E-Procurement Policy Model: Case Study of Health Agency in North Sumatra Province, Indonesia

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Abstract

E-procurement policy is one form of reformation in procurement in Indonesia which aims at enhancing transparency in public procurement. E-procurement can be implemented through e-tendering and e-purchasing methods by utilizing e-catalogue. Policy implementation model was used to assist the realization of the goal of e-procurement policy. This study found three significant factors of e-procurement policy implementation model, namely legal foundation, infrastructure and human resources. This article entitled "E-procurement Policy Implementation Model: Case Study of Regency/City Health Agency, North Sumatra Province, Indonesia. Applying qualitative research method and case study approach, this study describes in detail stages of e-tendering and e-purchasing methods and transparency. It also explains how this e-procurement policy implementation method works and its relation with transparency in public procurement at Health Agency at Medan City, Binjai City and Serdang Bedagai Regency.In-depth interview, observation, document and literature analysis were utilised as interrelated data gathering techniques. In-depth interviews were conducted with head of Development Administration/LPSE of Medan City, Binjai City and Serdang Bedagai and Working Group of Procurement Service Unit (ULP), Commitment Authorities, Procurement Official and business as providers of e-procurement. This study also applies observation technique on Electronic Procurement Services (LPSE) website to examine transparency of data, process and decision of e-procurement activities.This study reveals e-purchasing methods is more interested for e-procurement implementers compare to e-tendering at all research sites. Security resulted from the utilization of e-catalogue is one of the reason for preference in using this method. This study also finds out that the three factors of e-procurement implementation model as mentioned previously were yet to function optimally causing speculations in e-procurement activities which usually addressed by providers to e-procurement implementers, and diverse understanding and interpretation on transparency between implementers and providers. Observation on LPSE websites reveals data transparency has been satisfactory while process and decision transparency are yet to be satisfactory.

Keywords: Policy model, E-procurement, Public service, Transparency.

1. Introduction

Public goods and services funded by national budget is an essential activity of government. Public goods and services procurement ensures the fulfilment of a country's development infrastructure. At this point, public procurement should be conducted more efficient and effective, prioritizing the implementation of healthy competitive principle which is transparent and just for related parties. This is a realistic expectation considering that the huge total amount of public procurement at governments' institutions reach out to 15% - 30% of GDP.

The high percentage of public procurement unavoidably created opportunity for the occurrence of corruption in public procurement and evidently dominates 61% of corruption cases in Indonesia (Tribune News. 2014). Public procurement process is also the most investigated corruption cases handled by Indonesia's Corruption (KPK) which consists of 96 cases or reaching to 40.9 % since 2004 to 2011 (Berita Sore.2012). Based on a study conducted by Indonesia Corruption Watch (ICW), public procurement corruptors includes private sector, head of government agency, head of local and provincial government (Hukum Online.2013).

Considering the vulnerability of public procurement towards the achievement of national economy, government implemented reformation in transforming manual procurement into electronic procurement (e-procurement). Manual procurement provided opportunity for direct interaction between government officials and providers. This face to face interaction significantly creates corruption and nepotism practices. On the other hand, through e-procurement the intensity of these corrupt practices can be decreased, thus, avoid and suppress these corrupt practices.

One of the objectives of e-procurement is to realize transparency and efficiency in public procurement (Presidential Regulation (Perpres) No. 4/2015). Surabaya city as one of best practices in public service delivery places the implementation of e-procurement as an innovative best practice, aiming at enhancing effectiveness, efficiency and transparency in public procurement process (Partnership for Democratic Local Governance in Southeast Asia, 2003). The implementation of e-procurement successfully saved 20 to 30% of public service

budget. The implementation of e-procurement in Indonesia's Finance Ministry has saved budget, reduce leakages and ensured transparency. It contributed to 18.4% budget saving in 2009 (LKPP.2009). The efficiency also applies to the Transportation Ministry with its basic budget of IDR 1.4 trillion, while the transaction value is IDR 1.17 trillion which mean a saving of IDR 230 billion.

In reality best practices of e-government in Indonesia is still at a minimum. Various intertwined factors such as inadequate human resources, limited supporting infrastructure, weak regulation and institution, limited government budget support, and the low commitment and seriousness of leaders at various government level, contributes to limited best practices of e-government. Similar problem occurred in the implementation of e-procurement in Indonesia, such as the absence of obvious regulative law which serves as umbrella law of e-procurement process in order for the realization of basic standard on the management of e-procurement process whether from the bureaucracy chain, time, the utilization of information technology and human resources. Moreover, the low commitment of top and middle level leaders due to low political support at the end encouraged corruption in public procurement. Also, the challenges from procurement committee, providers and legislators and limited infrastructure such as the expensive cost of internet, cannot be ignored (Kompasiana.2013).

Meanwhile, the implementation of e-procurement in European countries has its problems too (Lederer.2013). Studies on e-procurement transparency found data published in 'pdf' and html and not in the database form. This means data are found in different volumes of bulletins which makes it hard to explore the phases of procurement. In Hungary, the public must open every bulletin to know how many tenders won, value of the tender and if the tender is the same as it is in the contract. In Czechs transparency in e-procurement is still limited, this can be seen through the non-existing statistical data and review of the procurement or justification of the winner of the procurement on the website, but the data can still be acquired individually. In Poland or Czech the modification of the contract are not published, but can be requested by anyone that needs the information. Slovakia is a country which implements a very transparent e-procurement where they update the information constantly and provide data in format that are easy to process. There are also available an online database about all the approved contracts.

Policy on e-procurement in Indonesia began with the issuing of Presidential Regulation (Perpres) No. 80 Year 2003 about the implementation of goods/service procurement. Several years later, Perpres No. 54 Year 2010 was issued concerning Procurement of Government Goods /Services which indicate Presidential Decree No. 80 of 2003 null and void in 2011. Not long after, Presidential Decree No. 35 of 2011 was issued which is the First Amendment to Presidential Regulation No. 54 Year 2010 concerning Procurement of Government Goods/Services. Furthermore, some changes are made which results in the Presidential Decree No. 70 Year 2012 and Presidential Decree No. 172 Year 2014. Then, in the beginning of 2015, Presidential Decree No. 4 Year 2015 was issued about the Fourth Amendment to the Presidential Decree Number 54 Year 2010 concerning Procurement of Government Goods/Services and explanation which was enacted on January 16, 2015. Several changes in the rules aim to perfect the policy because in the future all government spending is done through electronic means. This policy was established as a correction of the weaknesses of manual procurement system both in terms of efficiency, effectiveness, transparency and accountability.

