested parties and qualified do not follow it, 2) are discriminatory and can not be followed by all business actors With the same competence, 3) the technical terms or specifications or brand leads to certain business actors thereby hampering other business actors to participate.

In addition to the above problems, Hardi (2016), raises various issues concerning procurement of goods / services government that is not transparent, not accountable, not responsibility, not independent, and unfair. It is seen at every stage, starting with the planning stages of arranging specifications leading to a particular product, the value of HPS inflated, establishing the provision of providers that have been directed to a particular provider, preparing the schedule too quickly, so that the prepared provider who submits the offer, limits the information, So that certain providers only get complete information. At the election stage which becomes the issue of the auction announcement (false or fictitious, incomplete content, short notice time), the working group does not possess the technical substance and important information that will be ensured in *aanwijzing*, does not make arithmetical correction for unit price contract, does not clarify the Evaluation process. At the stage of contract implementation which becomes the problem of delivering the main work to another company / sub contractor, inspector or job inspector to make an incorrect report or falsify the report to cover the conditions that are not true, payment exceeds progress. At the handover stage of the problem is the physical work is not completed 100%, the quality of goods / services not according to standards and specifications contained in the contract.

Based on the issues of procurement of goods / services that occurred, then Moitswadi et al (2014) examined the investigation of the effectiveness of public procurement practices. This is done because according to Akinboade, Kinfack and Mokwena (2012) and Mofolo and Smith (2009) in procurement practices still exist: lack of transparency, communication and accountability, corruption, maladministration and financial mismanagement. In addition, Taylor, Fleisch and Shindler (2008), added that in practice the procurement still occurs Inappropriate planning, under-spending of budgets and ineffective procurement form part of the root causes of poor service delivery to the public, as this restricts the movement of resources to the right places.

The importance of reviewing the procurement of government goods / services because of the many cases of corruption in the field of procurement of goods / services will ultimately hinder the success of development because the success of development is determined, among others, by the successful procurement of goods / services, because the implementation of development in all sectors generally run through Stages of procurement of goods / services. This will certainly harm the community, because with the hampering of the development process, then the goal of the government to prosper the people will not be achieved.

The purpose of this study is to know the effectiveness of procurement management of goods / services at the provincial government of North Sulawesi.

A REVIEW OF THE LITERATURE

Procurement of Government Goods / Services

Tanesia (2015), explains the procurement of goods and services conducted by government agencies and the private sector. This activity is conducted to obtain goods and services by an agency / institution whose process starts from the planning needs until the completion of all activities to obtain the goods and services. Procurement of goods and services ideally aims to ensure efficiency, transparency and fairness in the implementation of development activities by the government (Listiyanto, 2012).

Procurement of goods and services in an agency or company is a routine activity that is always done. Procurement of goods and services is intended to meet the needs of goods and services for the sustainability of the operations of the institution or company (Heryandi *et al*, 2015). Wardiyanto (2012) defines public goods / services as goods whose use is related to the interests of the public, either in groups or in general, whereas the goods and services are goods that are only used individually or in groups.

Management of Procurement of Goods / Services

The word “Management” can be likened to management, which also means arrangement or management (Arikunto, 2005). For the procurement management / procurement concept, Bahagia (2011), suggests that to obtain goods / services can be obtained through purchase or make. This means that a good / service is obtained by way of purchase if the goods are already available in the market (ready stock) when needed. While the goods / services will be created if the goods require production or construction efforts (make to order) in advance to be utilized.

Based on the definition, the management or procurement management can be defined as: the implementation of management functions systematically on activities to obtain goods / services whose process starts from the planning needs until completion of all activities to obtain goods / services by using existing resources effectively and Efficient in order to achieve the goal of procurement oprimal (Arsana, 2016).

Principles of Procurement of Government Goods / Services

According to Willem (2012) the principles of procurement of goods / services as follows:

1. Efficient. Procurement of goods / services should be cultivated using the least amount of funds, resources and facilities to achieve the objectives set out in the shortest possible time and be accountable in order to contribute as much as possible to the benefit of the state.
2. Effective. In accordance with the needs that have been set and can provide maximum benefits in accordance with the set goals.
3. Competitive. Conducted through selection and fair competition among providers of goods / services equivalent and meet certain terms / criteria based on clear and transparent terms and procedures.

