

Indonesia

e-Procurement Policy and Implementation Strategy

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(Chairman of National Public Procurement Agency)

Asia Pacific Public Electronic Procurement Network Inaugural Conference



LKPP

National Public Procurement Agency (NPPA)

Credible procurement for national prosperity

Indonesia at a Glance

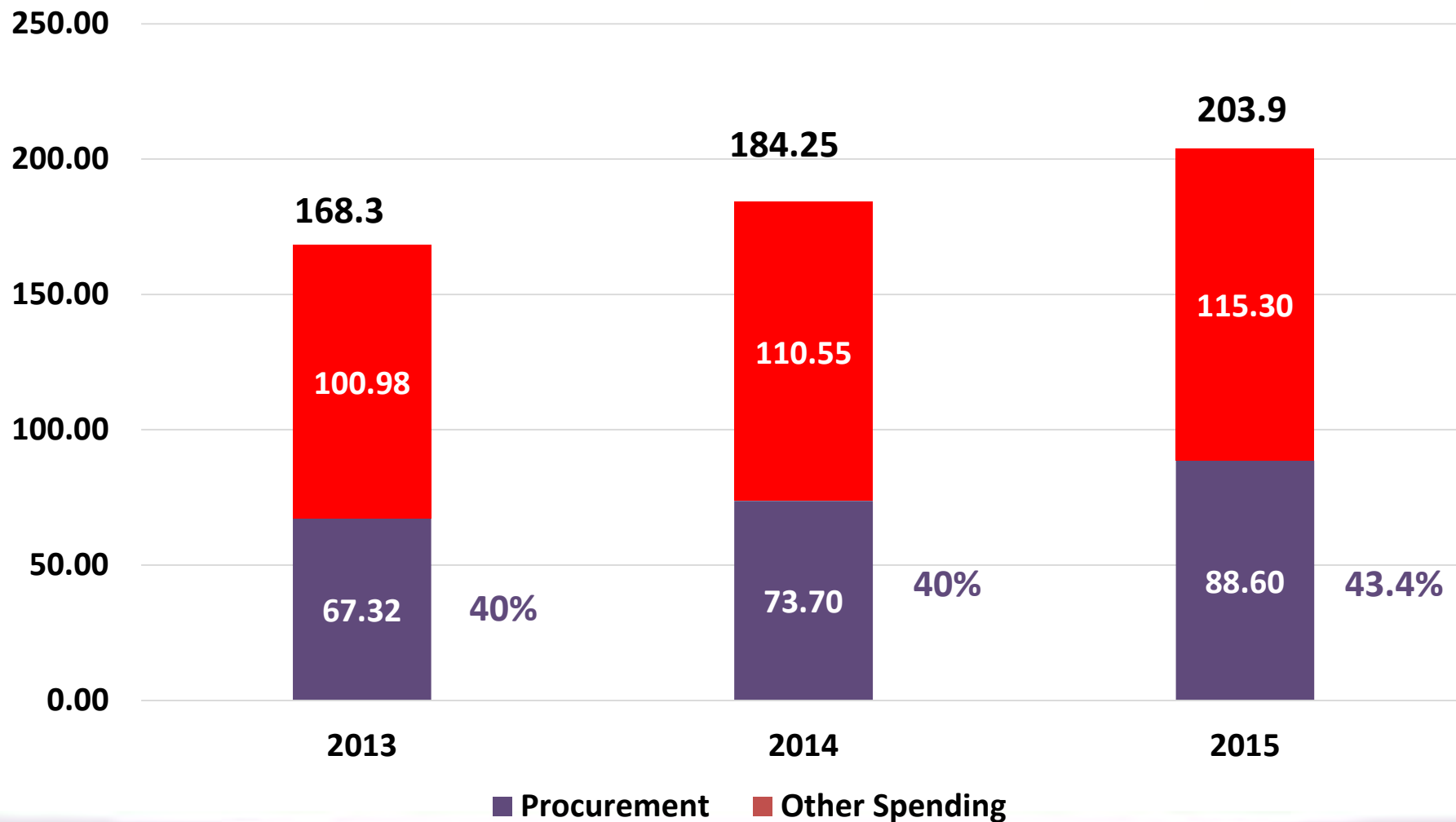


- ◎ Land 1,919,440 km²
With 17.508 islands
- ◎ Population
 - 255 million
 - Density 134/km²
- ◎ Economic
 - GDP (PPP) : \$888,54 billion
 - Growth: 4,67%
 - i-Literacy: 34,9%

*Raja Ampat,
1 of thousands beautiful islands in Indonesia*

SPENDING RATIO

2013-2015 (US\$ Billion)

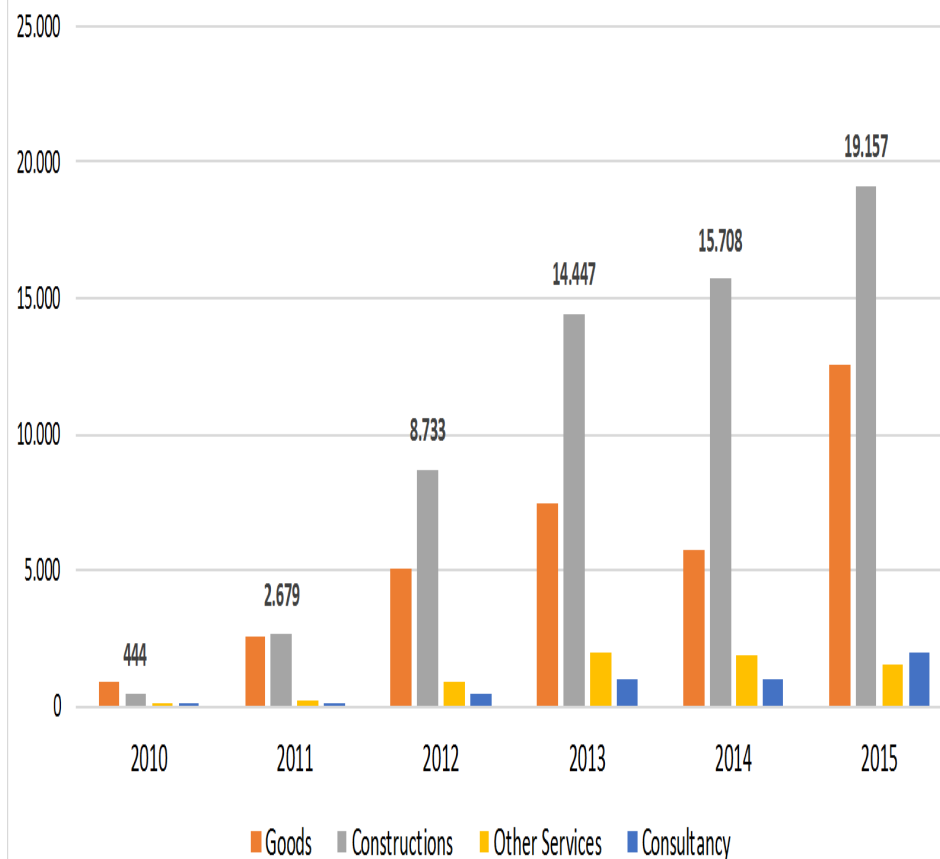


Central Government Budget

Fiscal Year	State Budget (US\$ Billion.)
2012	143.5
2013	168.3
2014	184.2
2015	203.9

Volume Procurement :
 30 %– 40% *equivalent* with
 60 – 81 US\$ Billion

Tender Trend by Category 2010-2015
 (US\$ million)



F A C T S on GOVERNMENT PROCUREMENT



1. Inefficiency of State Budget Management

The government estimates that certain amount of state budget lost every year about 20% – 30% due to inefficiency associated with the procurement processes.

