American Journal of Engineering Research (AJER)
e-ISSN: 2320-0847 p-ISSN : 2320-0936
Volume-11, Issue-06, pp-32-38
www.ajer.org
Research Paper Open Access

Failure Tender Analysis On Construction work Packages In The Government of south Kalimantan Province

Angga Rinaldi Rizal[1], Henry Wardhana[2]
[1, 2]*Study Program Magister of Civil engineering, Lambung Mangkurat University*
Corresponding Author: Angga Rinaldi Rizal

ABSTRACT :*The procurement of government goods/services is budgeted quite large by the government. For the 2020 budget year, the Ministry of PUPR manages a budget of IDR 120.2 trillion. Of this amount, which was carried out through the selection of goods/services providers (tender/selection) was Rp. 93.5 trillion consists of 7,426 packages (Ministry of PUPR, 2020). Based on data from the LPSE PU in 2020, there were 545 packages that failed to bid. Meanwhile, for the South Kalimantan Provincial Government through the Goods and Services Procurement Bureau throughout 2020, there have been 72 failed tenders out of a total of 312 packages or 23%. So the number of failed tenders in the South Kalimantan Provincial Government is greater than the national one. This research was conducted to find out what factors cause a job tender to fail and what factors have the most influence on electronic tenders in the South Kalimantan Provincial Government. The research method used in this research is a survey research method with a questionnaire media and data from samples taken from a population. The sample taken is from the construction work tender. In contrast, the analysis method uses the Relative Importance Index (RII) method. It was obtained that 32 (thirty-two) factors that caused the failed tender to occur were then compiled in a questionnaire format which was distributed to parties who could state that a failed tender/selection was PA, KPA, PPK, or Pokja Election and additionally by PPTK. The results of the analysis using the Relative Importance Index (RII) method show that the top five factors are the dominant factors, namely: (1) The requested technical requirements are not met, (2) Technical specifications are less than required, (3) Bidding documents submitted participants are incomplete, (4) the leading equipment is less than required, (5) no participant has passed the bid evaluation.*
KEYWORDS *procurement of goods and services; construction; Relative Importance Index; tender failed*

Date of Submission: 20-05-2022 Date of acceptance: 03-06-2022

I. INTRODUCTION

Along with the demands of public transparency today, which covers various aspects, one of which is the procurement of goods/services electronically. So the Government of Indonesia issued Presidential Regulation Number 16 of 2018 concerning the Procurement of Government Goods/Services, which is the latest regulation and improvement of the overall implementation of goods/services. The government has massively improved procurement governance by introducing and implementing electronic tenders, which are expected to maintain the application of procurement principles. The implementation of the procurement of goods/services has a reasonably large budget allocation with increases every year, so special attention is needed in order to provide the most optimal benefits. However, this financial support does not make the existing tender implementation optimal in its implementation mechanism. For this reason, it is necessary to know what factors make the tender not optimal in its implementation mechanism. The purpose of this study is to identify the factors that cause failed tenders and determine the most dominant causes of failed tenders or the most influential factors in electronic tenders.

II. LITERATURE REVIEW

Philosophically, the procurement of goods and services in an effort to obtain the desired goods and services by doing it on the basis of logical and systematic thinking and following applicable norms and ethics based on standard procurement methods and processes (Nursetyo, 2014). Procurement of government goods/services is an activity to obtain goods/services by ministries/agencies/regional work units/other institutions whose process starts from planning needs until completion of all activities to obtain goods/services.

Procurement of goods/services is needed in realizing development and improving the quality of human resources. Currently, provisions regarding government procurement of goods/services are regulated in Presidential Regulation of the Republic of Indonesia Number 12 of 2021 concerning Amendments to Presidential Regulation Number 16 of 2018 concerning Government Procurement of Goods/Services. Based on Presidential Regulation Number 16 of 2018 that the principles of the procurement of goods/services consist of 6 (six) principles, including:

❖ Efficient

Efficient means that the procurement of goods/services must be endeavored using limited resources (funds, humans) to achieve the targets set in the shortest possible time and can be accounted for.