4. Transparent. All provisions and information on the procurement of goods or services, including technical requirements of procurement administration, evaluation procedures, evaluation results, determination of potential suppliers of goods or services, are open to the interested participants or suppliers and to the general public.
5. Responsible. Achieve the goals of both physical, financial and benefits for the smooth implementation of the principles and policies and provisions applicable in the management of the supply chain.

Effectiveness of Procurement of Government Goods / Services

In order to understand what is meant by the effectiveness of procurement of goods / services, then begins the definition of Effectiveness. Satries (2011) in Nurchana *et al.* (2013) suggests that Effectiveness is the relationship between the *output* with the target to be achieved, ie the greater the contribution of outputs to the value of achieving the target, then it can be said also the unit.

Measurement criteria the e-procurement effectiveness used is 5 (five) shaping factors Electronic procurement effectiveness including accountable, target, data security, fair / non discriminatory, and transparent (Wijaya: 2011). Accountable is the achievement of targets in accordance with the principles and provisions applicable in the procurement of goods / services. Target is a factor that explains the objectivity or target of the provision of procurement of goods / services electronically so as to be appropriate. Data security is a special measurement for the procurement of goods and services electronically, which becomes a security in electronic transactions. Fair and non-discriminatory constitutes equal treatment for prospective providers of goods / services and does not lead to profit to a particular party, in any way or reason. Transparent means provisions and information on procurement of goods / services, including technical requirements of procurement administration, evaluation procedures, evaluation results, determination of prospective providers of goods / services, are open to the public.

RESEARCH METHODS

Object of Research

The main focus of this research is to explore the management of procurement of goods / services Provincial Government of North Sulawesi. Based on the research focus, the purpose of research is to identify whether the management of procurement of goods / services Provincial Government of North Sulawesi has been effective or not. The focus of this research is based on the idea that the ineffective management of government procurement of goods / services is very detrimental to the running of government wheels. Ineffective procurement of goods / services will hinder the achievement of government objectives, especially in the field of development, which hampers the government's efforts to prosper the people. The reason for determining the object of research of procurement management of goods / services at North Sulawesi Provincial Government is based on North Sulawesi Province still facing problems especially in the sector of procurement of goods / services of government. This is seen in the Report on Supervision of Accountability for State Finances in North Sulawesi Province of 2013, in which BPK provides a fair opinion with the exception of the Provincial Government of North Sulawesi as of December 31, 2013. The unavailability of unqualified opinion from BPK is due to among others the weakness of the internal

control system, the unregulated regional goods, the procurement of goods and services with the prevailing provisions, the presentation of financial statements that are not in accordance with Government Accounting Standards (SAP), Weaknesses in the financial reporting system, and the inadequate competence of human resources managers at the regional government. Indeed, BPK has given Unqualified Opinion on the LKPD of North Sulawesi Province for Fiscal Year 2014 to 2016 but this does not mean the Provincial Government of North Sulawesi has been free of findings, although it has obtained WTP opinion but there are still findings that are weaknesses in the design and The application of internal control system and related to the compliance of legislation.

RESULTS AND DISCUSSION

Can be explained based on the results of in-depth interviews on the effectiveness of procurement management of goods / services at the government of North Sulawesi Province, that the current management of procurement of goods / services in the government of North Sulawesi Province can not be categorized effective because in each factor forming the effectiveness of procurement of goods / services Encountered problems. The problems are described in Figures 1 through 6 of the following:

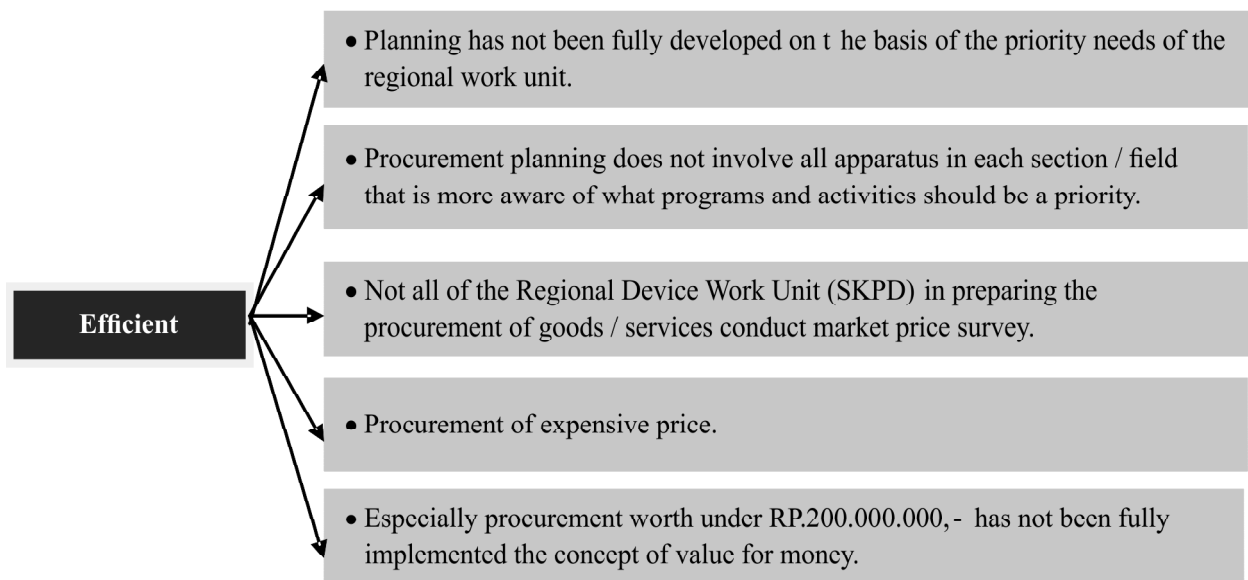


Figure 1: Problems in the application of factor-forming effectiveness is an efficient factor

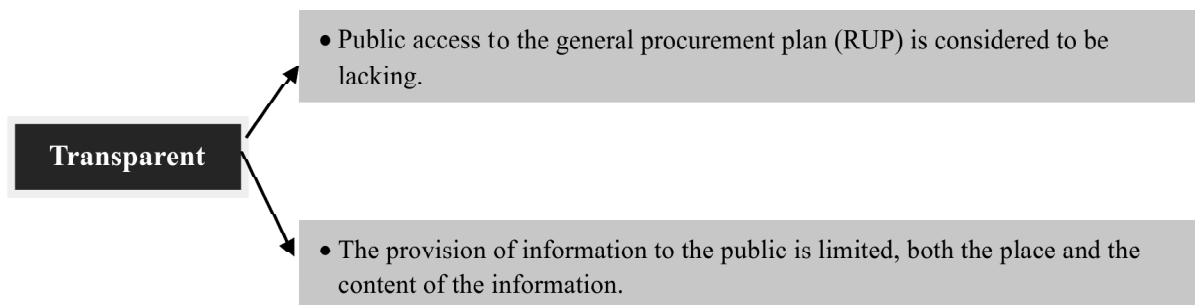


Figure 2: Problems in the application of factor forming effectiveness that is transparent factor

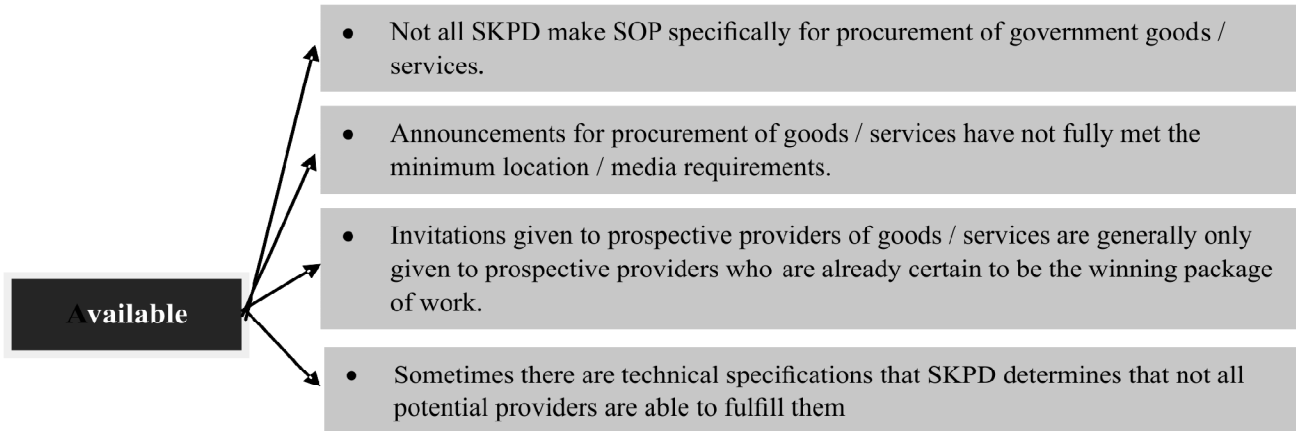


Figure 3: Problems in applying the factor forming the effectiveness of the open factor