2. Corruption Cases

Corruption Eradication Commission (KPK) stated 80% of all corruption cases are associated with misused of public procurement.

3. International and National Competitiveness

- Lack of capacity and opportunity to participate in nasional economy (small and medium enterprises).
- Lack of capacity and opportunity to participate in international market.

4. High Cost Economy

Lack of competitiveness due to market asymmetric information and closed market.

4 Pillars of Public Procurement Reform

1. Regulatory Framework
2. Institutional Development
3. Procurement Operations & Market
4. Integrity & Transparency



Bunaken, 1 of thousand beautifull underwater view in Indonesia

- Procurement functions decentralized throughout procurement unit/tender committee from all procuring entities.
- e-Procurement is implemented electronically through decentralized e-Procurement system known as **SPSE** that operated by **e-Procurement Service Unit** called **LPSE**.
- Provincial, City and District have obligation to establish LPSE.
- By 2013, procuring entities should spend 100% of budget using e-Proc
- Success to establish 627 e-Procurement Service Unit (LPSE) as single e-market place (54 Ministries/Agencies, 33 Provincial, 483 City/District, 4 State-Owned Enterprise, 53 Other Institution).
- Success to establish 527 procurement unit (ULP).





Market Operation & Transparency

E-Procurement:

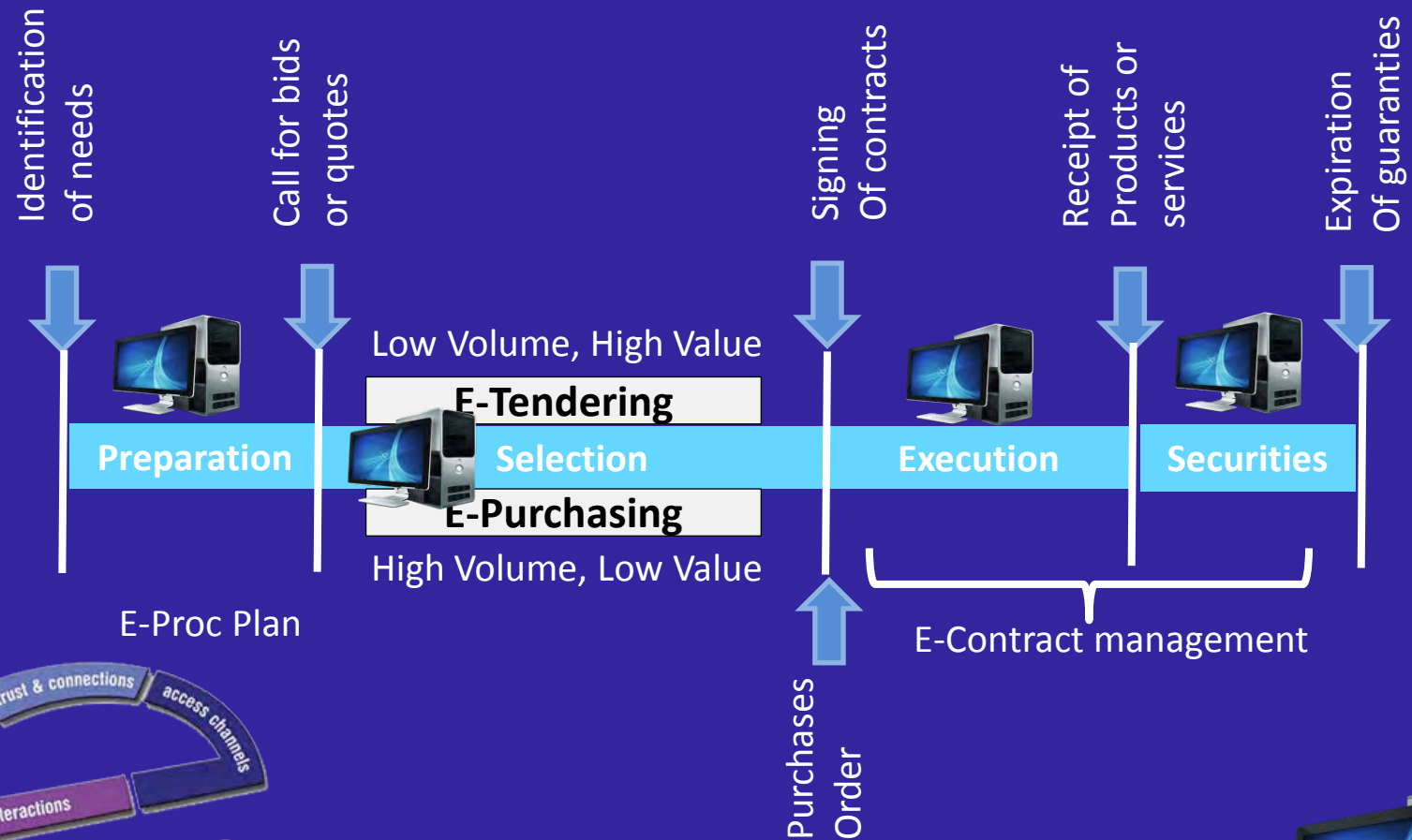
- Vision: Single Government Procurement Market, Transparent, Open and Fair Competition

Implementation:

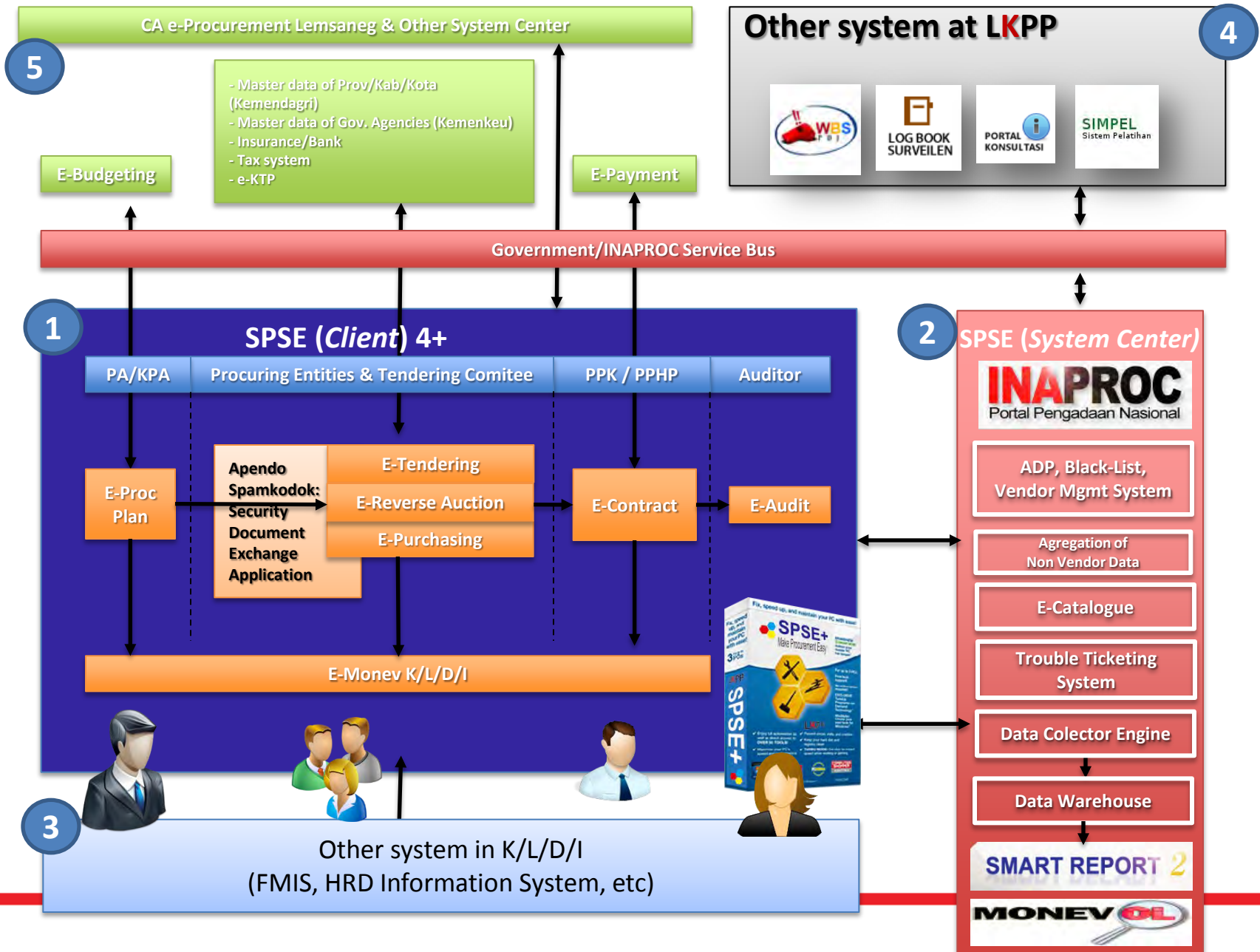
1. 2008 piloting
2. 2009 - 2011 Services Expansion
3. 2012 - 2015 Services Consolidation & Standardization