❖ Effective

Effective means that with the available resources, goods/services are obtained that have the highest benefit value. The highest benefits in the description above can be in the form of the best quality, timely delivery, fulfilled quantity, being able to synergize with other goods/services, and realizing an optimal impact on the overall achievement of policies or programs.

❖ Open and competitive

The open principle means providing opportunities and opportunities for all competent providers of goods/services to participate in the procurement. Healthy and open competition is healthy competition between prospective providers of goods/services who have the potential to participate in the competition.

❖ Transparent

Transparent is the provision of complete information to all prospective participants which is conveyed through information media that can reach the widest possible range of the business world that is expected to participate in the process of procuring goods/services.

Fair/ Non-Discriminatory

Fair/non-discriminatory means giving equal treatment to all interested candidates so that fair competition is realized and does not lead to giving benefits to certain parties for any reason or for any reason.

❖ Accountable

Accountability means having to achieve physical, financial, and benefit targets for the smooth implementation of general government duties and public services in accordance with the principles and provisions that apply in the procurement of goods and services.

Electronic procurement is the process of procuring goods and services online via the internet, where the entire process of announcement, registration, bidding process, giving explanation (aanwijzing), and evaluation results of bids is carried out by utilizing information technology facilities. In general, electronic procurement can be done in two ways, namely e-tendering and e-purchasing. E-tendering is the process of procuring goods/services, which is followed by providers of goods/services electronically through one-time bidding, while e-purchasing is when users of goods/services simply choose the goods/services they want through an open and transparent electronic catalog.

The implementation of the procurement of goods/services through providers includes the preparation of goods/services procurement, preparation of selection, implementation of provider selection, implementation of contracts, and handover of work results. Prior to the implementation of procurement, needs analysis and evaluation are carried out, as well as procurement planning. The actors in the procurement of goods/services are as follows:

1. Budget user (PA)
2. Budget User Authority (KPA)
3. Commitment Making Officer (PPK)
4. Procurement Officer
5. Working Group on Elections
6. Procurement Agent
7. Self-Management
8. Provider

According to (Toufan, 2014), an auction failure is an event that results in re-evaluation, resubmission of Bidding Documents, termination of the process, or tender/selection/re-election. Based on Presidential Decree No. 16 of 2018, the parties who can declare that a tender/selection failed are PA, KPA, PPK, or Pokja Election.

Measurement is the most important initial activity in statistical analysis. Measurement of the variable is defined as the determination of the attribute or value variation or the size level of the variable to be measured. Attributes or variations in the value of a variable are obtained through observations of the subject or research units based on the indicators of these units. The measurement results provide data that will then be processed using specific statistical analysis techniques (Kadir, 2015).

III. RESEARCH METHODS

3.1 Research Design

The phenomenon of budget absorption, whose pattern is not optimal with low budget absorption at the beginning of the year and increasing or accumulating at the end of the year, has become a concern for the government (especially the South Kalimantan Provincial Government). Along with the large budget issued by the government for the procurement of goods/services every year, the current tender is still not optimal in its implementation mechanism, such as many failed tenders, which cause the tender process to be repeated. In contrast, the work being tendered is requested to be utilized as soon as possible.

The research method used in this research is a survey research method with a questionnaire media and data from samples taken from a population. The sample taken is from the construction work tender. The following is the research method and the steps for its implementation.

1. Preliminary Study
2. Data Collection
   Primary Data: Observation and Interview
   Secondary Data: Grouping of Factors from Previous Research
3. Making Questionnaire Instruments
   The instrument used in this research is a questionnaire distributed to the parties involved from the service user side in the tender process for the selection of service providers within the South Kalimantan Provincial Government, namely PA, KPA, PPK, or Pokja Elections.
4. Testing The Questionnaire Instrument
   Test the validity of quantitative data using validity and reliability tests.
5. Data Analysis
   The analysis used in this study is the Relative Importance Index (RII), which is to determine the ranking of causes that can cause problems according to the respondent group.
6. Conclusions and Suggestions