However, procurement of goods/services electronically only began in Medan, Serdang Bedagai in 2011 and Binjai in 2013, which makes it interesting to study. This research utilised case studies to be able to see the cases related to the process and the transparency of procurement of goods/services electronically which occurred in the City Health Office of Medan, Binjai and Serdang Bedagai. These cases are quite complex and risky because it involves many parties and a significant budget. District Health Office was chosen to be the location of this case study because this instance is responsible in the field of health which is one of the basic needs of people in the district city. This research is interesting because policy implementation of e-procurement be seen from different factors such as legal laws, infrastructure and human resources that are actually derived from real conditions in Medan, Binjai and Serdang Bedagai. In contrast to previous studies that used a model of policy implementation that comes from western countries that do not necessarily correspond with the actual condition districts/cities in Indonesia, especially in the province of North Sumatra, as well as several studies on e-procurement which focuses its studies on information technology. From the description above formulation of the problem in this research are:

1.   How does the e-procurement process apply both with the method of e-tendering and e-purchasing method at the District Health Office of North Sumatra Province?

2.   How does the process of e-procurement in achieving the transparency of goods/service procurement be seen from the model of policy implementation at the District Health Office/City, North Sumatra Province, Indonesia?

2. Literature Review
2.1 Implementation Model
In process of public policy, implementation is the most important part because it is a stage where pre-determined alternatives embodied into real action. This is because the policy implementation is a chain that links between policy formulation and expected results. Thus without implementation, the policy will be in vain because it is only a mere concept.

Implementation of policies when viewed in a broader sense, is a legal administration tool where various actors, organizations, procedures and techniques work together to carry out a policy in order to achieve the desired impact or goal (Winarno.2002). Since the implementation is seen as a tool in implementing the policy, there are several variables or factors that determine the achievement of the policy objectives. The existence of these variables or factors could support the implementation process of policies but may also hamper the implementation of the policy. Because of the many and complex factors in the implementation of a policy, it will require a conceptual model (conceptual model) to help analyse or evaluate the implementation of policies so that it can achieve predetermined objectives.

According to Thomas R. Dye (1972) a model is a simplified representation of some aspect of the real world. While Rendall B. Ripley (1985) argues that the major utility of any model is that it simplifies complex reality in ways that can be readily understood. Through a model, variables or factors that influence policy implementation can be simplified to make it easier to understand. Simplification is important because there are so many variables or factors, where not all of the factors influence the implementation of a policy. Thus a model consists only of a few dominant variables or factors that influence the implementation of a policy. Another benefit of the model is that it can show important variables or factors of a policy implementation. This makes it easier for both implementers and policy makers to focus more on the variables or factors that could make the policy implementation a success or a failure.

2.2 Functioning Model of Public Policy Implementation
There are three basic components that are found in public policy, which are the goals to be achieved, specific objectives and how to achieve these objectives. How to achieve this goal is called policy implementation. Policy implementation is not a simple process, it is very complex and complicated which are influenced by various factors both individual and organizational factors. Various models have been studied by experts to understand the public policy implementation process. In each model of implementation, experts found certain factors that are interconnected with each other and influence the implementation goals. Thus, we need to know how factors and variables work in a policy implementation model.

Grindle (1980) introduced implementation model as the political and administrative processes. The model works by describing the decision process performed by a variety of actors, where the output is determined by both the material and the program that has been achieved through the interaction of decision-makers in the context of administrative politics. The political process can be seen through the decision making process that involves various policy actors, while the administration looks through a public process regarding the administrative actions that can be studied at the level of a particular program.

Meanwhile Van Meter and Van Horn (2009) developed the manner of policy implementation process model work. Both found the change, control and compliance in action is an important concept in the implementation procedures. Both also develop a policy typology according to the number of changes that will be generated and the range or scope of the agreement on the purpose by the various parties involved in the implementation process, which in turn gave birth to the six variables that affect the performance of the implementation.

The first variable is the standard and policy targets. Every public policy standards should have clear and measurable policy objectives so the goals of the policy can be realized. The standards and policy targets will clearly make no policy bias so that there will be no multi-interpretations or misunderstandings and conflicts among the implementation agents. The second variable is resource. Implementing policies needs to be supported by resources, human resources, material resources and method resource. From the three resources, the most important resource is human resource, because besides being the subject of policy implementation it is also the object of policy implementation. Third is organizational relationship. In many policy implementation programs, to make an implementation successful, there needs to be good relationship between relevant entities. Communication and coordination plays an important role because it is one of the lifeblood of an organization so that programs can be realized. In addition, the fourth variable is characteristics of the implementing agencies. Implementation of policies can achieve maximum success by identifying the characteristics of the implementing agencies which include bureaucratic structures, norms and patterns of relationships that occur within the bureaucracy. This relates to the fifth variable the attitude of the implementer. In implementing the policy, attitude or disposition of the implementer is divided into three, namely the implementer response to the policy, the condition of the understanding of the policy defined and intense disposition implementer which is preference

of the implementer. The final variable is the environmental conditions of social, political and economic. This includes the extent to which interest groups provide support for policy implementation, the characteristics of the participants whether to support or reject, what is the nature of public opinion and whether the political elite supports the implementation of the policy.

Model of policy implementation of e-procurement in an earlier study consisted of three variables or factors. The legal basis as the first factor showed that a policy requires a clear legal basis and fixed institution. This electronic procurement system is based on a number of regulations, one of which is the Presidential Decree No. 4 Year 2015. Applicability of electronic procurement systems also requires an obligation for local governments to form the Institute of Electronic Procurement System (LPSE) and the Procurement Services Unit (ULP) in the area. Both institutions serve to expedite the process of procurement of goods / services electronically in the area (counties and cities). The second factor of models of e-procurement policy implementation is infrastructure. Infrastructure includes infrastructure such as hardware, including servers and communication networks and software. The use of technology, systems and standardized procedures, setting strict time schedule is an important thing known by all parties, both by the provider or providers of e-procurement. The role of infrastructure is needed as a tool to achieve policy objectives. The third factor is related to the human resources capability and organizational culture. Human resource capabilities here relate to IT-based control of computers, because e-procurement activities synonymous with the use of IT. In facilitating e-procurement activities, organizational culture that is fair, non-discriminatory and away from the practices of corruption, collusion and nepotism (KKN) are also significantly required.

The success of an e-procurement policy implementation will affect the transparency of procurement of goods and services. The success of implementation model depends on those three factors. E-procurement policy that is born of a legal basis cannot function optimally without the infrastructure needed for the implementation of electronic procurement systems and human resources policies as the driving factor. Furthermore, the use of advanced technology must be balanced by the ability of human resources. Therefore, the human resources as a service provider must have reliable skill in computer-based IT. If the organizers' human resource has the IT capabilities and is able to interpret the rules correct, only then there will be an organization behavior that is fair and free of corruption practices.