E-Government Procurement



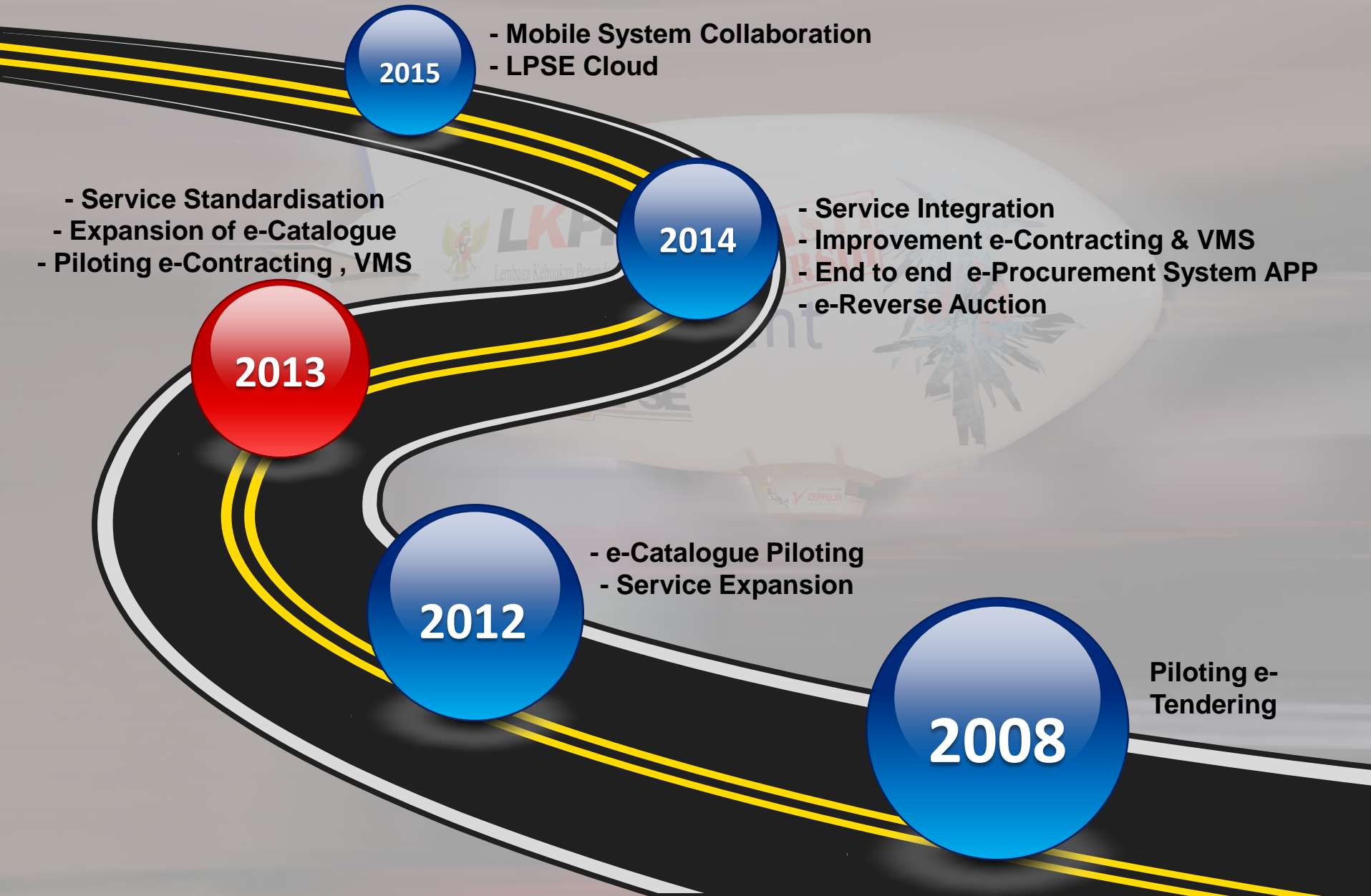
System Interconnection



- **SPSE Core System** is developed inhouse/internally by SPSE Development Team NPPA
- **SPSE** is developed as open source, free license, and full support application which is being implemented in all LPSE.
- **SPSE** has dynamic versioning method, last version is SPSE 4.0. SPSE is developed collaboratively with universities, communities, and other agencies, i.e:
 1. *encryption document with National Security Agency*
 2. *e-Procurement AuditTrail with BPKP (Finance and Development Supervisory Agency)*



E-Procurement is a Journey not a Destination



PILIH KOMODITAS 40901 Items

Selengkapnya »

Alat Kebersihan (0)

Alat dan Mesin Pertanian (470)

Busway (13)

Jasa Penerbangan (5234)

Kendaraan Bermotor Off The Road (96)

Online Shop (12807)

Pakan (4)

Ready-mix (16)

Sewa (145)

Alat Kesehatan (3798)

Bibit Sapi Impor dan Bibit Kerbau Impor (0)

Hot-mix (4136)

Kartu (3)

Obat (1309)

PE Sheet (5)

Penerangan Jalan Umum (0)

Recycling Road (10)

Tanda Nomor Kendaraan Bermotor (2)

Alat dan Mesin Perikanan (1)

Buku (294)

Internet Service Provider (7546)

Kendaraan Bermotor (4414)

Obat / Hormon Tanaman dan Hewan (0)

PP Sheet (12)

Peralatan Berat (523)

Semen Beku (63)

PRODUK TERBARU (4092 Items) 20 hari terakhir

Selengkapnya »

