

# IMPLEMENTATION OF E-GOVERNMENT IN PROCUREMENT OF GOODS AND SERVICES (STUDY: ELECTRONIC PROCUREMENT SERVICE OFFICE (LPSE) MEDAN CITY)

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## Abstract

*This study aims to find out how the process of implementing E-Government in the Procurement of Goods and Services at the Medan City LPSE Office and to find out the obstacles faced by the Medan City Electronic Procurement Service (LPSE) in carrying out their authority and the settlement pattern applied. The research method used in this study is to use a systematic review to examine issues related to travel risk and gender, while Pickering discusses the benefits of systematic reviews in research, especially for those who are completing a doctoral program. The research begins by setting search keywords, then searching data through a predetermined search engine application. The results of this study conclude that the implementation of e-government in the city of Medan can create a synergy between the community and the government, where the community can participate in building the city, while the government can channel their ideas*

**Keywords:** *E-procurement, Electronic Procurement Services, Government Procurement Services.*

## 1. INTRODUCTION

In the era of the 21<sup>st</sup> century, technological developments run so fast. Big companies make technology a basic need that must be met. Along with the development of technology, human activities are now changing in line with the times. This is indicated by actions that are synergized with computers and the internet. No exception, the government also uses technology to improve the quality of better services to the community. Improving the quality of these services can be done through the use of information technology in accordance with the needs of government agencies in order to be able to manage data faster, obtain information faster, conduct transactions with parties who are partners and many more benefits derived from the implementation of e-government. .

*E-Government* is a complex phenomenon and is a cross between various dimensions such as e-information, e-transaction, and e-participation. Concept and practice *e-government* has also been defined using various terms such as digital government, online government, and now with more advanced terms such as mobile government, ubiquitous government, and smart government. E-government systems can be as simple as providing information via a website to as complex as enabling tax filings (Hu, Brown, Thong, Chan, & Tam, 2009). In the case of Western economies and developed economies such as those found in Europe and America, there is a general sense of government acting on behalf of its citizens by providing or supporting various services. Although each country has its own form of government, with different levels of government intervention, including the provision of health services and industry regulation, there is a general focus on public services inherent in all government activities (Mosse & Whitley, 2003). 2009).

As in the United States, local governments have been at the forefront of e-government adoption (Benton 2005, Manoharan and Carrizales 2010). According to a survey by Norris and Reddick (2013), more than 90 percent of local governments in the United States post important information online such as city codes, ordinances, and minutes of board meetings, along with online transactional services. Manoharan (2013) found that more than 75 percent of US states have

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developed official Web sites, and others are in the process of developing their official Web presence.

The strategic objective of this program is to increase the supply of high-quality e-government services in Medan City and increase the level of use of e-government by all government stakeholders. To do this, appropriate competence of e-government stakeholders is required. Due to new emerging demands, development of new technologies, and new experiences of e-government, efforts towards e-government adoption have been growing. Government services that are bureaucratic and seem rigid are slowly being replaced by the use of e-government which makes government services more flexible and more user satisfaction oriented. E-government offers public services that can be accessed 24 hours, whenever and wherever users are.

In its application, e-government is very important in facilitating the work process of government agencies. Many services or other important things then implement e-government in its implementation, one of which is the procurement of goods and services electronically (E-Procurement). One of the government services currently using technology is the Electronic Procurement Service (LPSE). Previously, this procurement service was carried out by means of face-to-face auction participants with the auction committee. This is of course inefficient in terms of time and cost, and can also lead to deviations.

Previously, the benefits and advantages of procuring goods and services electronically have been explained which can then make things more efficient, effective, transparent, and accountable. However, there are always inequalities which are the reasons for not working effectively. If it is associated with the TPK (Corruption Crimes), it will be very clear what problems will arise in the procurement of goods and services. Reflecting on the types of cases handled by the KPK in previous years, the case for the procurement of goods and services was ranked first as the case with the highest number of cases, namely 146 cases, out of a total of 468 other cases, much higher than other budget abuses. This proves that the case for the procurement of goods and services has many shortcomings.