2.3 Transparency Procurement of Government Goods/Services as the objective of the Implementation of E-Procurement

E-procurement is a form of e-government service. A modest definition of e-procurement by Van Weele (1994) stated that the use the Internet Technology in the process of providing, that is, buying and selling of goods and services. Together with the above definition, Turban et al (2006) stated that e-procurement refers to the purchase of goods and services for organizations. Other definition focused on the implementation of e-procurement in the government organization argued that e-procurement refers to the use of electronic communications and transaction processing by government institutions and other public sector organization when buying supplies and services or tendering public works. Some understanding of e-procurement above is actually not much different from the understanding of e-government. Services performed both using Information Technology (IT), computer-based. Only difference of e-procurement to focus on the process of procurement, purchase and sale of goods/services while the reach of broader e-government because it involves publishing category, Interact and Transact.

There are many reasons and benefits from the use of e-procurement, Vaidya et al (2006) argued that e-procurement was used because of the demands of public sector management to be transparent, efficient and effective in providing services. E-procurement is also a common theme of many organizations in developed and developing countries to promote transparency and good governance. In this case the e-procurement used as an instrument of public sector reform. While Mitchell (2000) defined e-procurement by comparing it with traditional procurement methods where electronic procurement is better because it can integrate the processes of the supply chain (from customers to suppliers and back again to the consumer) smoothly, at the right time and can be done repeatedly. Kelman (1990) categorized three characteristics of the procurement system in government organizations namely equity, integrity, economic and efficiency. Equity means fair access to providers. Integrity connotes transparency in the procurement process. Economic and efficiency where the price is equal to the quality provided.

As explained above, there many reasons and purposes for the implementation of e-procurement and one of them are to create transparency. Transparency itself is a principle which guarantees freedom for every person to obtain information about the good governance with regard to information about the policies, the manufacturing process and its implementation and the results achieved. Thus transparency can be an entry point for people to get information about what the government does. In addition, people can also do checks and balances on what has been done by the government. This is in line with the opinion of Clem (2010) that explained transparency as the obligation of government in providing citizens with information about what

Reviews their government is doing so that government can be held accountable. Understanding Clem provides insight into a very wide meaning of transparency, where the government must provide information to citizens about what is being done by the government. Thus the government must take responsibility for what is being done. But the meaning of transparency in government is not as wide as the explanation by Clem above. It is an obligation for the government to provide information to the public about what the government is doing, but the government also has a category of information that should be kept secret from the public, such as state secrets, intelligence information, the interests of business protection from unfair competition, rights personal rights, and other professional secrecy (Article 17 of Law No. 14 of 2008 on Public Information).

Meanwhile, according to Presidential Decree No. 4 Year 2015 concerning Procurement of Government Goods /Services Article 5 where transparency is one of the principles of electronic procurement in addition to efficiency, effective, open, competitive, fair/non-discriminatory and accountable. Furthermore, in the explanation regulation 54 in 2010 said that transparency means all the provisions and information on the procurement of goods/services is clear and widely known by providers of goods/services as well as by the public interest in general. So transparency here besides being interpreted that provision and information must be widely known by the general public, the terms and the information must also be clear. This is important because the process of procurement of goods and services is a spending that uses state finances. Because of this the process of procurement of goods and services needs to be managed properly, in order to obtain goods/services that are affordable and of good quality, and also accountable both in terms of physical, financial, beneficial for the operation of government and public service tasks.

In relation to the Presidential Regulation on transparency, the opinion of Heald (in Bannister and Connolly, 2011) concerning the proper categorization of transparency should be used to see the transparency in LPSE website especially in district/city level. Heald categorized transparency in three categories which are data transparency, process transparency and decision/policy making transparency. Data transparency are associated with the numbers and facts of the government such as the cost of providing (process data are easily accessible and understandable to the public); misinterpretation of data/information; the risks to the public/anonymity. Process transparency relates to the availability of information from various government processes, ranging from decision-making to the product decision. This transparency makes all stages of the process clear, showing where a particular transaction can be found and explains why certain measures must be done. Transparency of decisions/policy outlines the rationality of the decisions made by the government.

3.   Research Methods

This study applied qualitative method, in which the researchers describe in detail the stages of e-procurement either by the method of e-tendering and e-purchasing which used e-catalogues as well as the transparency of the procurement of goods/services electronically. Furthermore, the researchers explain the workings of the implementation model of e-procurement policy at the District Health Office/City in the three study sites.

Informants were selected based on specific categories such as having previous experience in fields related to procurement of goods and services as head/secretary of administration in Medan, Binjai, Serdang Bedagai. While the categories set by researcher for providers are providers who attended the auction package at one of the study sites and the local entrepreneurs who are members of an entrepreneurs' association.

This study utilised a case study approach. By using this approach, in addition to explaining what kind of objects or cases studied, it also explains how and why the existence of such cases may occur (Yin, 2003). While data analysis technique used is the analysis of qualitative data while data collection is done by interviews and observations. Data were analyzed with literature data is reinforced through books and regulations relating to the cases in this study.

4. Research Findings and Discussion

4.1 Organization of Procurement: Parties Related to Procurement of Goods/Services

According to Presidential Decree No. 4 of 2015 Article 7 says that the organization's procurement of goods/services to procure through the providers of goods/services consists of:

4.1.1 Budget User (PA)/Budget Authority (KPA)

Budget users (PA) according to Article 1 paragraph 5 of Presidential Decree No. 4 2015 is the official holder of authority to use the budget of the Ministry/Agency/SKPD or officials who are the same as the other institutions users of APBN/APBD. Furthermore, according to Law No. 1 of 2004 Article 5 (1) and Article 6 paragraph (1) of the State Treasury the Preamble of Presidential Decree No. 54 of 2010 that the governor, regent/mayor as the Head of Local Government and Head SKPD for SKPD he leads can be a PA. However, because the PA has the burden of work or span of control of large organizations, the PA on Local Government may propose one (1) or several people to the Regional Head for the set as NAC (Budget Authority) as set out in Article 9. Article 1, item 6 of Presidential Decree No. 4 of 2015 defines the Budget Authority (KPA) as defined by PA officials to use the budget or stipulated by the Regional Head for using the budget. So if the head of the regional work units (SKPD)

is the agency budget, the KPA is an official who is authorized to carry out part of the authority budget users in performing some tasks and functions SKPD.

In the environment of Health Office (DHO) Regency/City, which was chosen to be the location of the case study research, Head of Department (Head) Regency/City which became the PA, then Head of Health propose one or several names to the Regent/Mayor to set as the NAC in District Health Office/the City. But for the local government level, the PA is the Regent/Mayor, while the NAC is the Head of Department (SKPD) Regency/City.