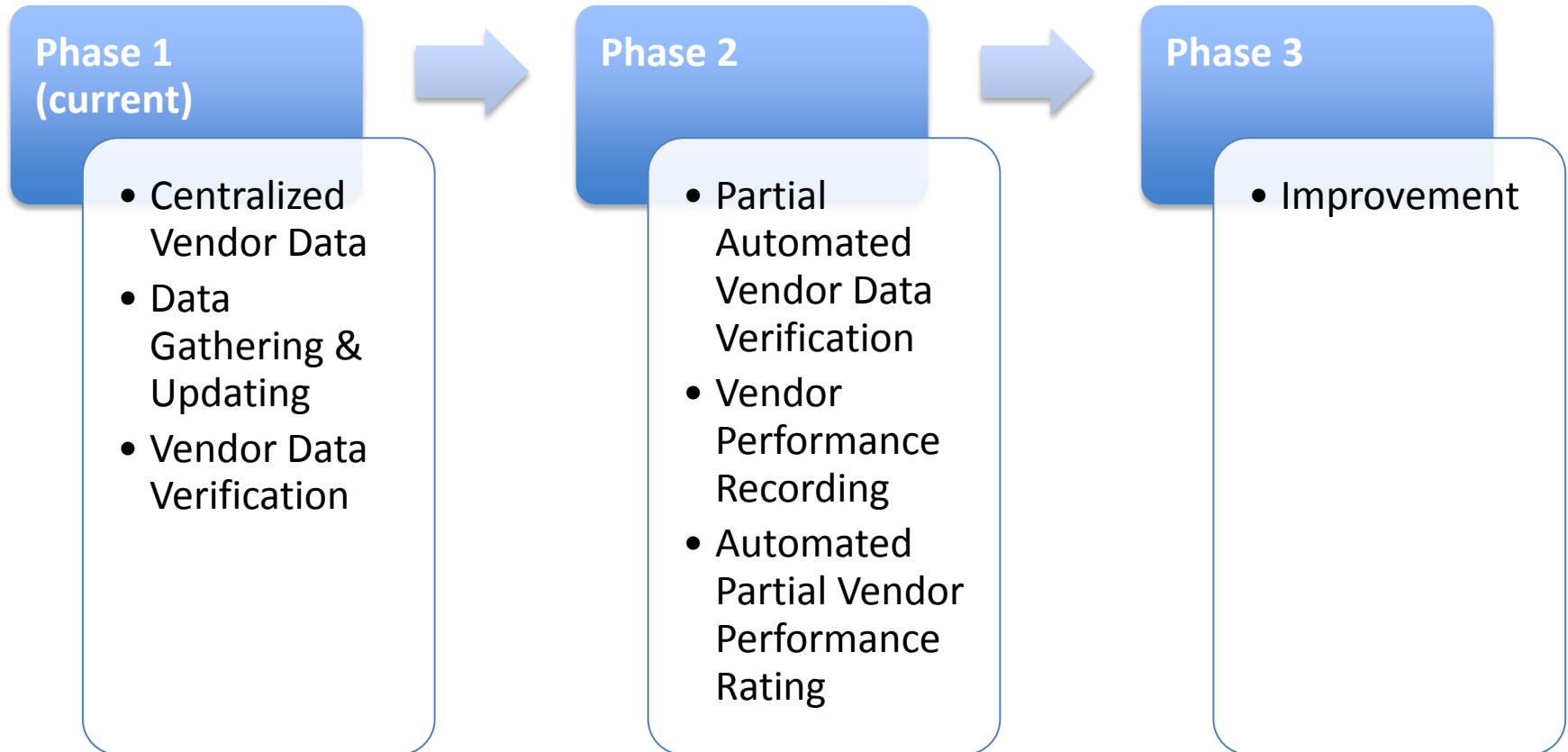
© Copyright 2015 Direktorat Pengembangan Sistem Katalog

*Since 2013
LKPP invite as
many as suppliers
to make
framework
contract for e-
catalogue*

Total Product :
44.611 items

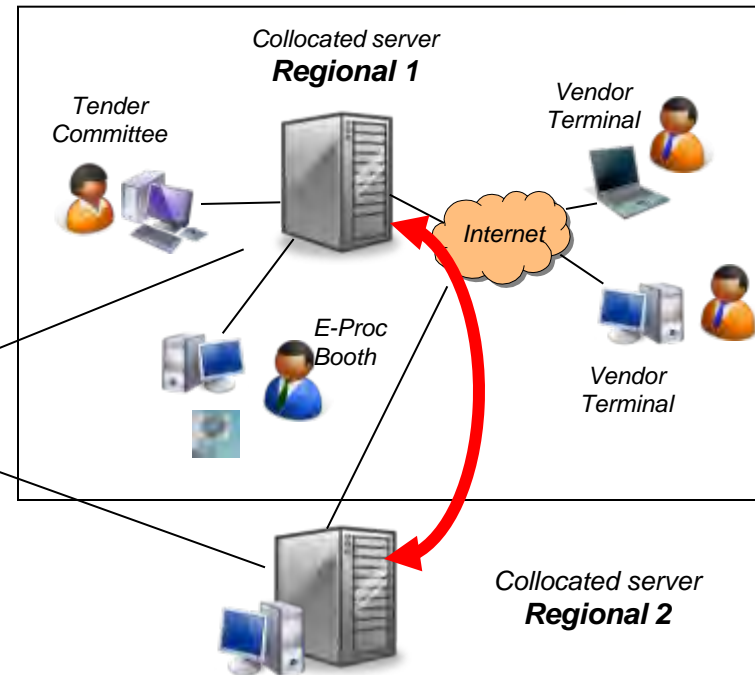
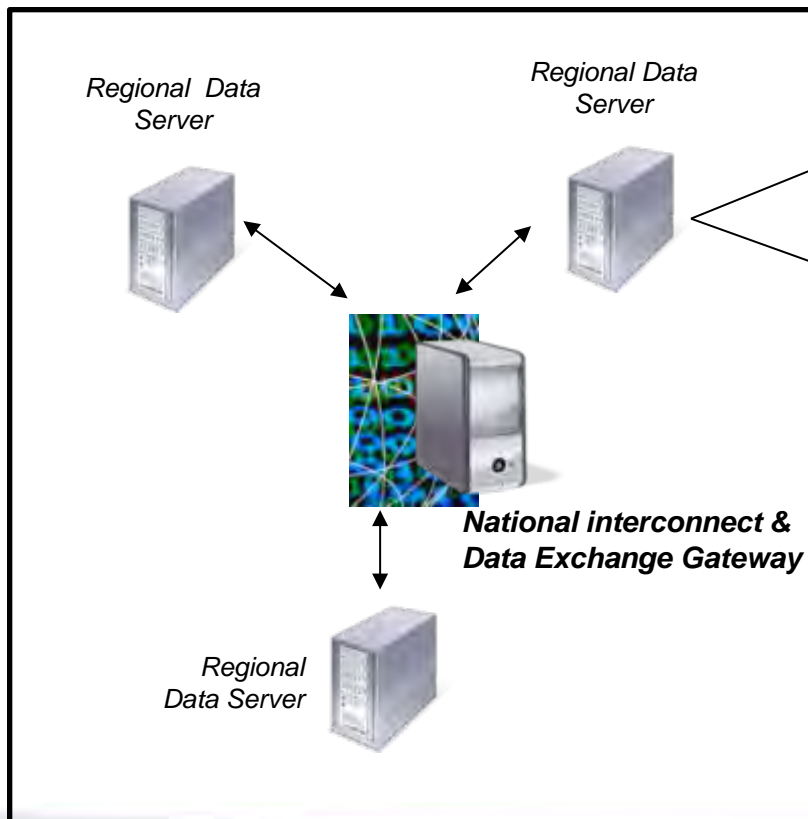
Total Transaction
(as of September) :
Appx. USD 1.23 billion