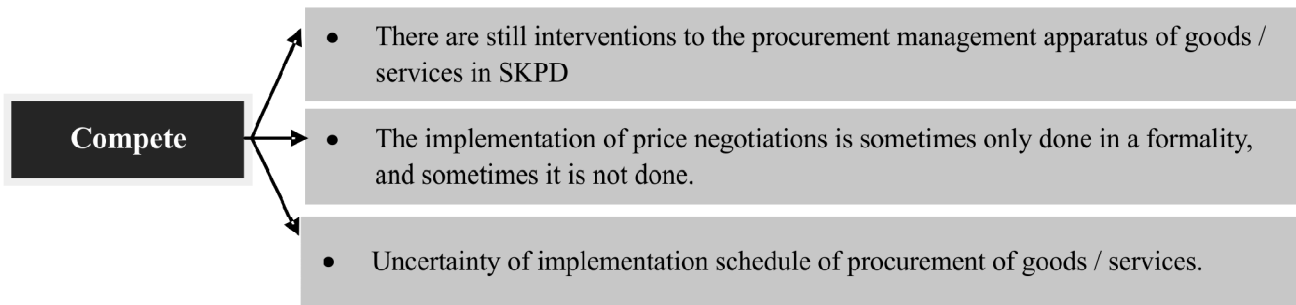


Figure 4: Problems in the application of factor-forming effectiveness is a competing factor

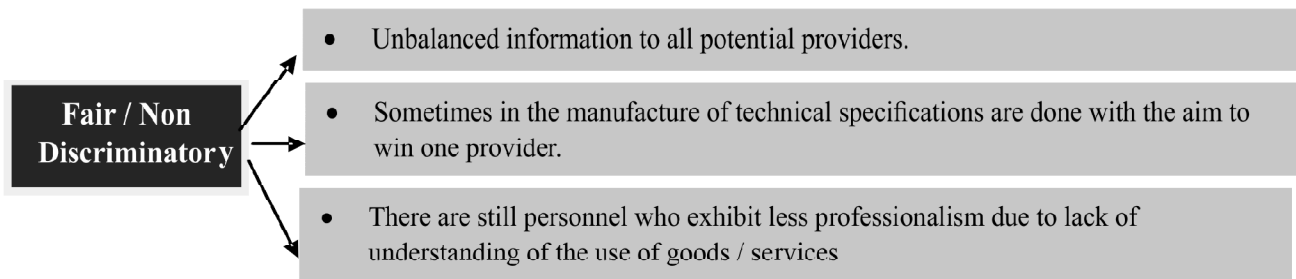


Figure 5: Problems in applying the factor forming effectiveness that is fair / not discriminative factor

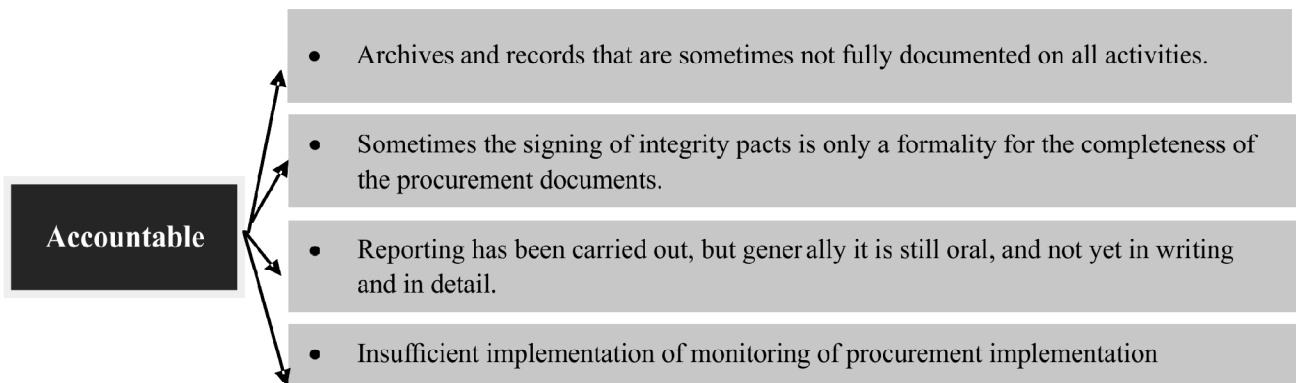


Figure 6: Problems in the application of factor forming effectiveness is accountable factor