4.1.2 Committing Officer (CO)

In Article 12 of Presidential Decree No. 4 of 2015, PA/KPA assigns the Committing Officer (PPK) to implement the procurement of Goods/Services. Thus, KDP officials who are responsible for the implementation of the Procurement of Goods/Services that have the main task and authority as stipulated in Article 11.

Based on the basic tasks and authority of PPK, it is not excessive if KDP holds a central role for the procurement of government goods/services. According to Government Regulation No. 45 of 2013 on the Implementation of the State Budget, the CO is an official authorized by the PA/KPA to take a decision and/or action that may have led to the use of the state budget. Because of the magnitude of the responsibility carried by the KDP, the man who became the CO either has a structural position or echelon must have the technical requirements and managerial as stated in Article 12 paragraph (2), among others, integrity, discipline, responsibility and technical qualifications as well as managerial skills to carry out the tasks. Besides being able to make decisions, act decisively, have exemplary behavior as well as attitude and has never been involved in corruption practices and also has a Certificate of Expertise for Procurement of Goods/Services.

4.1.3 Procurement Services Unit (ULP)/Procurement

Procurement Services Unit (ULP) is an organizational unit of the Ministry/Agency/Local Government/Institutions that serve to carry out the Procurement of Goods/Services which is permanent, can stand alone or attached to a unit that already exists (Presidential Decree No. 4 of 2015 Article 1 paragraph 8). While the Procurement officer is the designated personnel to carry out Direct Procurement. Both members of ULP and Procurement official can be derived from civil servants, both from the agency itself as well as other agencies.

Furthermore, Article 4 said that the Organization of ULP devices are set as needed, it consists of: head, secretariat, support staff and working groups. This means that each district /city has ULP devices which vary according to the needs of the region or the workload of the ULP in each district/city.

Working Group on Procurement Services Unit (WG ULP) which is the organization ULP can be said to be the spearhead of the e-procurement process, because the Working Group was appointed and prepared as a procurement committee that will decide the provider which has won the auction electronically. In Medan, ULP consists of Working Groups that are in nature fixed and not fixed. The Working Group still comes from equipment and assets in Medan, while the Working Group with no permanent membership comes from several SKPD in the city of Medan. The same thing is found in Serdang Bedagai and Binjai, but the difference is that a member of the Working Group still comes from the functional part of the Procurement of Goods/Services (CPM). It is said not fixed because it does not always participate in all auctions packages. Moreover its membership is always changing that the Decree (SK) as a Working Group is not fixed must be renewed annually.

4.1.4 The Committee/Official Receiver Job Results (PPHP)

According to Presidential Decree No. 4 of 2015 Number 8, the Committee/Official Job Receiver (PPHP) is a committee/authority designated by the PA/KPA which is in charge of examining and accepting the work result. PPHP members come from civil servants, both from the agency itself as well as other agencies. However there is an exception for the members of the Committee/Official Job Results Receiver in other institutions APBN/APBD user or Community Group Managing self-management, can derive from non-civil servants. The main task of PPHP as stated in Presidential Decree No. 4 of 2015 is the inspection /testing of the results of the procurement of goods/services as stated in the contract, which include the suitability, technical specifications, quantity, quality, time and place of completion if it is in accordance with that stated in contract, as well as making official reports on the results of inspections and tests. So a PPHP must understand every specification of goods/services being held and understand different types of contracts used. If the inspection/testing team required technical personnel, the KPA can form a technical team/appoint experts to assist.

4.2 E-Procurement Method E-Tendering and e-Purchasing at District Health Office

Health Office (DHO) Regency/City is a government agency at the district/city level responsible for serving the basic human needs in the health sector. Implementation of health efforts undertaken by the District Health Office city is in need of resources in the health sector including the willingness of pharmaceutical such as drugs and health equipment. Fulfillment of drugs and health equipment can be done with e-procurement using e-tendering and e-purchasing by utilizing information technology, in addition to direct procurement, direct appointment and others that are non-electronic.

4.2.1 E-Tendering

E-tendering is the procedure of selecting a supplier of goods/services conducted openly and can be accessed by all providers of goods/services listed on the electronic procurement system by means of submitting one time bid in the allocated time (Article 1 point 39 of Presidential Decree No. 4 of 2015). Budget ceiling of the electronic auction process is IDR 200 million and above. But in District Health Office budget ceiling to an auction that is worth over IDR 200 million is not much because it is usually done to building (infrastructure) or items that are not manufactured. Items such as medical equipment that are manufactured and drugs are conducted by e-purchasing using e-catalogues.

The tender process in DHO/City is similar to that carried out by the other SKPD. Prior to the acquisition, DHO/City in this case KDP accept the plans for the needs of goods/services from the user, which is the health center. Furthermore, PPK makes HPS and specification of the goods/services to be tendered. In determining the HPS, SKPD notify the distributor that there will be held a procurement of goods and services and asks them to inform the relevant price of the goods to be purchased. This notification is of official nature because it is through the Health Office District. After knowing the price of a distributor, the organizers will look for other distributors who produce goods with similar selling price. Constraints in the HPS and specification of goods occurs when the specifications of the distributor does not comply with what is required or requested DHO/city. After the HPS is set, the next process is the District Health Office/City through KDP proposes the HPS and specification of goods/services to the Working Group ULP is located in the County Government/Municipal for verification.

After the Working Group ULP specify documents containing the information and regulations that must be obeyed by the providers in the process of the procurement of goods/services. This document contains details of HPS, qualification requirements, types of contracts, auction schedule and other requirements. In case of inquiry regarding, the provider may ask for an explanation (aanwijzing) to the procurement committee. *Aanwijzing* an explanation of the process of auction conducted online without face-to-face via the website LPSE. But if not possible to provide information, the procurement committee can explain on the field.

Furthermore on LPSE website, the committee will announce the providers who can proceed to the next process and also providers that failed. Providers who were qualified can be listed as an auction participant and is entitled to make an offer. At this stage, bidders must prepare bidding documents in a file and upload the document. The committee will open the document and evaluate offers from all bidders who submitted bids. The evaluation process (administrative and technical, price, qualifications) the bidding is done manually (off line) outside SPSE. Once the evaluation process is completed, the next process is the determination of the winning bidder by the procurement committee through SPSE.

Winner of the auction can be one or two participants, depending on the fulfilment of the requirements as the winner. While the winner is the person or entity that is the person/entity that has the right to procure goods/services requested first and second candidate will replace the winners if something happens that does not allow for the winners to undertake procurement activities. announcement on the website is not explained in details why the auction participant wins, but can be seen a sign or value in the field of administration, technical, bid price and the price offset from the participant. After the announcement of the winners, participants objected to the determination of winners may deliver one-time rebuttal to the CO conducted online via the SPSE an hour after the announcement of the winner of the auction. Rebuttal of bidders who feel this objection is answered by KDP after the deadline of five days for regular auctions and three days for a quick auction. Answers from KDP can only be read by participants in the bidding. So it cannot be read by the public or providers that do not follow the bidding. If the participant still does not feel satisfied with the answers to the CO, the participants can make the process of appeal.