Vendor Management System Implementation Phase



E-Procurement Service Implementation Model

**Distributed, Decentralized,
Agregated.**



Key Success Factor:

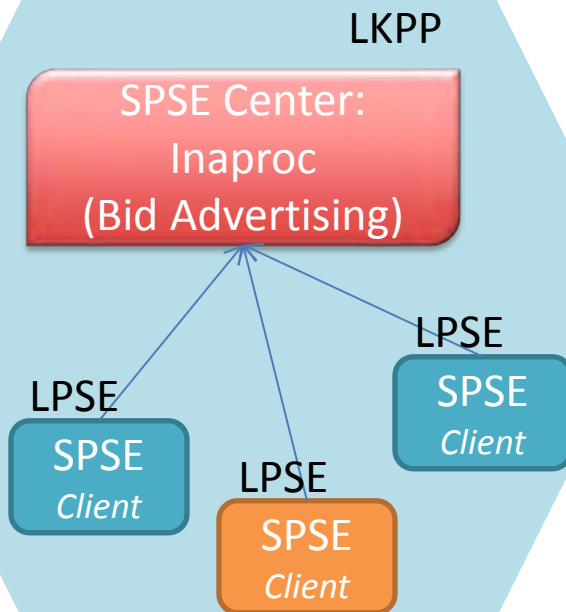
- Participatory (voluntary)
- Empowerment
- Selfreliance