## **2. PREVIOUS RESEARCH**

Previous research is an attempt by researchers to find comparisons and then to find new inspiration for further research. In addition, previous studies help researchers to position research and show the originality of the research. In this section, the researcher includes various previous research results related to the research to be carried out, then makes a summary, both published and unpublished research. The following is a previous study that is still related to the theme that the author is studying.

### **1. Po-Ling Sun, Cheng-Yuan Ku, Dong-Her Shih (2015)**

This research is entitled "Implementation Framework for E-Government 2.0". The E-Government standard describes how governments work, share information and provide services to external and internal stakeholders. It leverages information and communication technologies (ICTs) to transform relationships with citizens and businesses and between branches of government. Benefits can include reduced corruption, increased transparency, greater convenience, higher revenues, and lower costs. E-Government 2.0 currently describes a user-oriented portal service that is integrated into and provided through a single portal site using Web 2.0 technologies, such as RSS, blogs, social networks, etc., and which can be accessed from multiple channels. However, building E-Government 2.0 is difficult because the transition from

E-Government to E-Government 2.0 must be on the organizational integration agenda, not just the technology agenda. Agencies may face many unexpected design challenges and tensions that must be managed.

The government is now starting to focus on the bigger and more holistic task of service innovation to deliver more productive and better services. One of the key observations about making progress with service innovation is that agencies need a framework to help them move forward. Our aim in this study is to propose a new implementation framework for E-Government 2.0. This framework integrates processes, resources, back office and front office of the online system to implement stakeholder-oriented participatory E-Government 2.0. Finally, we use Korea, Antigua and Barbuda, and Ecuador as cases to validate it.

2. Aroon P. Manoharan and Alex Ingrams (2018)

This research is entitled "Conceptualization of E-Government from the Perspective of Local Government". Over the past two decades, governments have used information and communication technology (ICT) to integrate their internal functions and improve their service delivery. Scholars and practitioners have conceptualized these ICT trends and referred to them collectively as e-government. As the number of citizens using the Internet and mobile technology increases, the public sector continues to innovate to keep pace with changing technology and citizens' expectations. This essay reviews the academic literature on e-government among local governments and explores issues related to its adoption and implementation. Adopting the perspective of e-government stages by taking into account institutional capacity, This essay examines the factors and determinants of local e-government success. This essay concludes with directions for future research on e-government and innovation in local government.

3. Ricardo Santaa, Jason B. MacDonaldb, Mario Ferrerc (2018)

This research is entitled "The role of trust in e-Government effectiveness, operational effectiveness and user satisfaction: Lessons from Saudi Arabia in e-G2B". The electronic government system (e-Government) is an important strategic tool in the delivery of e-Government-to-Business (e-G2B) services. The purpose of this study is to explore the direct and indirect effects of trust in online services on user satisfaction of e-Government services and other perceptions such as the effectiveness of e-G2B systems and organizational operational effectiveness. Based on a sample of e-G2B service users from Saudi Arabia, our preliminary findings suggest that the effect of trust on user satisfaction is mediated by measures of e-G2B system effectiveness (eg, System Quality, Service Quality, and Information Quality) and by operational effectiveness.

4. Vishanth Weerakkody, Zahir Irani, Habin Lee, Nitham Hindi & Ibrahim Osman (2016)

The research is entitled "Are Britons Satisfied With E-Government Services? Identifying and Testing Satisfaction Antecedents". Citizen satisfaction is recognized as one of the most significant influences for the adoption and diffusion of e-government. This study examines the impact of information quality, system quality, trustworthiness, and cost on user satisfaction of e-government services. Using a survey, this study collected 1518 valid responses from adopters of e-government services across the UK. Our empirical results show the five factors identified in this study have a significant impact on UK citizens' satisfaction with e-government services.

5. Liyana Shuib, Elaheh Yadegaridehkordi and Sulaiman Ainin (2019)

This research is entitled "The adoption of the Malaysian urban poor from e-government applications and their satisfaction". This study aims to examine the factors that influence citizen adoption of e-government applications in Malaysia. In addition, their satisfaction was also

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analyzed. The research model was developed based on the integration of the Technology Acceptance and Innovation Diffusion Model as well as trust in government, information quality, computer self-efficacy, and customer satisfaction regarding e-government applications in Malaysia. Data were collected using a Likert scale questionnaire from 801 Malaysian urban poor. The results showed that compatibility, relative advantage, image, trust in government, computer self-efficacy, and customer satisfaction had a significant impact on the use of e-government applications. In turn, customer satisfaction itself is positively influenced by the use of e-government applications. This research has provided an in-depth understanding of the important factors in increasing citizen adoption and satisfaction with e-government applications.

