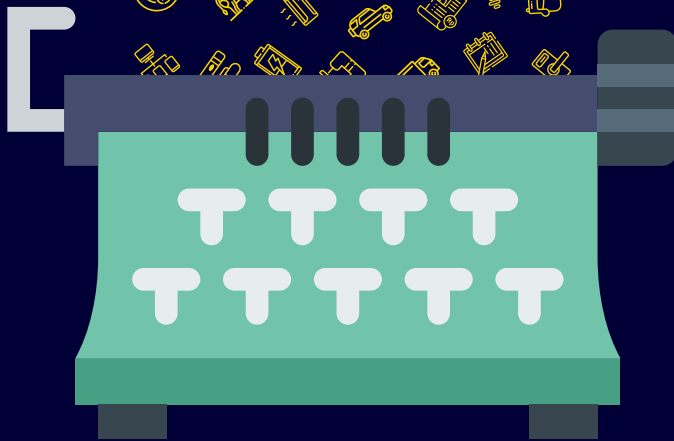
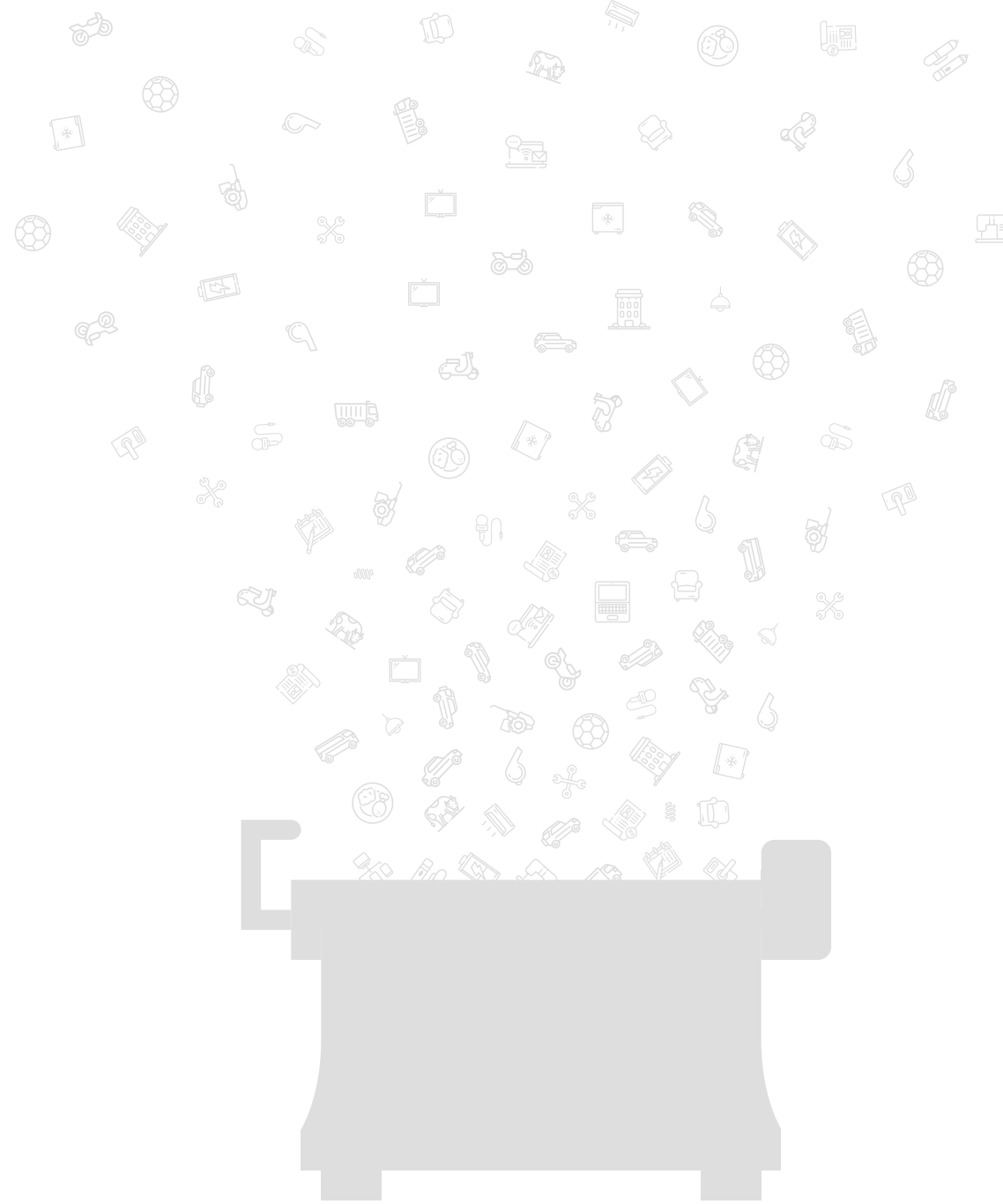