Appeal process was carried out outside of the SPSE, where the auction participants send their appeals to relevant officials who are considered as the PA for district level government. In these circumstances the mayor with the help of the procurement committee finds a peaceful way such as by promising another project or giving the loser of the auction an upcoming project. If the appealer is still not satisfied with the appeal process, it can be taken to court. Through court the law point will be reached because if corruption was found in the process, the procurement organizers would be taken to court. This is because the requirement in an e-procurement is that all entities participating must sign an integrity pact which prevents the act of corruption.

Court process can be quite difficult and costly because the participant must provide a guarantee of 1% of the total number of on-going auction budget ceiling. If the participant wins in administrative court ruling, then the security deposit will be returned, and if they do not win will go into the state treasury. Appeal activity in Medan City Government has been almost non-existent. This is one proof that the openness of the electronic auction process carried out well. But it cannot be denied, But it cannot be denied, it may also occur because the participants do not want to be bothered using the legal system or losing more money in the law process.

After the objection period has passed or completed the bidders who became winners are invited to come SKPD and sign a contract with the KDP. PPK will create and deliver Determination Letter to the winner of

auction winner in writing, winner of the auction is required to bring original documents quote. So the process of procuring an auction package is complete when the KDP has determined the winner of auction, procurement committee sends announcement of auction winners through SPSE and when objection period has passed.

4.2.3   E-Purchasing

E-purchasing differs from e-tendering. Based on Presidential Regulation No.4/2015 chapter 1/41, E-purchasing is goods and services purchase through electronic catalogue system. Purchasing can only be done if goods and services are listed in LKPP catalogues such as Government's Medicine e-catalogue and Health Equipment catalogue. Similar to online shopping, e-purchasing ensure buyers in serving their own needs based on e-catalogue which contains list, types, technical specification and products price from various providers. Hence, buyers merely adjust their needs with specification and price they require.

Health Minister Regulation No. 63/2014 on E-Catalogue Based Medicine Provision chapter 3 states that all working unit within health sector at central and local level implemented medicine provision through e-purchasing based on e-catalogue based on government regulations. This policy aim at ensuring transparency, effectiveness and efficiency of medicine provision process in order to fulfill health services need which results can be accounted. At present, regency/city government conduct goods and services provision more by using e-purchasing method compare to e-tendering. This is due to the dominant needs of manufactured medicine and health equipment with budget limit of IDR 200 million.

Utilization of e-catalogue provides more significant benefit to regency/city Health Agency. The price of e-catalogue medicines are cheaper than non e-catalogue ones. Lower price does not mean lower quality. Cheaper price can be realized since manufacturers which were given the project to produced the medicine has fix and certain buying order in large amount. Besides, e-catalogue medicine is cheaper due to the cutting of production and distribution cost of products. The simpler and faster working method which resulted in faster government working unit budget absorption compared to other procurement method is another advantage of e-catalogue. E-purchasing which utilizes e-catalogue is more transparent because the list, types, technical specification and price of products are published electronically and can be accessed widely by public. The use of e-catalogue also provides more security to e-procurement implementers in carrying out their tasks (Interview. C4, June 5, 2015; B3, June 5, 2015; A4, August 10, 2015).

However e-catalogue also inhibits some weaknesses. The medicine listed in e-catalogue is sometimes limited and even run out of stock. Simultaneous order from Health Agency and Local Public Hospital all over Indonesia on similar medicine contributed to the deficiency of medicine stock. Delay and lateness of distributors in fulfilling medicine order also created problems. Delay sometimes occurs because distributors in Java bear transportation cost. To save this cost, distributors send ordered medicine by using transportation with cheapest price which resulted in late medicine distribution. For example, the price of similar medicine is the same for all regions in Indonesia. In case of delay in deliverance, regency/city Health Agency will use stock of medicine which have to be ready and owned by all working unit of Health Agency. Viewed from budget absorption, it is certainly of disadvantage to local working units (Interview. C4, June 4, 2015).

E-purchasing process which uses e-catalogue also experienced obstacles. E-purchasing process is conducted through several stages including determination of packages, products' price, contract format download, Letter of Order printing, etc. Downloading and uploading documents were not easy since e-catalogue network or system were frequently overload, thus, it required long time to complete all these activities. Sometimes e-procurement implementers had to carry out the above activities in the evening, and have to bear internet cost because they were done outside working hours and outside office. The multiplication of contract documents which is the final process of e-purchasing is also another obstacle in conducting e-purchasing. A purchasing process requires 7-9 copies of contract document. The cost of 1 copy of document is IDR.300.000. Thus, for the multiplication of 9 contract copies requires IDR.2.7 million. It becomes a problem since there is no clear explanation in regulation on the cost of this copy. Dealing with this problem, regency/city Health Agency added a new clause which was discussed with providers at the beginning of procurement process that providers bear the cost of document multiplication (Interview. C4, June 4, 2015; B3, June 5, 2015).

The provision of goods and services using e-catalogue in health sector is a cooperation form between Health Minister and LKPP. While product price listed in e-catalogue is determined by LKPP in cooperation with manufacturers. To date goods/equipment listed in e-catalogue are many and various. With 777 items listed including copying, wi-fi network, office equipment, medicine, vehicles, regency/city Health Agency were greatly assisted in conducting e-purchasing process (Interview. C4, June 4, 2015).

Despite the weaknesses of e-purchasing method which utilizes e-catalogue, this method is of more interest to e-procurement implementers compared to e-tendering. Continuous adding of items in e-catalogue by LKPP provides positive value which contributed to increasing dominant of e-purchasing method. In contrary, e-procurement using e-tendering method focused more on infrastructure construction with higher budget limit in order to foster development activities and budget absorption. The feeling of security of e-procurement implementers in using e-catalogue is in line with the narrowing of abuse of power. E-catalogue provides

transparency which then resulted in the decreasing of leakages in e-procurement. Whilst e-tendering method still provides opportunity to get 'fee' in an offer, it is impossible in e-purchasing method which uses e-catalogue (Interview. A3, May 27, 2015; C4, June 4, 2015; B3, June 5, 2015).