Evolution System LPSE

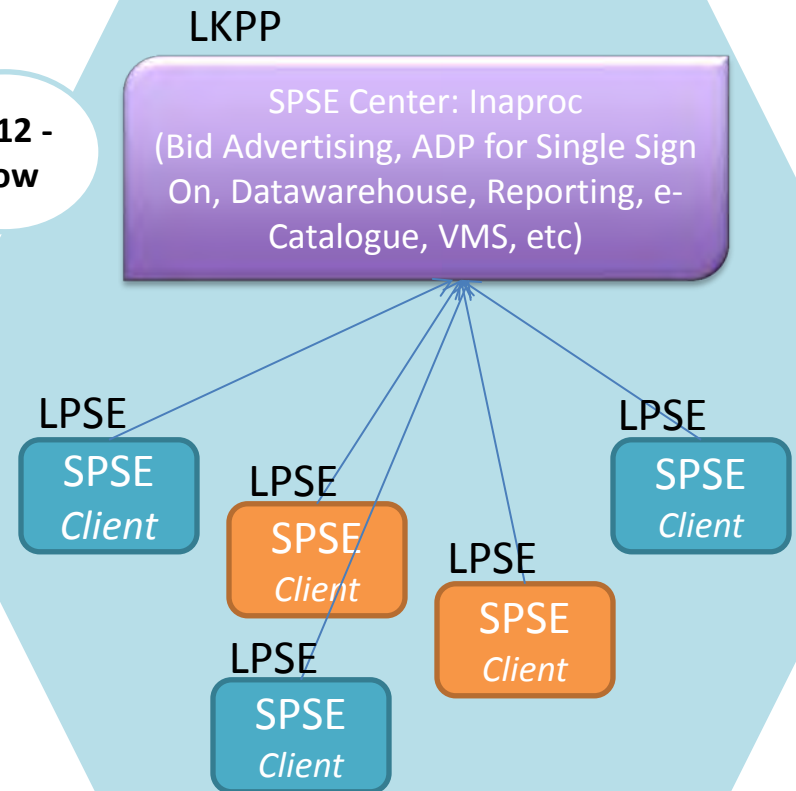
2008-
2010

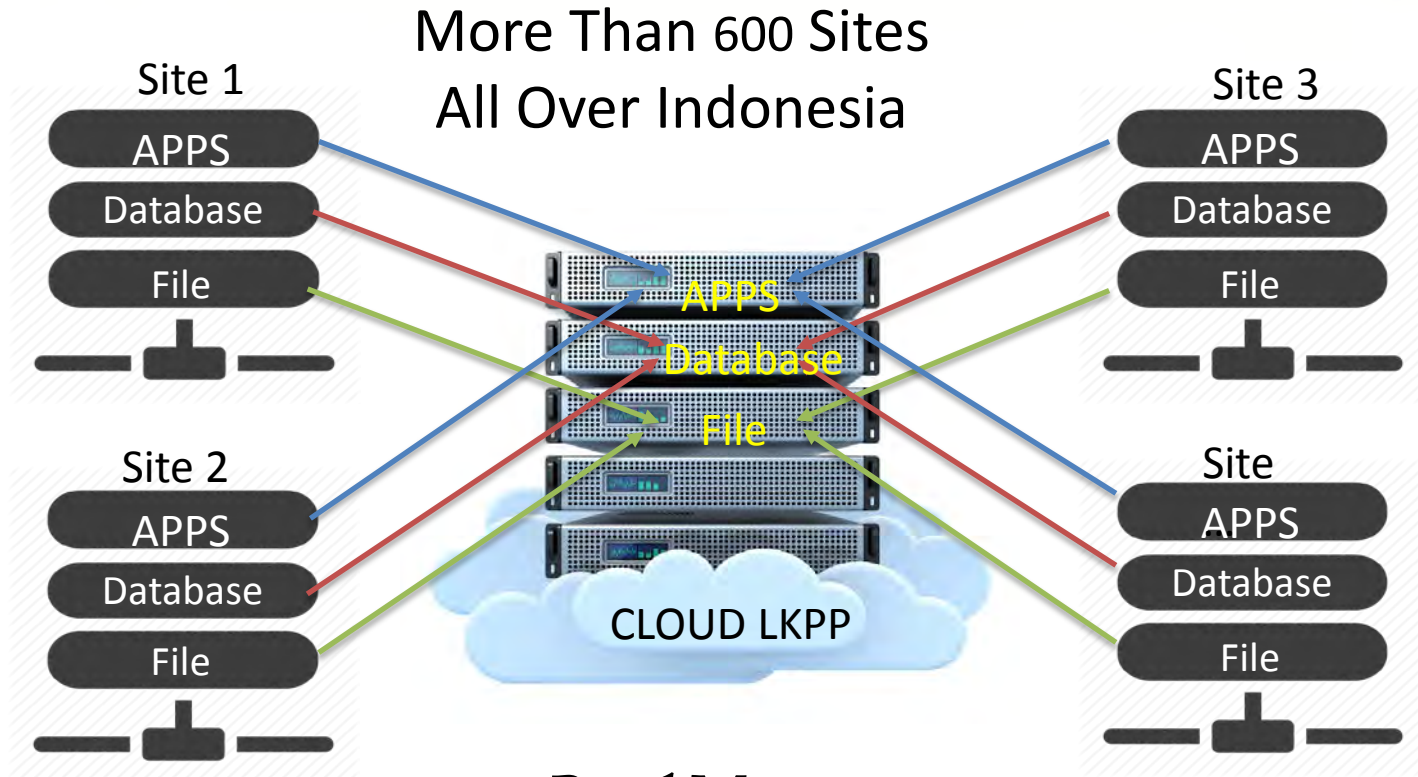


2010-
2011



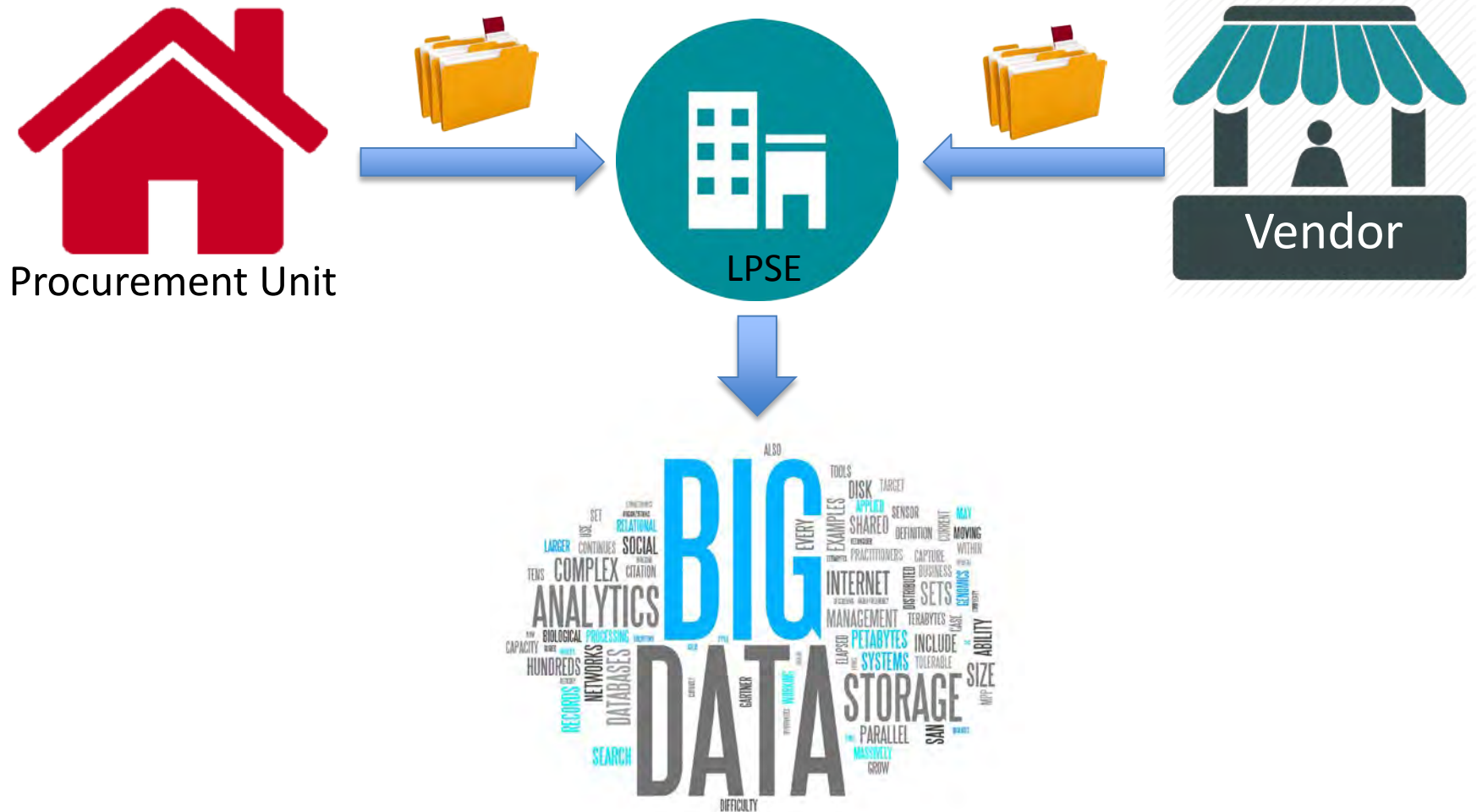
2012 -
now



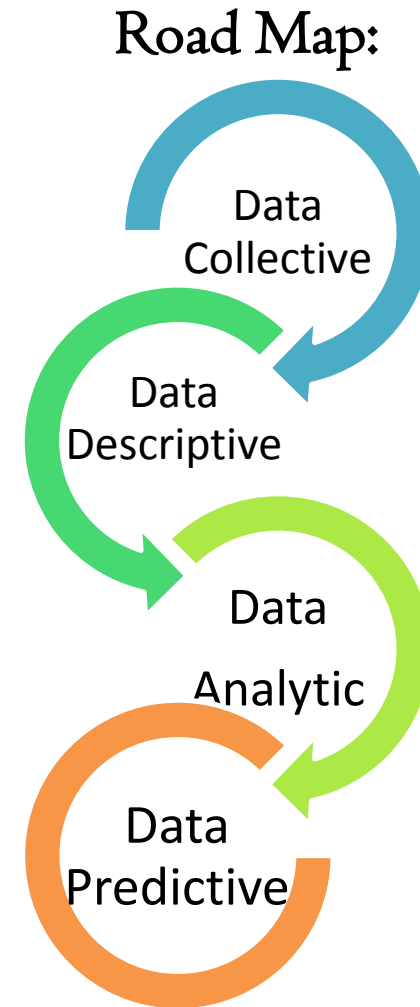
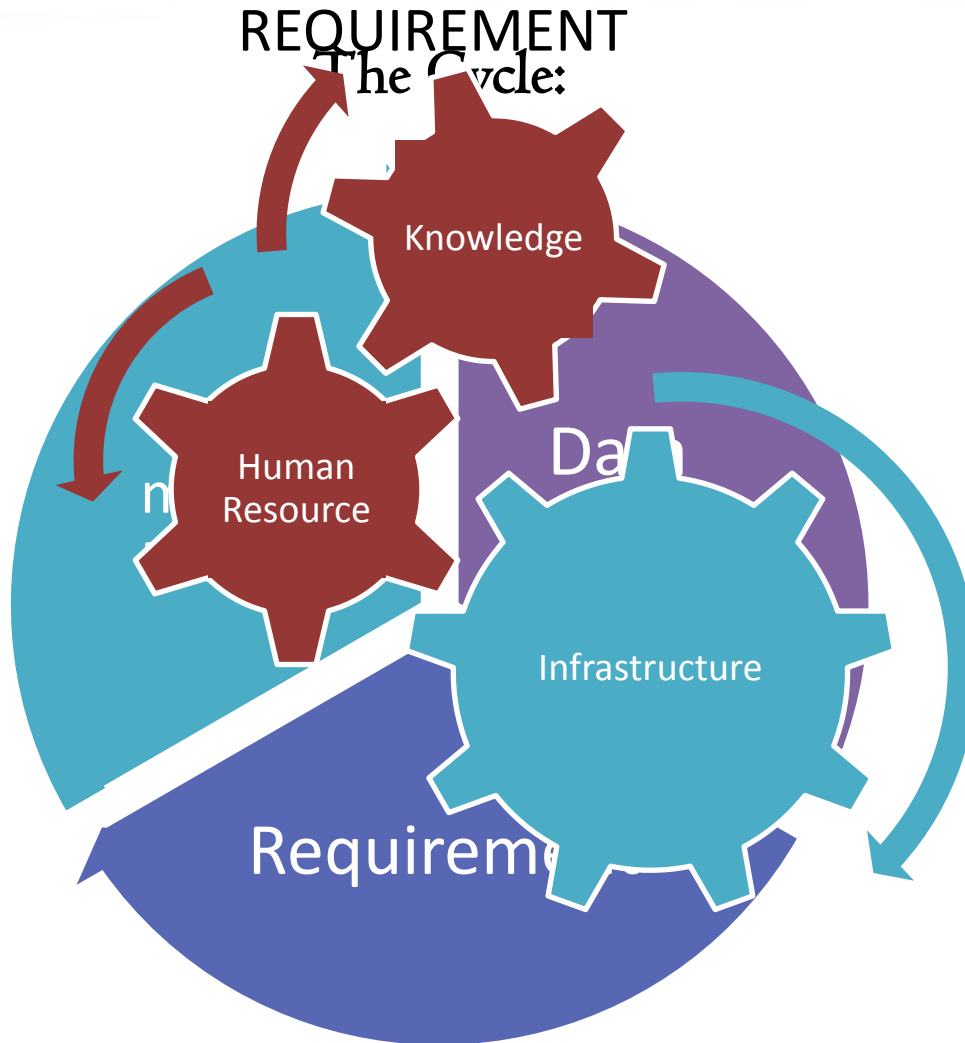