Problems not yet effective procurement of goods / services if made in the cycle of management / service management cycle, based on the problems on the application of the factors forming effectiveness and other problems faced SKPD in the procurement of goods / services can be seen in the following table:

Table 1
Cycle of Goods / Services Procurement Management through Providers of Goods/ Services and Problems

<i>No</i>	<i>Management Functions</i>	<i>Stages of procurement activities</i>	<i>Problems</i>
1	<i>Planning</i>	<ol style="list-style-type: none"> 1. Preparation of general procurement plans. 2. Announcement of general procurement plan 3. Preparation of procurement implementation plan 	<ol style="list-style-type: none"> 1. Planning has not been fully prepared based on the priority needs of work units of regional apparatus. 2. Planning of procurement of goods / services does not involve all apparatus in each section / field that is more aware of what programs and activities should be a priority. 3. Not all SKPD in preparing the procurement of goods / services to survey market prices. 4. Public access to the general procurement plan (RUP) is considered to be lacking. 5. The provision of information to the public is still limited, both the place and the content of the information. 6. Not all SKPD make SOP specifically for procurement of goods / services government
2	<i>actuating</i>	<ol style="list-style-type: none"> 1. Announcement of auction/ selection 2. Registration of bidders/selection 3. Evaluation of qualification of bidders / selection (prequalification) 4. Explanation of auction/selection 5. Inclusion of provider offerings 6. Evaluation of bids (administration, technical and price) 7. Evaluation of qualification of bidders / selection (post-qualification) 8. Determination of the winner 	<ol style="list-style-type: none"> 1. Announcements for the procurement of goods / services have not fully met the minimum location / media requirements. 2. Unbalanced provision of information to all prospective providers. 3. Invitations given to prospective providers of goods / services are generally only given to potential providers who are already certain to be the winning package of work. 4. Uncertain schedule of implementation of procurement of goods / services. 5. The implementation of price negotiations is sometimes only done in a formality, and sometimes even not done. 6. Especially procurement worth under RP.200.000.000, - not yet fully applied value for money concept. 7. Procurement-price procurement. 8. Sometimes there are technical specifics specified SKPD that not all potential providers are able to fulfill it 9. There are still interventions to the procurement management apparatus of goods / services in SKPD

cond. table 1

3	<i>Controlling</i>	<ol style="list-style-type: none">1. Appointment of provider of goods / services2. Signing of contract3. Implementation of the contract4. Contract completion (handover)	<ol style="list-style-type: none">1. There are still interventions to the procurement management apparatus of goods / services in SKPD2. Archives and records that are sometimes not well documented on all activities.3. Sometimes the signing of an integrity pact is only a formality for the completeness of the procurement document.4. Reporting has been implemented, but generally still orally, and not yet in writing and detail.5. Not maximal implementation of monitoring procurement implementation6. There are jobs that have passed the contract period but SKPD does not give a warning and does not impose a late fee penalty.7. Recipient officials whose work is not equipped with sufficient knowledge of the implementation of the work, so sometimes they can not carry out the procurement of goods procurement carefully and thoroughly, so sometimes the goods are not in accordance with technical specifications8. The recipient's official / committee will sign the file even if the job is not fully completed
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As in Manossoh's (2016) study, local financial management must be concerned with the aspects of the system and people or its implementation. In the management of regional finances must be considered concerning aspects of the system and the person. So if we have a good system implemented by a good person (good people, good system) it is perfect. The system is not good the people good (bad system good people) this can still be helped, can still be helped, can still be fixed. Why so, because even though people work the manual way without using the system well but because the person is good / he does not want to do evil and certainly will not happen fraud. But if the system is good people are not good (good system bad people) it is broken. Any good system if the person is not good would be damaged. Because in broken down people are not good. Even worse if the system is not good and bad people (bad system bad people) is destroyed.