4.3   The Working of E-Procurement Policy Implementation Model at Regency/City Health Agency

Regency and City Health Agency is one of local government working unit which provides basic services to public. As a working unit, Health Agency is required to work professionally by delivering and fulfilling health needs of public. Many strategies in fulfilling health need namely through provision of medicine and health equipment electronically which can be carried out through e-purchasing and e-tendering. Utilization of e-purchasing method by using e-catalogue is more dominant than e-tendering method at these Health Agencies. This is because the user of Health Agency is itself and Community Health Center (Puskesmas) with needs that are not as large as Local Public Hospital which is also a local government working unit. Therefore, e-tendering which requires that bidding limit of IDR. 200 million was rarely conducted at Regency/City Health Agency (Interview C4, June 4, 2015).

E-procurement as a policy should be implemented appropriately in order to fulfil its objective. Transparency in provision of goods and services is one of the objectives of this policy. The utilization of implementation model such as of Donald Van Meter and Carl Van Horn, Paul Sabatier and Daniel Mazmanian and Merile S.Grindle implementation model is one of the strategy in fulfilling this objective. According to Thomas R. Dye (1972), a model is simplified representation of some aspect of the real world. Thus, through a model, the implementation of a policy which is very complex since it consists of many factors or aspects can be simplified. Model of a policy implementation also assists government to focus more on addressing and improving factors or aspects of the model until a policy reach its targets. The first year of this research at the three research sites found e-procurement policy implementation model consists of three variables namely legal foundation, infrastructure and human resource, which includes human resource capability and organizational culture.

Presidential Regulation No.4/2015 is one of the legal foundations of e-procurement in Indonesia. This regulation has been amended few times and one of the most significant amendments is detail explanation on e-purchasing method using e-catalogue. Through e-purchasing, the provision of goods/services becomes simpler, more transparent and safe to implement. Beside e-purchasing, Regency and City Health Agency also use e-tendering which have longer bidding process, but similar to e-purchasing is more efficient, effective, transparent and accountable compared to manual procurement. Another significant amendment of Presidential Regulation No.54/2010 is the wording of government goods and services 'can' be conducted electronically. The most recent regulation of procurement, Presidential Regulation No.4/2015 deletes the word 'can' which signifies the obligation for all government institutions to implement e-procurement in the provision of government goods and services provision based on existing regulations.

However, when this regulation was interpreted differently by procurement committee and business as the providers, the implementation of e-tendering could not operate optimally. The procurement committee (ULP working group) and Health Agency as user differs with providers on bidding explanation (*Aanwijzing*). Procurement committee and user argued that bidding explanation of e-procurement is appropriate since explanations have been conducted electronically, thus, there was no direct face to face interaction between providers and procurement committee. It also contributes to the effectiveness of bidding explanation. On the other hand, providers perceived it as in-transparency of a new e-procurement system. Providers also questioned the amended regulation on point of ULP working group task related to bidding documents evaluation which proposed by providers manually. They proposed questioned of how to ensure that e-procurement committee will not favor or interact with providers that have relation with power holders of even their own relatives (Interview A1, A2, Mei 21, 2015; B3, June 5, 2015).

Infrastructures supporting the provision of goods and services at Regency/City ULP and Electronic Procurement Service Institution (LPSE), improve annually although not as good and comprehensive as should be, especially at Binjai city LPSE and ULP. At LPSE Medan, bidding room which is used to facilitate prospective providers who experience difficulties in uploading data and other documents has been comfortable. Besides, this bidding room also function as a place to conduct training related to changes in e-procurement regulations for LPSE and ULP staffs and also for providers. Bidding room of LPSE Serdang Bedagai regency has been equipped with more computers which also can be used by providers to upload their documents. The capacity of server at this LPSE was increased so that large capacity documents can be downloaded or uploaded easily by providers. Similar to the server capacity at Binjai City LPSE has been increased, though the bidding room is still modest, with no separation between units of computers.

However sudden blackout still frequently occur while providers uploading their documents and the server breakdown without official explanation from related authority, thus procurement documents could not accepted by procurement committee on time. The announcement of bidding package which conducted by

procurement committee in short time or during holidays contributed to shorter time for providers to apply. Also, training for providers were yet to involve business associations. Therefore, business parties frequently sent incompetent participants to attend training which contributed to ineffective training and the spending of large amount of money for training (Interview A2, Mei 21, 2015; A3, Mei 27, 2015; C3, June 4, 2015).

Human resource competence and organizational culture of ULP and LPSE are still being improved by conducting activities of the provision of goods and services more professionally. However the effort to work professionally was driven more by anxiety of regulation problems rather than awareness of being civil servants whose priority is to serve the state and community. Yet, this is a significant positive starting point considering the high public and providers distrust to procurement committee.

However, human resource capacity especially related to information technology is still far below expectation. Providers, procurement committee and user are yet to fully understand and have knowledge on technology and information which resulted in ineffective e-procurement. Moreover, high resistance of e-procurement implementers to procurement certification due to the perceived high risk of this occupation cannot be ignored. Although Presidential Regulation No.4/2015 stated that procurement committee will be given law assistance in carrying out their task, yet it is to be realized. Also, e-procurement implementers considered that salary their salary is insignificant compared to psychological burden they bear in conducting e-procurement activities. Persistent organizational culture which characterized by the rooted corruption, cronyism and nepotism is a crucial problems since it is very difficult for e-procurement implementers to break away from this organizational culture. On the other side, providers also still have old mindset which perceives that the implementation of e-procurement is similar to previous manual procurement. Providers also still lack of integrity as demonstrated by their irresponsibility to ensure the quality of product or project they won (Interview, A2, Mei 21, 2015; C1, Mei 28, 2015; C2, June 4, 2015; A4, August 10, 2015).

The three factors of e-procurement policy implementation model described above interact and influence each other in determining the implementation of e-procurement. The understanding of procurement officials on e-procurement regulations differs from those of providers. Moreover, the existing infrastructure is yet to support the implementation of e-procurement optimally. There was widespread doubt on integrity of e-procurement committee that these officials still conduct corruption and cronyism by favoring providers with close relationship or part of those who connected to high government officials. Organization culture of LPSE, ULP and user was perceived as contain with values of unjust, discrimination and closure. This view ignites distrust towards e-procurement committee and system. Some providers did not respond positively to facilities which were provided by LPSE and ULP. They also ignored information on process of e-procurement and some even rejected government offer to participate in training facilitated by LPSE. Some providers also convinced that there was tolerance to some providers who were late in registering their interest to participate in bidding process, late in uploading and completing bidding documents. In case that some providers fail to participate in bidding or lost bidding package, then the e-procurement committee was blamed with various speculations.