Road Map



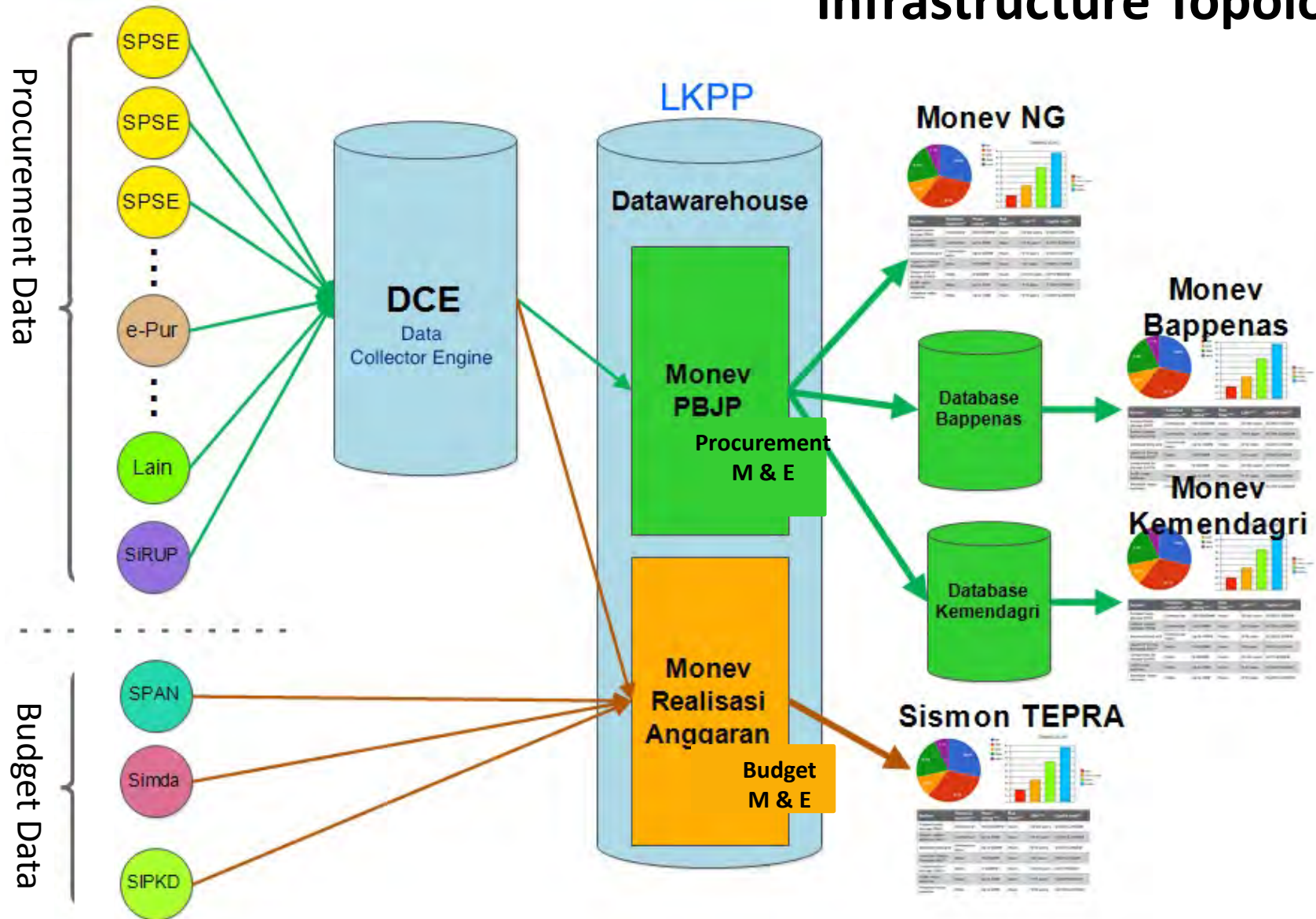


Visibility Eprocurement



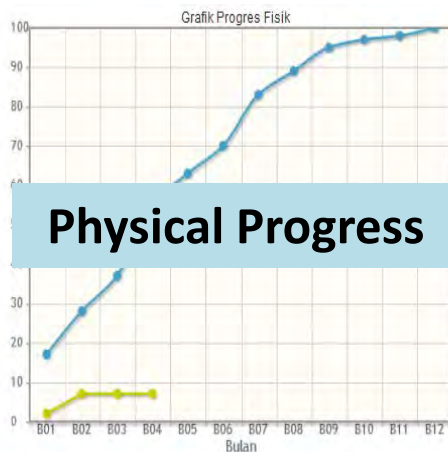
MONITORING & EVALUATION

Infrastructure Topology

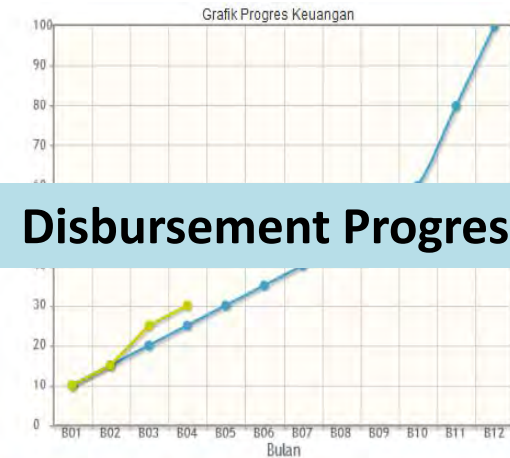


Jenis Pengadaan Barang/Jasa dan Modal	Paket Pengadaan Strategis						Paket Pengadaan Non Strategis						TOTAL		
	Lelang Umum Seleksi Umum Lelang Terbatas		Pemilihan Langsung Lelang Sederhana Seleksi Sederhana		Penunjukan Langsung		Sayembara Kontes		Pengadaan Langsung e-Purchasing		Swakelola				
	Pkt	Rp M	Pkt	Rp M	Pkt	Rp M	Pkt	Rp M	Pkt	Rp M	Pkt	Rp M	Pkt	Rp M	
BARANG	4	22,10	7	4,40	0	0,00	0	0,00	24	2,39	68	102,83	103	131,72	
KONSTRUKSI	0	0,00	Procurement Plan								0,00	0	0,00	0	0,00
KONSULTANSI	1	0,24	Procurement Plan								3,63	0	0,00	81	8,01
JASA LAINNYA	2	1,20	3	2,35	3	1,65	0	0,00	91	17,30	0	0,00	99	22,50	
Jumlah	7	23,54	31	10,89	3	1,65	0	0,00	174	23,32	68	102,83	283	162,23	