Investigating Public Procurement using OpenTender





Published by ICW

ICW Coordinator
Adnan Topan Husodo

ICW Public Campaign Division
Siti Juliantari
Christian Evert
Dewi Anggraeni
Sigit Wijaya
Asri Tri Undari

Mentor Team & Editor
Anton Aprianto
Jajang Jamaludin
Mustafa Silalahi

Scholarship Journalist
Seplin Bachrir
Aqilah Nurul Khaerani Latif
Muhammad Yunus
Jeane Bernetje Rondonuwu

Cover & Layout Design
Sigit Wijaya

Icon License
Flaticon.com

Jl. Kalibata Timur IVD
No.6, RT.10/RW.8 ·
+62 21 7901885
email: icw@antikorupsi.org

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Opentender.net, A Technology-Based Instrument to Improve Public Control

It is generally agreed that to eradicate corruption, a state needs to adopt information technology (IT) in managing and providing public service to the citizens. Nowadays, IT-based approaches to improve the quality of governance are widely used in various states. The speedy growth of the IT industry has contributed to the development of the application of IT in the public sector.

Indonesia Corruption Watch (ICW), as an important element of the anti-corruption movement in Indonesia, has realised the potential of IT utilisation to encourage accountability and transparency in governance. One of ICW's initiatives was the creation of a monitoring tool for the sector of electronic-based government procurement of goods and services, called opentender.net. This web-based instrument is useful for identifying potentials of fraud in government procurement of goods and services that have been conducted through electronic tenders. By

finding out the potential of fraud, the public can then put pressure the government, as it is supported by the strength of information and data that are accountable.

In developing this instrument, ICW has been fully supported by the National Public Procurement Agency (LKPP), which is an autonomous agency under the President. A significant support is the provision of data from all e-tenders of the government, both national and regional, based on all Electronic Procurement Services (LPSE) in Indonesia. The data are processed in opentender.net to produce five types of basic information used for determining the potential for fraud in each tender.

It has to be recognised that each community-based monitoring instrument has its life and death dependent on the community itself. If no one, or only a few people, understand and use the monitoring instrument, public control becomes less effective. Thus, ICW cooperates with various parties, especially the civil society in various regions and journalists, to be able to use opentender.net through fellowship activities. With the support of MAVC-Hivos, fellowship activities targeting journalists in various regions have been implemented. Participants are invited to become familiar with opentender.net in a session of special training, and then requested to utilise the tool in their investigative work. The result is quite satisfactory, as much potential for violations in public procurement in the regions where the programs were sampled were found, despite the procurement having been done electronically.

Using opentender.net, journalists participating in the fellowship easily identify the type of the procurement project to be selected for further investigation. The next step for the journalists was to search for additional documents, such as contracts, company registration, deed of establishment, project specifications, comparative market prices; and investigate the truth of the information, such as corporate address, name of companies participating in the tender, owner or controller of the company, etc.

In the utilisation of opentender.net developed through investigative journalism work, at least we find a more accurate illustration on how the application of information technology in the management of public sector budget does not necessarily mean that governance will improve. It

means that the assumption that technological intervention in the public sector will improve the quality of governance and reduce corruption is not an unqualified one.

Referring to the findings of the investigative work of the fellowship participants, several modes of misappropriation in the procurement of government goods and services continue to occur despite the electronic tender mechanism being used. These include, first, indications of rigging in the tender process, where the number of participants in the bidding is adequate to avoid accusations of monopoly, but in the final stage of the bidding project, most participants do not submit an offer price. There are indications that the bidding participants are 'encouraged' to withdraw, so that in the final stage, the winner would be the company that has been appointed since early on.