Likewise in this study the ineffectiveness of procurement of goods / services in the Provincial Government of North Sulawesi because although the system is good, but the people or apparatus executor procurement of goods / services that have not been able to run the existing system with a maximum, Apparatus has not been able to run the existing system due to lack of knowledge in the management of goods / services. Indeed, the system applied, especially procurement under RP.200.000.000, - not as effective as a procurement system worth over Rp 200,000,000, - this is because the system is still not running in accordance with existing rules, There are various obstacles why the system has not been able to run according to the rules, including the problem of budget disability and also the problem of time constraints but with the passage of time and with increasing supervision, It is not possible that a change to a better will occur.

CONCLUSION

From the research result, it can be concluded that the procurement management of goods / services at the North Sulawesi Provincial Government has not been fully effective. This is due to the application of the factors that form the effectiveness in the management of goods / services in SKPD that has not been maximized, it can be detailed as follows: 1) In the application of the factor forming effectiveness of the efisen still encountered problems include: planning has not been prepared based on the priority needs Unit of work of regional apparatus, procurement planning does not involve all apparatus in each part / field, not all SKPD in preparing the procurement of goods / services to survey market price, Procurements that are overpriced in price, procurement worth under RP. 200.000.000, - not yet fully applied value for money concept. 2) In the application of factor forming effectiveness that is transparent still encountered problems include: public access to public procurement plan (assessed less and the provision of information to the public is still limited, both the place and the content of the information. 3) In the application of the factor forming the effectiveness is open Encountered problems include: not all SKPD that makes a special SOP for procurement of goods / services government, announcements for procurement of goods / services has not fully meet the minimum requirements of location / media, the invitations given to prospective providers of goods / services are generally only given to prospective providers who indeed Has been confirmed to be the winner of the work package and sometimes there are technical specifications that SKPD specified that not all potential providers are able to fulfill it. 4) In the application of the factor forming the effectiveness of competing problems are still encountered include: there are still interventions to the apparatus management procurement of goods / services in SKPD, the implementation of price negotiations sometimes only done in formality alone, even sometimes have not done as well as the uncertainty of the implementation schedule Implementation of procurement of goods / services. 5) In the application of factor of effectiveness forming that is fair / not discriminative still encountered problems such as: unbalanced provision of information to all prospective providers, sometimes in the manufacture of technical specifications conducted with the aim to win one provider as well as there are still personnel Less professional because of lack of understanding about the use of goods / services. 6) In the application of effectiveness-forming factors are accountable still encountered problems include: archives and records that are sometimes not fully documented on all activities, sometimes the signing of integrity pact is only a formality for the completeness of the procurement documents, reporting has been implemented, but generally still orally, and not yet in writing and detailed and not maximal implementation of monitoring procurement implementation.

SUGGESTION

From the results of this study suggested to the apparatus of procurement management of goods / services in SKPD so that: 1) In the preparation of procurement planning of goods / services in each SKPD, SKPD asset team must be formed for the purposes of data collection planning / SKPD service needs, then In the planning process should have been accompanied by the Government Internal Supervisory Apparatus (APIP), not only to review the results of planning, it is intended that all stages in the planning that must be implemented by SKPD can be implemented in accordance with the provisions, so there is no longer the result of planning Not in accordance with the needs of SKPD. In addition to the above, the need for SKPD to set a special budget for the implementation of planning in the budget year in the following year,

so that later all procedures from the stages of identifying the needs of goods / services SKPD until RUP announcement can be implemented, and no more SKPD complaints about budget constraints in the implementation Planning. 2) In order for the public to access the RUP SKPD documents, it is necessary to have a special budget arrangement for the announcement of the RUP, both in online media, print media and on the SKPD notices, and to ensure that this is done in accordance with the provisions, the head of the SKPD shall make a special decree on the TEAM will handle RUP announcements. 3) SKPD must make a special SOP of procurement of goods / services, and SOP is not global, but SOP must be separated where SOP in procurement planning, procurement implementation until procurement supervision, so that later the procurement of goods / services not according to SOP, SKPD can provide strict sanction to the procurement management official who does not perform the task according to the existing SOP. 4) Local governments need to create a special team of APIP and the Regional Personnel Board which they will serve as a consultation place for the procurement management officers in the SKPD so that if they experience pressure or intervention from the leaders they can consult specifically with This team, which this team will be the mediator for the procurement manager of goods / services in SKPD either with the head of SKPD or the executing party.

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