Data valid per Tanggal 10-04-2015 Pukul 14:30



Physical Progress



Disbursement Progress

	B01	B02	B03	B04	B05	B06	B07	B08	B09	B10	B11	B12
Target	17.52%	28.30%	37.75%	55.41%	63.26%	70.30%	83.29%	89.15%	95.23%	97.89%	98.99%	100.00%
Realisasi	2.77%	7.33%	7.33%	7.33%	-	-	-	-	-	-	-	-

	B01	B02	B03	B04	B05	B06	B07	B08	B09	B10	B11	B12
Target	10.00%	15.00%	20.00%	25.00%	30.00%	35.00%	40.00%	45.00%	50.00%	60.00%	80.00%	100.00%
Realisasi	10.00%	15.00%	25.00%	30.00%	-	-	-	-	-	-	-	-

e-Procurement Transaction

Number of Tender:

517.707

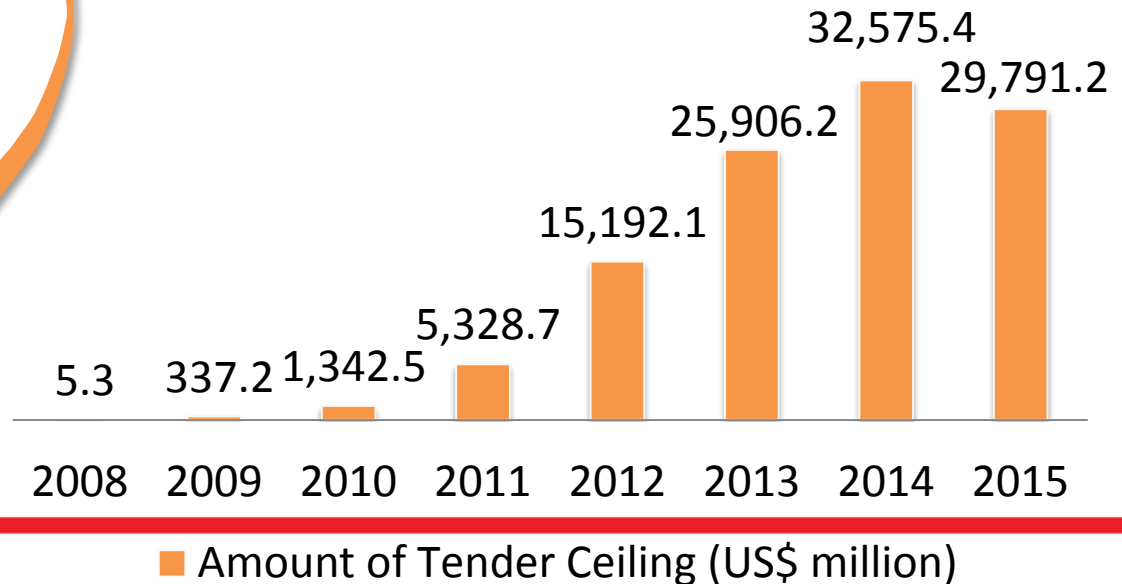
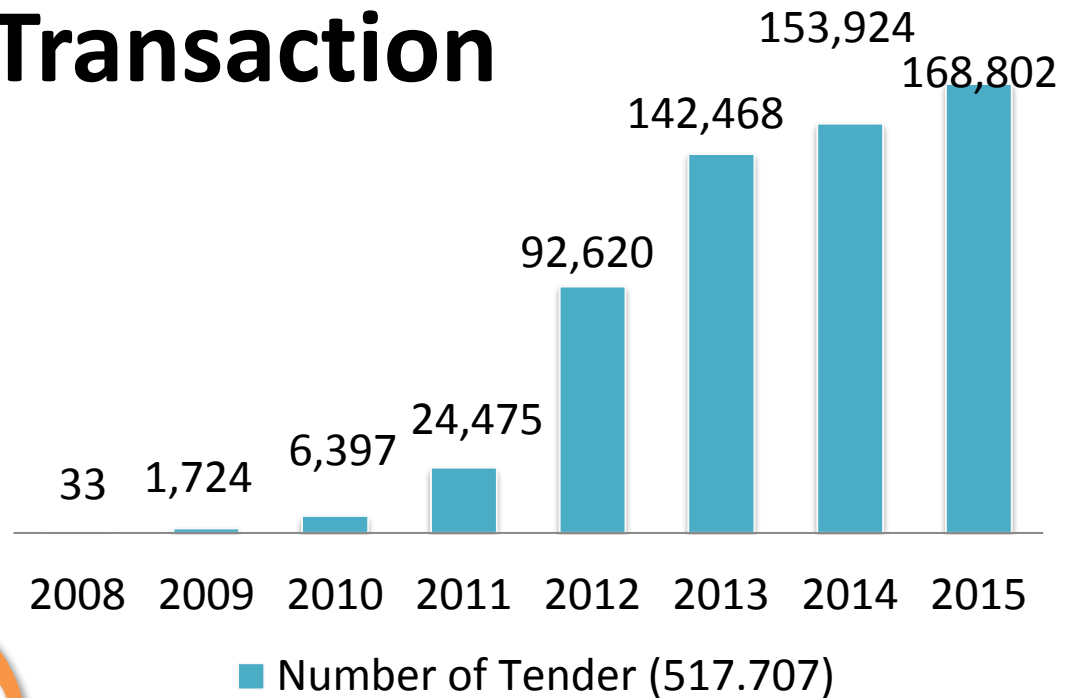
Amount of Tender Ceiling Budget:

US\$ 81.186 million

Saving:

US\$ 7.993 million

(9.84 %)



Roadmap e-Procurement

Activity	2014	2015	2016	2017	2018	2019
1. Application Development						
e-Tendering	SPSE 3.6, SPSE 4		SPSE 4 + Public Key Infrastructure		SPSE 5	
e-Reverse Auction	Mini RA for E-Purchasing		Reverse Auction fo SPSE5			
Direct Purchasing & Other Procurement Method	Direct Purchasing		Other Procurement Method			
SIRUP (e-Proc Plan)	Package Review		Needs Identification		e-Budget Interconnection	
e-Monev	Procuring Entity Dashboard		Procurement Performance		Interkoneksi Dengan e-Payment	
Vendor Mgmt System & Blacklist	Data Centralization Management		Vendor Performance Dashboard		Interconnection with other system	
INAPROC (Procurement Portal)	Categorization & Personalization		Interconnection with other system in LKPP & outside LKPP			
Data Warehouse	Data Mart Development		Big Data Management			
E-Purchasing	Catalogue Mgmt System		Product Endorsement to e-Catalogue			
E-Contract Management	Doc. Mgmt		Proj. Mgmt		Payment Interconnection	

Roadmap e-Procurement

Activity	2014	2015	2016	2017	2018	2019
2. Infrastructure Development						
Infrastructure Development & Maintenance	Data Center, DRC, DRP, Cloud Centralized System					
LPSE Infrastructure Monitoring	Availability, Bandwith, Access Log, Resources Usage Monitoring					
LPSE Infrastructure Standardization	Data Center, Topologi, Backup, ISO 27001					

CREATING GOOD POLICY FOR BETTER INDONESIAN PROCUREMENT



Thank You



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