

IMPROVED EFFECTIVENESS OF CONTROLLED PROCUREMENT SYSTEM PROCESS WITH E-PROCUREMENT IN PT. PLN (PERSERO) UIK SUMBAGSEL

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ABSTRACT

E-procurement was developed to facilitate access in the good and service procurement process and improve its security, efficiency, effectiveness, transparency and accountability. This study was conducted to analyse the effectiveness of using e-procurement in the goods and services process in PT. PLN (Persero) UIK Sumbagsel and observe its advantages compared to the conventional procurement process. The results show that e-procurement is more convenient for users, efficient, and transparent than conventional procurement processes.

Keywords: e-procurement, conventional procurement, good and service, processes

1 INTRODUCTION

Procuring goods and services is an activity to fulfil business implementation needs. All activities for the procurement of goods and services at PT. PLN Persero is regulated based on *Peraturan direksi PT PLN (Persero) nomor 0022.P/Dir/2020 tentang Pedoman Barang dan Jasa PT. PLN (Persero)*. This regulation contains the entire process from the planning of the needs to the completion of the entire process of the activities to obtain goods and services that follow the needs of the company in each work area unit.

According to [1], procurement of goods and services are all processes that include the company's business activities from the beginning of planning, preparation, licensing, and determining the winner of the auction to the stages of implementation and administrative processes in the procurement of goods or services.

The procurement of goods and services is to obtain the goods or services needed based on the 6R criteria (right quality, quantity, location, time, aim for the social economy and price). In addition, procuring goods or services are also expected to meet the company's needs with quality and prices that can be accounted for effectively and efficiently.

In the initial step of the manual procurement process, the procurement planner does not need to initiate the procurement process budget to be carried out. Budget initiation must be carried out early in the procurement process using the e-procurement portal. The purpose of this process is to find out the amount of the budget that is still available or not. The procurement process can still be carried out with insufficient funding, but the procurement process can only be carried out until the proposed winning candidate by the Procurement team.

Procurement of conventional goods and services was carried out a face-to-face between the vendor and the PLN. According to [2],[3], this method has several weaknesses: fraud and lack of transparency. From the service provider side, they must register manually by coming to the PLN office (transportation and lodging costs are required for vendors from another city). The explanation meetings are held face-to-face; the vendors do not know the Process stages and sometimes exceed the timeline. Document submission deadlines bids can be manipulated, the risk of documents being scattered and lost, and quite difficult due to the different formats of PICs. The procurement team cannot change the pre-determined time that has been created; the consent of an authoritative superior can change the proposed.

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Integrating technology is expected to be a more transparent solution and improve the weaknesses in the goods and services procurement process.

E-procurement is a system of goods and services whose implementation process is carried out online using the web by utilising information and communication technology facilities owned by PT. PLN (Persero). According to [4], The implementation of E-procurement is a transformation from the manual mechanism full of various weaknesses. Various elements can exploit these weaknesses, both by the auction committee and service providers. From the user side, the disadvantages of the conventional procurement process are it can create fraud and collusion with providers that will harm the company.

Based on the description of the e-procurement system in the goods and services procurement above, this research aims to analyse the implementation and effectiveness of the e-procurement system in the procurement of goods and services at PT. PLN (Persero)

2 RESULTS AND DISCUSSIONS

2.1 Procurement of goods and services in PT. PLN (Persero) UIK Sumbagsel

The flowchart of the procurement of goods and services in PT. PLN (Persero) is shown in Figure 1. Regulations related to the goods and services procurement in PT. PLN (Persero) apart from being regulated by the regulations of the board of directors as stated above, also arranged by Peraturan Menteri Badan Usaha Milik Negara Republik Indonesia No – Per / 08 / MBU / 12 /2019 tentang Pedoman Umum Pelaksanaan Pengadaan Barang Dan Jasa Badan Usaha Milik Negara.