Based on providers' perspective, these speculations were closely related to the low credibility of e-procurement committee. Nurturing credibility is difficult and requires long time. However, LPSE and ULP need to publish data, process and decision of bidding immediately in their website so that transparency will be realized which then will avoid speculations on bidding and other e-procurement related activities. On the other hand, e-procurement committee argued that providers should not hide behind speculations because it will of their own disadvantage. Presidential Regulation has required that all government goods and services provision should be conducted electronically. Therefore, providers had to change their mindset on participating in procurement. Different from previous manual procurement, e-procurement requires providers to obey all bidding process and stages strictly, thus, they need to continuously gain update information available in LPSE website. Update information will eliminate speculations regarding e-procurement activities and processes.

The three policy implementation factors found in research sites were yet to work optimally resulting to the emergence of different understanding of the meaning of e-procurement transparency especially between e-procurement committee and providers. E-procurement committee perceived that the implementation of e-procurement has been transparent. Transparency need not to be meant as all information widely open to public. For example, bidding summary which contains administration evaluation, technical evaluation, qualification and offered price are impossible to publish widely in detail at LPSE website. Public in general and prospective providers who failed the process need only to know the final result of administration and technical evaluation and total amount of bidding offered without having to know all content of bidding offer in detail. Besides bidding winners, only ULP working group and Commitment Official may access bidding summary. However, providers argued that this process contributed to the closure of e-procurement process. This process differs from manual procurement in which all providers have access to know their strengths and weaknesses in bidding process. Thus, this process is not transparent and providers suggested that it will be better if all competitors in the bidding process may have access to other competitors' documents (Interview, A1, Mei 21, 2015; B3, June 5, 2015; A4, August 10, 2015).

In line with e-procurement committee, users considered that transparency is how persons who have their right may know what are their responsibilities and obligations. Thus public in general do not have the right to know bidding process in detail if they do not participate in bidding. Even, providers who failed at bidding document evaluation thus were yet to be considered as bidding participant, do not have the right to know the reason for winning the bidding. On the other hand, providers argued that transparency means that all applicants of bidding may know the reason for participants who win the bidding (Interview. A2, May 21, 2015; B3, June 5, 2015; A4, August 10, 2015).

E-procurement is considered transparent if all applicants participate in bidding are informed about all stages and processes. Considering that some of e-procurement activities are still conducted off line, e-procurement system and process can only be perceived as transparent if e-procurement committee is persons with high integrity in carrying out their task. Hence, even with the best designed e-procurement system, the lack of implementers' integrity in carrying out their obligations will create public distrust and speculations to e-procurement policy and implementation (Interview. A2, Mei 21, 2015; A3, Mei 27, 2015; C1, Mei 28, 2015; C2, June 4, 2015).

Heald (2006) categorized transparency as data, process and decision transparency. This categorization is used to examine transparency of e-procurement at LPSE website at research sites. Observation on related e-procurement websites highlighted that data transparency has been satisfactory, while process and decision transparency were yet to be satisfactory. Data transparency is characterized by complete publication of data and information at LPSE website. Data available on websites includes stages of bidding, explanation on blackout, server breakdown, changes in procurement plan, etc. However, some information was yet to be updated regularly. Also, there is no information on reason and explanation of biding winners and inconsistency in informing data. Process transparency is revealed by available information in every stage of e-procurement processes. Information on stages of e-procurement can be seen from 10 to 23 stages of bidding package. These stages were written in bold thus it is easy for everyone to know at what stages the e-procurement has been. Information on the time of when a stage start and end along with history of changes were also available on website. However, no information is found on explanation of why these changes occur. Decision of policy transparency is characterized by the availability of information regarding the explanation of decision taken. This transparency was not yet optimal. Although the winner of bidding was decided rationally based on transparent data and process, but when one of the elements of evaluation criteria was not optimal, then it means decision of who win was not highly transparent. Observation and analysis on LPSE website demonstrated that there were bidding winners whose administration requirement and technique were marked with √, offer and corrected value were lower, but their technique score was lower compare to other competitors. On the other hand, there was also a case of winners with administration and technique evaluation was marked with √, while their offer and correction values were higher than their competitors.

Clem (2010) noted that for transparency "Government should provide citizens with information about what their government is doing so that government can be held accountable". It connotes that government should be accountable to what they do. However, government also have information category which should be kept secret from the public such as state's secret, private rights and other mentioned by Law No.14/2008 on Public Information Transparency. At this point, some e-procurement information, such as the summary of bidding, cannot be revealed to public but can be accessed by the winner or prospective winners of bidding and by ULP working group and Commitment Official. Hence, e-procurement implementers should be capable to explain why certain can or cannot be open to public. It should be explained obviously to providers so that differences in understanding the meaning of transparency will not occur. However, out of the above category information, all information including data, process and decision of all e-procurement stages should be open extensively to public at LPSE website since it is a form of government accountability to public.

Training related to computer based technology information and changes of regulations on e-procurement can be conducted regularly to providers, users and e-procurement committee in order to realize shared understanding on transparency. Trainings that have been conducted were yet to be utilized optimally. Business associations as recommendation giver were yet to be involved in these trainings. The participation of the head of LPSE and ULP in evaluating training participants which consists of staffs that are responsible for the implementation of e-procurement is also crucial. Through training it is hoped that shared understanding and knowledge related to e-procurement and transparency, and integrity of all parties involved in e-procurement will be realized.

As mentioned above, not all e-procurement information can be accessed in LPSE website. However, it does not mean that public cannot know what really happen regarding government goods and services budget. Public may access Budget Implementation List (DIPA) to examine transparency in the use of budget at government's institutions. This list refers to Presidential Regulation on Central Government Expense Budget Detail (RABPP) and Budget Allocation Detail for local government working unit. Budget Implementation List which was arranged by working unit contains measurable units on programs and activities which will be

implemented, intended outcome and output and allocated budget limit. Through Budget Implementation List, public may know in detail about how their money are spent, the cost and the benefits. Thus, this list is different from budget allocation in National and Regional Expense and Income Budget which budget detail only based on sectors such as health, education and other development sectors.

However the problem is public is yet to fully understand that Budget Implementation List can be used as a reference to assess whether government has fulfilled their responsibilities in managing public fund. On the other hand, it is not easy for public to access this Budget Implementation List since many government institutions consider this List as a secret document which cannot be accessed by all people. Even in some government institutions, not all staffs may access Budget Implementation List of their own working units. Central Information Commission Circulation Letter No.1/2011 stated that Ministry/institution Working Plan and Budget and Budget Implementation List are public documents which are obligatory available and should be announced regularly as long they do not contain secretive information as described in Law No.14/2008 chapter 17 on Public Information Transparency.

