


To Improve Efficiency of Goods/Services Procurement, UGM Establishes LPSE

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Universitas Gadjah Mada inaugurated the Electronic Procurement Services (LPSE) program in order to assist in the procurement of goods/services in which the implementation will be conducted electronically based on Internet by utilizing communications and information technology facilities. Besides aiming to overcome budget leakage or auctions engineering in the procurement process or auction, this E-procurement service is expected to open up business opportunity to participate in the auction and create healthy business competition. The inauguration was marked by the beating of gongs by UGM Rector, Prof. Ir. Sudjarwadi, M. Eng., Ph.D., witnessed by Head of Government Goods/Services Procurement Policy Institution (LKPP), Agus Rahardjo, and Head of General Affairs Bureau at Secretary General of the Ministry of Education and Culture, Khalid Mustafa.

To the reporters, Agus Rahardjo said that the rate of budget leakage or auctions engineering at various government institutions reached 10-15 percent. Therefore, LPSE is developed to overcome the corruption practices in the tender process. "From the experience over the years, there were several procurements where there had already been a tender made while in fact no auction followed it up," he said in a discussion at the UGM Central Office Multimedia Room, Wednesday (16/11).

He mentioned, up to this time there are 293 LPSEs in Indonesia. At the level of University, the LPSE has just been opened in some Universities, such as UGM, UI, ITB, UB, UNDIP, and ITS. According to him, the limited number is because the government has not obligated the institutions and Universities to open the service this year. However, under President Regulation No. 54 Year 2010 regarding the procurement of goods/services for Government, it will be required to be implemented starting from the upcoming 2012.



Agus added that if the LPSE program can run perfectly, then the state spending can become more efficient and the state could save 14 percent nationally. Moreover indications of corruption in the auction process can be minimized more optimally. The program that started since 2008 was already conducted in 32 provinces, 293 LPSE at 594 institutions.

Khalid Mustafa explained LPSE was expected to educate and build the culture of the nation to be clean from corruption, collusion and nepotism (KKN). Through credible and accountable procurement, budget transparency will be achieved. "The Ministry supports LPSE, so university as a front guard could become a major pillar in transparent procurement of goods and services," he explained.

Director of UGM Asset Management and Maintenance, Dr. Ing. Singgih Hawibowo, said each year UGM conducts procurement of goods/services reaching up to Rp200-250 billion of the total education budget that reached Rp1,5 trillion. "Every year, UGM had an average of 100 auction packets," he said.

Before having the LPSE, said Singgih, UGM often spent much time for procurement of goods and services. It is expected that the LPSE will improve the efficiency of the procurement of goods/services up to 10 percent.

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