3.2 Grouping of Factors from Previous Research

There are 7 (seven) groups of factors from 104 (one hundred and four) factors based on previous research and laws and regulations. The group of factors are:

1. Factor Amount of Offer
2. Bid Evaluation Factor
3. Self-Estimated Price Factor
4. Error Factors In Document Selection
5. Disclaimer Factor
6. Factors of Corruption, Collusion and Nepotism
7. Factors of Electronic Procurement System

IV. ANALYSIS AND DISCUSSION

4.1 Data Collection

Data was collected by distributing questionnaires to the target respondents, including service users in the South Kalimantan Provincial Government, namely KPA, PPTK, Pokja Elections and the Technical Team. There are 5 (five) KPA respondents, 26 (twenty-six) PPTK respondents, 22 (twenty-two) Pokja Election respondents and 9 (nine) technical team respondents. The details of the respondents can be seen in Table 1.

Table 1. Recapitulation of Sample Number of Respondents

No	Factor	Total	Percentage
1.	KPA	5	8,1%
2.	PPTK	26	41,9%
3.	Pokja Election	22	35,5%
4.	Technical Team	9	14,5%
Total Respondents		**62**	**100%**

4.2 Data Collection

The distribution of questionnaires was given to 62 respondents. From the total sample, 46 respondents were male (74.2%) and female respondents were 16 (25.8%). Meanwhile, the respondent's age is mostly in the range of 41 years to 50 years as many as 28 people (45%). The gender and age profiles of the respondents are shown in Figure 1 and Figure 2.

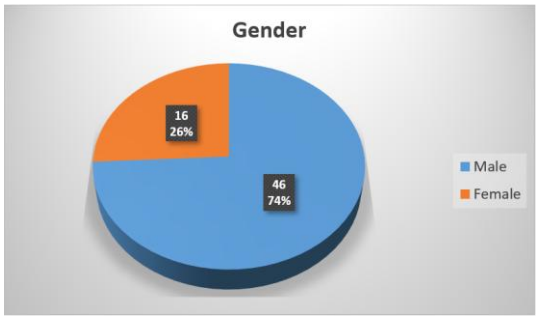

Figure 1. Gender of Respondents

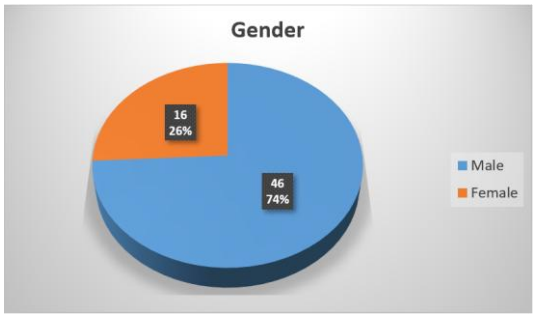

Figure 2. Age of Respondents

The education level of the largest respondents was S1 as many as 35 people (56.5%), followed by S2 as many as 24 people (38.7%) and the lowest education was Diploma with 3 people (4.8%). Meanwhile, the most experienced respondents in the field of procurement of goods and services were between 6 to 10 years as many as 27 respondents (43.5%), while the least experience was more than 20 years as many as 1 respondent (1.6%). The education level and experience profiles of the respondents are shown in Figure 3 and Figure 4.