Second, multiple companies participating in the e-tenders in a project are controlled by a single person. The many participants registering are merely formality, as the controller or owner is the same person. In order to control these companies, the businessperson can 'borrow' another person's company at a cost, which is paid up in front.

Third, several companies participating in the tender do not have clear addresses. While in the tender documents they mention addresses, when these addresses are visited, often the companies are nowhere to be found. Often the addresses are residences instead of offices, or shops whose activities differ from what have been mentioned in the tender documents.

Through the investigation of the journalists participating in the fellowship, the e-tender 'game' can be discovered in full view. Their findings also confirm the validity of the opentender.net instrument made by ICW to help the people monitor the work of the government, especially in the public procurement sector. Besides journalists, CSOs, students, researchers and the public in general can benefit from the opentender.net tool for monitoring, due to the ease of which the tool is used.

We hope that the works of the journalists participating in the opentender.net fellowship can inspire more journalists to make use of the opentender.net website in conducting their journalistic work. Of course, the investigative work of the fellowship participants can be made even

sharper with other evidence and documents, however, due to the limited time and budget, these factors have shown to be constraints to the investigation of the fellowship participants.

Kalibata, 23 September 2017

Adnan Topan Husodo
ICW Coordinator

Commitment, Tenacity and Communication

Commitment is the fundamental capital for a journalist about to write an in-depth report, even more so, an investigative report. The collection of materials for these two types of reports is very much different compared to straight news, for which statements of source persons are often adequate. The process of writing in-depth and investigative reports needs extra effort.

Six journalists accepted in the selection of the proposal for the Fellowship of Indonesia Corruption Watch in 2017 have a valuable opportunity to test and sharpen their skills in reporting and writing in-depth or investigative reports.

Through the site www.opentender.net, the ICW has provided information about government projects with indications of irregularities, giving ideas for the report. Then, through training and mentoring, they also receive transfer of knowledge and skills from anti-corruption activists, auditors of government goods and services procurement, and journalists experienced in investigative report.

Unfortunately two of the fellows fail to uphold their commitment. Within the allocated time of four months, both fellows have failed to finish the article, as initially promised. Their behavior has been seriously noted by the organizers and mentors of this fellowship. On the other hand, despite limitations and obstacles, the other four fellows have finished their assignments on time, and write interesting reports illustrating the misconduct in the procurement of goods and services in the regional government level.

For the sake of improvement of the next batch of fellowship, we have the following notes. First, the selection of the proposals for participants must be more stringent in order to select the best candidates. The proposal must be comprehensively evaluated by the mentors and experts from ICW. The proposal must not only be of importance and of interest, but also achievable, from the aspects of data collection, candidate capabilities, and time constraints of the program. Thus, mastery of the initial data or materials of the report must be a major consideration in the selection process.

Second, related to the criteria of the fellow candidates, there should be a special consideration for young journalists who have passion, courage and tenacity in collecting data. While their journalistic experience might be relatively small, young journalists tend to have greater willingness to learn compared to 'well-established' older ones. This consideration is also important so that the fellowship benefits young talented journalists who still have many opportunities to practice their knowledge and skills in in-depth or investigative reporting.

Third, related to communication during the mentoring process. In-depth and investigative reporting is usually written as a team, with multiple layers of editing. Thus, each fellow must maintain communications with team members, superiors and mentors. The fellow is the person with the greatest knowledge of the field conditions, indeed. However, they still need someone else to discuss with when finding out new ideas or information, and especially when finding difficulties in the field. The editor or the mentor, other than acting as 'consultant' can also act as 'sparring partner' or even 'devil's advocate' for the reporter.

Finally, we observe many important lessons to learn from the fellowship program – for participants, mentors and the organizers as a whole. Of course we are open to feedback from anyone concerned of the improvement of journalistic practices and eradication of corruption in the country.

The Mentor Team

**Anton Aprianto
Jajang Jamaludin
Mustafa Silalahi**



Southeast Sulawesi

Budget Cut of Sports Project Fund

The food and drinks for athletes in the Regional Training Centre for the 2016 National Sports Competition Week in Kendari were suspected to be misappropriated. The modus operandi was by reducing the number of meals, and reducing the number of days. The winner of the tender was suspected to be close to the organizing committee.