6. Rajesh Sharma, [Rajhans Mishra](#) , [Abhishek Mishra](#) (2021)

This study is entitled "Determining satisfaction among social entrepreneurs in e-Government services". E-Governance outlets that support Information Technology are increasingly being used in developing countries to facilitate the delivery of e-Government services. These outlets are run by social entrepreneurs who serve as intermediaries between citizens and the government. With social entrepreneurship and stakeholder theory as the basis and model validation with data from 232 respondents, current work shows that social entrepreneur satisfaction stems from a positive public image and satisfaction with stakeholders. These two factors fulfill the motive of the entrepreneur alliance and derive from their economic well-being, a motive agency, which is the result of the service quality of the e-Government website. The study also establishes the role of process intervention and government support to improve the economic well-being of social entrepreneurs. This study brings a unique perspective of social entrepreneurship to e-Government service delivery and provides recommendations for policy makers to focus on satisfying these intermediaries for sustainable inclusion into the digital mainstream.

7. Ewa Ziemia, Tomasz Papaj, Rafał elazny & Maria Jadamus-Hacura (2016)

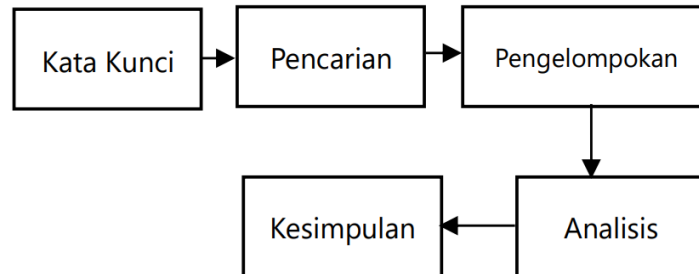
This research is entitled "Factors Affecting the Success of E-Government". This study focuses on the critical success factors (CSF) of e-government. Its main objectives are to (1) describe the development of the CSF methodology for e-government, (2) present the practical implementation of this methodology in Polish public administration, and (3) to assess the preliminary results of practical implementation. The article continues as follows. First, clarify the article according to the concept of e-government and the CSF for e-government. Second, the CSF methodology for e-government is described in detail. Third, this article presents the preliminary results of the practical implementation of this methodology in Poland, at the local and state levels of government. This article concludes with a discussion of the research findings, implications, and avenues for further research.

### 3. IMPLEMENTATION METHOD

This research is an exploratory research, namely research conducted to explore data and information on new topics or issues aimed at deepening or further research. The purpose of the research is to formulate more accurate questions that will be answered in further research or later research. Researchers usually use exploratory research to gain sufficient knowledge in designing and conducting more systematic follow-up studies. Exploratory research is generally carried out to answer the question "What (what)" (What exactly is this phenomenon?).

The research model used by Yang et al. (2017) and Pickering & Byrne (2013) who use systematic reviews to examine issues related to travel risk and gender, while Pickering discusses

the benefits of systematic reviews in research, especially for those who are completing a doctoral program. The research begins by setting search keywords, then searching data through a predetermined search engine application. Based on a brief review (title, abstract and conclusion) of each article taken.



**Figure 1** Research Model

## 4. RESULTS AND DISCUSSION

### 4.1 Definition of E-Government

The definition of e-government according to Non-Governmental Institutions and Institutions is: The World Bank (World Bank) defines e-Government as follows: E-government refers to the use by government agencies of information technologies (such as Wide Area Networks, the Internet, and mobile computing) that has the ability to transform relations with citizens, businesses, and other arms of government. According to UNDP (United Nation Development Program) (in Indrajit 2002) E-Government is the application of Information and Communication Technology (ICT) by government agencies. Janet Caldow, Director of the Institute for Electronic Government (IBM Corporation) (in Indrajit 2002) provides an interesting definition,

E-government refers to the use of information technology by government agencies that are capable of changing relationships with citizens, businesses and units of government. The technology used can serve a different diversity, namely providing better services to citizens, increasing interaction with the business and industry worlds, empowering communities through access to information, or more efficient government management. The results obtained are reduced corruption, increased transparency, greater convenience, increased state revenues, and reduced costs. (Groundlund, 2008).