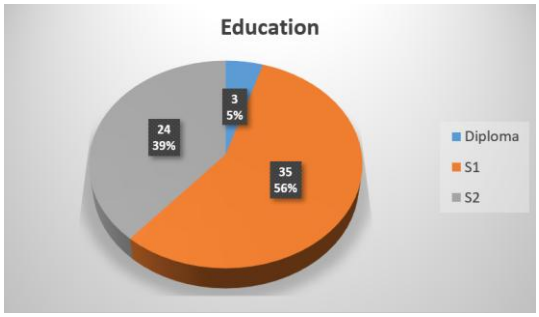

Figure 3. Education of Respondents

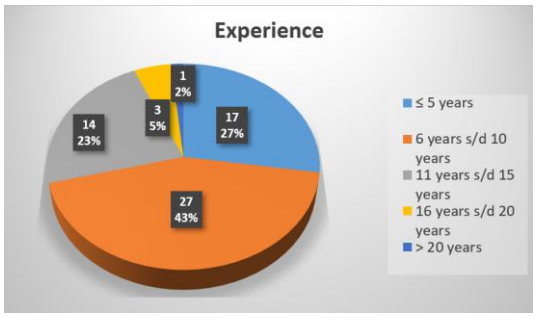

Figure 4. Respondent's Experience

4.3 Factors for Failed Tenders

There are four variables or factors that cause failed tenders based on Presidential Regulation No. 16 of 2018. The four variables are as follows:

1. Factor Amount of Offer
2. Bid Evaluation Factor
3. Disclaimer Truth Factor
4. Factors of Corruption, Collusion and/or Nepotism

There were 104 (one hundred and four) factors causing the failed tender which were then selected, merged and deleted so that they became sub-factors in the 4 (four) factors mentioned above. Selection is done so that the same statement is not found even though it comes from different sources (previous research). In addition, inspections are carried out to ensure that the sub-factors obtained are relevant to the current tender conditions. After the process of selecting, examining and combining as well as removing sub-factors that are not in accordance with the research, 32 (thirty-two) sub-factors are obtained spread over 4 (four) variables which can be seen in Table 2.

Table 2. Determination of Research Factors and Subfactors

No	Factor Code	Factor	Sub Factor Code	Subfactor
1	X1	Number of Offers	X11	No providers are interested
			X12	The number of submissions of bid documents is below the minimum required limit
	X2	Offer Evaluation	X21	No participant passed the bid evaluation
			X22	Submitting false/incorrect documents or information to fulfill the requirements specified in the Bidding Document
			X23	Does not meet the technical requirements of the Construction Safety Plan (RKK)

No	Factor Code	Factor	Sub Factor Code	Subfactor
2			X24	No guarantee of genuine offer
			X25	Not attending or not responding to requests for clarification
			X26	Does not meet the requirements regarding financial statements
			X27	Does not meet the requirements regarding Remaining Real Ability (SKN) or Package Remaining Ability (SKP)
			X28	Does not meet the qualification requirements
			X29	Incomplete bid documents submitted by participants
			X210	Administrative requirements requested are not met
			X211	The requested technical requirements are not met
			X212	Technical specifications are less than required
			X213	The main equipment is less than required
			X214	There are very limited number of goods/service providers who have a certain Business Entity Certificate (SBU).
			X215	All price offers above HPS
			X216	No agreement was reached at the clarification and/or negotiation stage
			X217	Fee requirements not met
			X218	Bid value is too low
			X219	HPS too low
			X220	System failure in encrypting bid documents
3	X3	Disclaimer Truth	X31	An error is found in the Bidding Document or does not comply with the provisions
			X32	There was an error in the evaluation process
			X33	The tender process is not in accordance with the Presidential Regulation
			X34	Errors in the evaluation process based on rebuttal and appeal disclaimer
			X35	There are rebuttals made by participants that are proven and acceptable, resulting in auction failure
			X36	The existence of complaints made by the community is proven to be true and acceptable
4	X4	Corruption, Collusion and/or Nepotism	X41	All participants are involved in KKN
			X42	All participants are involved in unfair business competition
			X43	KKN involves the Pokja Election /PPK
			X44	There are indications of collusive practices between providers and procurement agencies

4.4 Ranking of Factors Causing Failed Tenders

The ranking is determined based on the value of the Relative Importance Index (RII), of each variable based on the provisions with the results of calculations and ratings as shown in Table 3. For example, the calculation of item B.11 is as follows:

$$RII_{B.11} = \frac{n_1 + 2n_2 + 3n_3 + 4n_4 + 5n_5}{5(n_1 + n_2 + n_3 + n_4 + n_5)}$$

$$RII_{B.11} = \frac{2 + 2 \cdot 8 + 3 \cdot 26 + 4 \cdot 15 + 5 \cdot 11}{5(2 + 8 + 26 + 15 + 11)}$$
$$RII_{B.11} = 0{,}681$$