PT. PLN (Persero) e-procurement portal is accessed through the page <http://eproc.pln.co.id>. This portal contains the entire flow of the procurement process starting from the input of the making list of selected providers, budget initiation, vendor procurement plan, procurement schedule, tender requirements, registration/announcement, download of documents, explanation of procurement, submission of bid documents, evaluation of bid documents, proposed winners, determination of

winners, rebuttal period and appointment of winners [5].

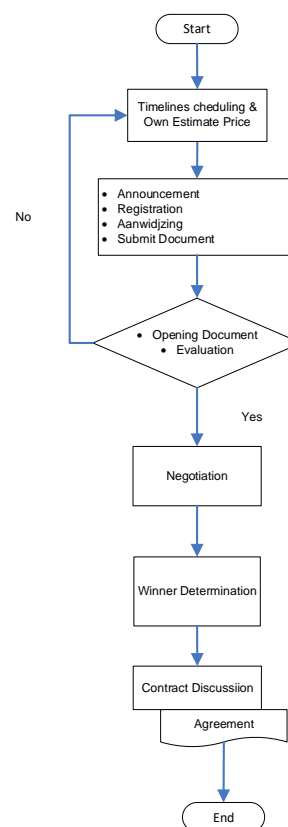


Figure 1 Procurement Flow Diagram

Although there is no difference in the flow of procuring goods and services process conventionally or through e-procurement, both providers and users of the services feel the advantages of the online procurement process, as shown in Table 1.

Table 1. The advantages of e-procurement compared to conventional procurement processes

Conventional	e-Procurement
Vendors must register manually by coming to the PLN office (transportation and lodging are required)	Online Registration
The explanation meeting is held face to face in the PLN office	Online explanation meetings could be conducted anywhere
The vendor doesn't know about the process stage	The vendor knows the stages process
Process stages sometimes beyond the timeline	The procurement process automatically

	runs according to the timeline
The deadline for submitting documents can be manipulated	The submission schedule is recorded
Documents created manually	Documents are automatically generated
Document formats among PICs are different	Document format uniformity
Documents can be scattered and lost	Documents stored on the server

The procurement process using e-procurement in PT PLN (Persero) UIK Sumbagsel is considered to provide many benefits, especially in terms of efficiency and transparency. Efficient in the ease of access, reducing costs incurred (transportation, office stationery etc.), and expanding the opportunity for tenders to be participated by vendors from outside the region, it supports the process of procuring goods and services to be more manageable. In addition, the e-procurement process is considered more transparent because vendors can know the auction process openly.

The procurement process runs based on a set timeline, so there is no allowable tolerance for delays in document entry or technical matters because everything can be accessed and recorded via the website. This online process minimises face-to-face opportunities between service providers and service users to avoid unwanted fraud.

Documents and data on goods and services offerings are stored securely on the server, eliminating the possibility of scattered or lost documents. Server security is conducted by setting the password only known to prospective providers of goods and services by verifying the company's data.

The advantages of the e-procurement procedure can be seen in the uniformity of document formats at PLN all over Indonesia; this is different from the conventional procurement process, where are differences in document formats among PICs. This provides added value in distributing information so that all relevant parties can participate in supervising the

procurement goods and services process by accessing the PLN e-procurement website.

2.2 Obstacles in the use of e-procurement of goods and services

The obstacle to using e-procurement in the procurement of goods and services is the lack of understanding in using e-procurement both from the service provider and the PLN staff itself. The need for the skills and insight in using e-procurement websites is expected to facilitate the implementation of the procurement process. In addition, there are problems with the server and the inability of the internet system to be a disturbance that is quite often encountered in the use of e-procurement of goods and services at PT. PLN (Persero) UIK Sumbagsel.

3 CONCLUSIONS

1. The online procurement process (e-Procurement) can be a control system for knowing budget availability and timeliness; it is a procurement-administration-data-storage-server.
2. The online-based procurement process for goods and services through the PLN website is more effective and efficient for service providers and users.
3. E-procurement avoids monopolistic practices and fraud because minimising face-to-face meetings between service providers and users.
3. The need for continuous socialisation to provide a deeper understanding of the use of e-procurement to prospective service providers and PLN for a smoother procurement process flow.

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