E-government is a way for governments to use the latest technology to provide citizens with convenient access to government information and services, to improve service quality and to provide greater opportunities to participate in democratic institutions (Bovaird, 2005).

### 4.2 Benefits of E-Government

Some of the benefits of implementing e-government that have previously implemented the concept of e-government, namely America and Britain through Al-Gore and Tony Blair (in Indrajit 2002), are as follows:

- a. Improving the quality of government services to its stakeholders (community, business, industry) especially in terms of effectiveness and efficiency in various fields of state life;
- b. Increase transparency, control and accountability of government administration in the context of implementing the concept of Good Corporate Governance;
- c. Significantly reduce the total cost of administration, relations, and interactions incurred by the government and its stakeholders for the purposes of daily activities;

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- d. Provide opportunities for the government to obtain new sources of income through its interaction with interested parties;
- e. Creating a new community environment that can accurately answer the various problems faced in line with various global changes and existing trends;
- f. Empowering the community and other parties as government partners in the process of making various public policies in an even and democratic manner.

#### **4.3 Classification of E-Government**

Indrajit (2005) said that there are three models of E-Government delivery, including:

##### **1. Government-to-Citizen / Government-to-Customer (G2C)**

This type of G-to-C is the most common application of E-Government, which is where the government builds and implements various portfolios of information technology with the main aim of improving interaction relations with the community (the people). In other words, the main purpose of building an E-Government application of the G-to-C type is to bring the government closer to its people through various access sites so that people can easily reach their government to fulfill various daily service needs. Government-to-Citizen is the one-way delivery of public services and information by the government to the public.

##### **2. Government-to-Business (G2B)**

Government-to-Business are electronic transactions where the government provides various information needed for businesses to transact with the government. Towards the marketing of products and services to the government to help the government become more efficient through improving business processes and electronic data management.

The benefits are :

- a. Taxpayer companies can easily run web-based applications to calculate the amount of taxes that must be paid to the government and make payments via the internet;
- b. The tender process for government projects involving a number of private parties can be carried out through the website (thus saving transportation and communication costs), starting from the process of taking and purchasing tender forms, taking the TOR (Term of Reference) information form, to the mechanism for implementing the tender itself. which ends with the announcement of the tender winner;
- c. The process of procurement and purchasing of daily necessities for government institutions (eg for back-office and administration) can be carried out efficiently if concepts such as E-Procurement are applied (connecting government offices with their suppliers);
- d. Companies that wish to carry out processes such as mergers and acquisitions can easily consult with respect to regulatory and legal aspects with various relevant government agencies; and so forth.

##### **3. Government-to-Governments(G2G)**

Government-to-Governments is to enable online communication and exchange of information between government departments or agencies through an integrated database. Example: online consultation, blogging for legislative circles, online education, integrated service to the community. In addition to the government's achievements in implementing better government since the reform, of course, the implementation of E-Government can provide additional benefits to the community:

- a. Improving the quality of government services to its stakeholders (community, business, and industry) especially in terms of effectiveness and efficiency in various fields of state life;
- b. Increase transparency, control, and accountability of government administration in the context of implementing the concept of Good Governance in government (free of KKN);
- c. Significantly reduce the total administrative, relation, and interaction costs incurred by the government and its stakeholders for the purposes of daily activities;
- d. Provide opportunities for the government to obtain new sources of income through its interactions with interested parties;
- e. Creating a new community environment that can quickly and accurately respond to various problems faced in line with various global changes and existing trends;
- f. Empowering the community and other parties as government partners in the process of making various public policies in an equitable and democratic manner.

## 5. CONCLUSION

From society, the results of the analysis of scientific journals, it can be concluded that with the application of e-government in the city of Medan can create a city of Medan that is synergistic between the community and the government, where the community can participate in building the city, while the government can channel their ideas.

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