Table 3. Ranking of Factors Causing Failed Tenders

Code	Factors Causing Failed Tenders	Total Weight	RII	RII Rating	Category
B.11	The requested technical requirements are not met	211	0,681	1	Important
B.12	Technical specifications are less than required	203	0,655	2	Important
B.9	Incomplete bid documents submitted by participants	202	0,652	3	Important
B.13	The main equipment is less than required	193	0,623	4	Enough
B.1	No participant passed the bid evaluation	192	0,619	5	Enough
B.8	Does not meet the qualification requirements	183	0,590	6	Enough
B.3	Does not meet the technical requirements of the Construction Safety Plan (RKK)	159	0,513	7	Enough
B.2	Submitting false/incorrect documents or information to fulfill the requirements specified in the Bidding Document	154	0,497	8	Enough
B.5	Not attending or not responding to requests for clarification	152	0,490	9	Enough
B.10	Administrative requirements requested are not met	144	0,465	11	Enough
A.2	The number of submissions of bid documents is below the minimum required limit	138	0,445	12	Enough
B.6	Does not meet the requirements regarding financial statements	138	0,445	12	Enough
C.1	An error is found in the Bidding Document or does not comply with the provisions	127	0,410	15	Enough
C.2	There was an error in the evaluation process	125	0,403	17	Enough
A.1	No providers are interested	123	0,397	18	Enough
B.4	No guarantee of genuine offer	118	0,381	19	Enough
C.5	There are rebuttals made by participants that are proven and acceptable, resulting in auction failure	118	0,381	19	Enough
C.4	Errors in the evaluation process based on rebuttal and appeal disclaimer	115	0,371	21	Enough
B.14	There are very limited number of goods/service providers who have a certain Business Entity Certificate (SBU).	114	0,368	22	Enough
D.3	KKN involves the Pokja Election /PPK	110	0,355	23	Enough
B.16	No agreement was reached at the clarification and/or negotiation stage	109	0,352	24	Enough
B.17	Fee requirements not met	109	0,352	24	Enough
C.3	The tender process is not in accordance with the Presidential Regulation	104	0,335	27	unimportant
C.6	The existence of complaints made by the community is proven to be true and acceptable	102	0,329	28	unimportant
D.2	All participants are involved in unfair business competition	102	0,329	28	unimportant
D.4	There are indications of collusive practices between providers and procurement agencies	100	0,323	30	unimportant
B.15	All price offers above HPS	96	0,310	31	unimportant

The results of RII's calculation of the factors causing failed tenders on construction work packages in the South Kalimantan provincial government environment show three factors at the top rank as factors with important categories, namely: (1) The technical requirements requested are not met, (2) Technical specifications are less than requirements, (3) The bid documents submitted by the participants are incomplete.

V. CONCLUSION

Based on the results of the analysis and discussion that have been obtained, the conclusions of this study are:

1. Identified factors causing tenders to fail as many as four main factors based on Presidential Decree no. 16 of 2018, namely the number of bids, the evaluation of bids, the truth of refutation, the corruption, collusion, and/or nepotism factors, which are then divided into 32 sub-factors.

2. The most dominant cause of failed tender or the most influential factor in the electronic tender is a factor with an RII value above 0.65 so that it is considered important or dominant, and there are three factors, namely:
   a. The requested technical requirements are not met
   b. Technical specifications are less than required
   c. Incomplete bid documents submitted by participants.

Suggestion

The suggestion for this research is that it is necessary to re-examine the new rules, namely Presidential Regulation No. 12 of 2021 and LKPP Regulation No. 12 of 2021 regarding guidelines for tender implementation, whether the factors that cause tenders to fail are lacking.

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Angga Rinaldi Rizal, et. al. "Failure Tender Analysis On Construction work Packages In The Government of south Kalimantan Province."*American Journal of Engineering Research (AJER),* vol. 11(06), 2022, pp. 32-38.