5.   Conclusions and Recommendations
5.1 Conclusions
Health Agency at regency and city level is the working unit at North Sumatra province which provides basic health services to public. As a government institution, Health Agency is required to work professionally by fulfilling public health need. Provision of medicines and health equipment are some of the ways in fulfilling community needs on health. The provision of public needs on health services can be realized through electronic provision of goods and services which use e-purchasing and/or e-tendering. E-purchasing method through the use of e-catalogue is of more interest to government officials than e-tendering method. E-procurement through e-tendering method has been focused more on physical infrastructure with huge amount of budget limit in order to accelerate development activities and budget absorption.

There are some significant benefits accrued from e-purchasing method which utilizes e-catalogue. First, the price of medicine using e-catalogue is much lower than non e-catalogue medicine. Second, e-purchasing working system is simpler and quicker compare to other procurement method, thus, foster budget absorption of local government working units. Third, e-purchasing system suing e-catalogue is more transparent because products' list, type, technical specification and price are electronically published and can be accessed by public. Fourth, the use of e-catalogue provides security to procurement implementers since they did not have to determine the price and specification of goods. These activities were considered risky for some officials responsible for public goods and services provision.

Apart from its advantages, e-purchasing method using e-catalogue also inhibits some weaknesses. Sometimes the supply of required medicine in e-catalogue was limited and even lack of supply due to simultaneous order on similar medicine by Health Agency and local government public hospital all over Indonesia. Besides, the tardiness of distributors in delivering Health Agency order was frequently occurred as part of the problem. Technically, e-purchasing administration using e-catalogue also posed obstacles. E-purchasing process which conducted through several stages and process required user to insert, download and upload large amount of data. However, e-catalogue network or system did not have the capacity or overload which required long time to process these stages. Vague description of regulation on who was responsible in multiplying purchasing contract which was the final stage of e-purchasing process was another obstacle in this e-procurement method.

As a policy, e-procurement needs to be implemented accurately in order to fulfil its objective in realizing transparency in the provision of goods and services. Policy implementation model is a way to assist in realizing the objective of this e-procurement implementation policy. This study found e-procurement policy implementation consists of three factors namely law, infrastructure and human resources. All these factors of e-procurement policy implementation in research sites were yet to be optimal and thus created speculations towards public procurement committee. In its simplest form, these speculations took form in opinions which were not based on reality. From providers' view, speculation emerged due to the low credibility of procurement committee and also to e-procurement system. This credibility related to public trust and this trust could not be gained without real and immediate actions. Therefore, LPSE and ULP need to publish data, process and decision of the tender transparently so that there will be no loophole for providers or public to speculate on stages and processes of tenders and other issues related to procurement. Meanwhile, procurement committee required providers not to hide and use these speculations. Presidential Regulation N0.4 Year 2015 verse 1 stated that government goods and services provision should be conducted electronically. This means that providers had to anticipate and prepare themselves for electronic procurement and change their way of thinking to understand that e-procurement is different from manual procurement.

The above factors also respectively influenced each other which resulted in different perception and meaning of transparency between procurement committee and users. According to procurement committee,

transparency did not mean that all process of procurement should be open to public through LPSE website. Some issues such as bidding price could not be published in LPSE website in detail. Also the summary of auction can only be reveal to the winners of bidding. Similar view was expressed by users that transparency is how a person who is eligible may know what is his/her responsibility and obligation. Thus, public in general does not have the right to know bidding process in detail. Even prospective providers who failed in the middle of bidding process, such as during bidding document evaluation, do not have the right to know why other bidding participants win. Based on providers' view, electronic procurement process can be considered transparent if the whole stages and process of bidding were known by all prospective bidding participants. Since in electronic procurement there was still off line/manual activities, e-procurement system can only be considered as transparent if procurement committee consisted of persons with integrity in carrying out their job. As long as implementer integrity is absent, speculations and suspicions on e-procurement will remain.

This study revealed that data transparency has been satisfactory, while process and decision transparency were still inadequate. Transparency is a principle which guarantees the freedom of all people to get information. Yet based on Law No.14/2008, there are some information categories which cannot be revealed to public, such as business competition information, state secret, intelligent and others. This regulation is aimed to avoid the misuse of data by irresponsible parties. Apart from information category mentioned above, all information regarding public goods and services provision should be widely open to public through LPSE website since it is one form of government's accountability to public, Government officials should have the capability in explaining why certain information cannot be disclosed to public or do not published at LPSE website especially to providers. This explanation is crucial so that there will be no differences between all stakeholders related to government's goods and services provision activities.

Shared interpretation and meaning of transparency in procurement may also be realized through training related to computer based technology information and amendment to regulation on procurement to providers, procurement committee and users. Moreover, the involvement of all related business association as those which give recommendation to providers who intend to participate in training as well as the involvement of head of related procurement agency to evaluate training participants, those who are responsible for the enactment of procurement is crucial. Trainings may enhance integrity of all parties which then contribute to successful implementation of e-procurement.

Not all stages of e-procurement can be disclosed at LPSE website as explained above. But it does not mean that public cannot get information on what really occur in government goods and services provision. Transparency of the use of government institutions can be viewed in government Budget Implementation List (DIPA) which is not a secret document, thus, public may access this document. It is obviously mentioned in Central Information Commission Letter No.1/2011 that Work Plan and Budget of Ministry/institutions and government Budget Implementation List is public information which is provided and announced by government to public routinely.

5.2 Recommendations

Compared to e-tendering, e-procurement using e-purchasing method is of more interest to public procurement implementer at Health Agency in Medan, Binjai and Serdang Bedagai. The security in using e-catalogue provide government officials is in line with the narrowing of the opportunity in abuse of authority has been one of the reasons in choosing e-purchasing method. On the other hand, the weakness of e-purchasing has been related to medicine distributors' commitment in avoiding the lack of medicine supply and the late arrival of the required medicine at regency and city Health agencies and also the issue of who is responsible on the cost of the multiplication of the purchasing contract document. Technical network of e-catalogue system should be the prime attention in order for prompt upload and download of document. These findings provides reminder for implementer at regency/city Health Agency to immediately conduct follow-up action to avoid obstructions to procurement process. Delays in public procurement will impact on reduction on optimal deliverance of health services which is one of public basic needs.

Law, infrastructure and human resource factors of e-procurement implementation model were yet to function optimally at all research sites. Thus, these factors need to be address in order for the realization of data, process and decision transparency at LPSE website. It will also create similar understanding on the meaning and substance of transparency as a fundamental principle in procurement system as well as building integrity of all stakeholders involve in goods and services provision.

Implementation Budget form (DIPA) which has been legalized by Finance Minister is the activity and budget implementation document for working units which contains program and activities, intended outcome and output and allocated budget limit. Meanwhile, the executer of the budget is working unit is Budget User Authority (KPA). Therefore, Budget Allocation List of a working unit should be disseminated to public both as a form of budget and goods and services provision transparency.

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