Photo Illustration

THE gray painted, two-storied shophouse on 143 MT Haryono Road, Kendari, Southeast Sulawesi, is now the Kimia Farma pharmacy. Before September 2016, when the pharmacy began operating in the shophouse, according to the Southeast Sulawesi Electronic Procurement Services (LPSE) Portal, it was recorded as the office of CV Bintang Griyatama.

The company has been recorded to move to a restaurant in Mokoau Subdistrict, Kambu District. While having its premises in low-key locations, the company was not small fry. According to the records of the LPSE, the company under the leadership of Erwin Riswantyo has won scores of projects tendered by the Southeast Sulawesi Provincial Government, with a value of billions of rupiahs.

One of the projects won by the company is the provision of food and drinks during the Regional Training Centre for the 2016 National Sports Competition Week (PON). The project was implemented by the Southeast Sulawesi Sports Committee (KONI Sultra). The LPSE portal mentions that the project was funded by the regional budget, with an amount of IDR 2.2 billion, of which IDR 468 million was for snacks and IDR 1.7 billion for food and drinks.

The director of CV Bintang Griyatama Erwin Riswantyo confirmed that his company implemented the project. "We won the tender due to our experience," said Erwin. "Previously we won the tender for the provision of snacks in the governor's office, the DPRD and the regional police."

Other than doing business in the provision of food and drinks, the company also does business in office stationery, electronics, motor vehicles, computers, printing and mining. The food and drinks were to be provided for athletes, trainers, mechanics and task force members during the training center. According to the Decree of the Chairman of KONI Sultra No. 160 of 2016, the number of athletes was 69, trainers 21, and mechanics 3.

However, there were different numbers for the task force. According to the verification report of the sports teams for PON XIX in West Java (2016), published on 16 February 2016, the number of the members of the task force was 30 persons. However, in the Decree of the Chairman of KONI Sultra, signed one month later, the number rose to 51. When the project was tendered, as recorded in the LPSE portal, there were 12 companies bidding for the project. However, by the deadline,

out of the 12 bidders, only CV Bintang Griyatama submitted an offer. There was indeed an accusation that the project was set up to be won by CV Bintang Griyatama. However, Erwin Riswantyo denied the accusation. He stated that there was nothing irregular in the project tender process. Erwin claimed that his company won, due to the equipment and experience. "We have a big kitchen, and this is our business," he said.

However, after the training was concluded, the project left an unpleasant taste. In the system of general procurement planning, the project was to last between 14 June 2016 to 15 September 2016, or 94 days. However, based on documents obtained by the reporter of Rakyat Sultra, the training was concluded on 14 September 2016, or one day early. This means that there is a one-day difference between the plan and the implementation.

This difference is suspected to be a modus operandi for misappropriation of funds. Not only that, another way to misappropriate was to reduce the number of meals for the athletes. This, for example, happened when the opening of the training session coincided with nine days of the fasting month (Ramadan). It is recorded that

there were 22 fasting days during the training center. When the training session was opened, the athletes and trainers were only provided with one meal and one snack. According to the schedule, there should have been three meals and two snacks.

Silat trainer Alimin experienced the reduction of meals for his team. During Ramadan, they received only one meal and one snack. "There were two trainers and four athletes receiving the reduced meals," he said. Sepak takraw trainer Heriansyah also complained about the same issue. He regretted the reduction in the amount of food for his team, which was done without his approval. "There has been no money paid in lieu of the reduced meals," he said.

The suspicion of misappropriation of the project funds was also raised in the case of several sports with try outs or trainings outside the region. During the training center, several sports held their trainings outside the region in preparation of the PON. These are chess, shooting, billiards, badminton, rowing and motorcycle racing.

As the training was conducted out of the province, the meals budget for the athletes was given in cash form. However, the funds seemed to have been misappropriated. The



Provision of Food and Drinks for Athletes

IDR 2.2 billion

IDR 468 million for snacks and IDR 1.7 billion for food and drinks



Athlete
69
persons



Trainers
21
persons



Mechanical
team
3 persons



Task
Force
30/51
persons

There are different versions on the number of the members of the task force. According to the verification report of the sports teams for PON XIX in West Java (2016), which was published on 16 February 2016, the number of the members of the task force was 30 persons. However, in the decree of the Chairman of the National Sports Committee, signed one month later, the number rose to 51.

money was received by several trainers, from Deputy Treasurer I of Koni Sultra Kasman. It was during the disbursement of the funds when the irregularity occurred.

Najib Husen, billiard trainer, suffered from the irregularity in the funds disbursement. In the document requesting the disbursement, Najib requested that the funds be provided for a period of 50 days. However, Kasman only provided the amount

for 45 days; the remaining 5 days were not paid at all. There were two athletes and one trainer in the training. “The food was for two athletes and one trainer,” he said.

Deputy Treasurer I Kasman confirmed that he only disbursed the amount for 45 days for billiard. “Why the amount given was reduced? Because, it’s a policy. Not my decision. That was the decision of Deputy Chairman III Eryckson Ludji. I am only a treasurer, I

just pay what is ordered to,” he said Eryckson Ludji, the deputy chairman for finances, has not given his comments regarding Kasman’s statement. Initially he was willing to be contacted by Rakyat Sultra; however, he hang up on his phone when asked about the procurement of food and drinks for the training center. Previously, to a number of local media, Eryckson claimed to be good friends with Erwin Riswanto, the

owner of the company winning the tender. “But I am close to everyone in Kendari,” he said.

Erwin did not deny that he and Eryckson knew each other. However, he denied that he won the project due to collusion. “If there is a new similar project, I’m not going to bid on it. Cut my throat. The profits I gained are too small.

Tahun : 2015		Date eProc 2016	
Kategori : Jasa		E Proyek	22
Sumber Dana : Semua		E Paga	Rp. 21.833.213.000
Entitas : Semua		E Kontrak-Paga	62 %
LPSE : LPSE Provinsi Sulawesi Te		E HPS	Rp. 20.457.752.000
		E Kontrak-HPS	98 %
		E Kontrak	Rp. 20.138.348.978
		E LPSE	1
		E Paga	Rp. 892.419.000
		E Ageri	2
		E HPS	Rp. 829.897.818
		E SKPD	12
		E Kontrak	Rp. 818.452.272
		E Penyedia	21

10 Proyek eProc 2016							Potensi Risiko	
NO. PROYEK	PENYEDIA	KATEGORI	PENGUNJUMAN	NILAI KONTRAK	PAJU	HPS	XH	SKOR
1. Cleaning Service Kantor Gubernur Sultra	CV PUTRI BONAPA	Jasa Lainnya	18 Dec 2015	1.712.880.000	1.800.000.000	1.723.200.000	98%	18
2. MAKAN DAN MINUM PELATUA PON XIX 2016	CV BINTANG GEMILANG	Jasa Lainnya	20 Apr 2016	2.201.545.000	2.223.000.000	2.223.000.000	99%	18
3. Penyediaan tenaga pengendali keamanan dan kenyamanan lingkungan	CV PUTRI BUNIA	Jasa Lainnya	1 Feb 2016	3.344.173.800	3.045.000.000	3.045.000.000	100%	15
4. Sewa angkat kapal wisata	BARTERA SAMUDRA PERHUSA JAWA	Jasa Lainnya	13 Apr 2016	1.895.250.000	1.900.000.000	1.900.000.000	100%	15
5. Cetak T-shirt Ujian	CV Makmur Printing	Jasa Lainnya	4 Apr 2016	1.343.562.000	1.250.200.000	1.248.896.000	100%	15
6. Biaya Cleaning Service	CV Sella Netto	Jasa Lainnya	3 Feb 2016	1.406.796.000	1.733.000.000	1.418.306.000	99%	15
7. Cleaning Service Halaman Kantor Gubernur	Sira Mandiri	Jasa Lainnya	18 Dec 2015	867.300.000	684.000.000	678.400.000	99%	15
8. Mengubah Tombol Angkutan Renda (100 KK x 42,5 Kg x 10 Bc)	CV PARAGAN PRATAMA	Jasa Lainnya	7 Mar 2016	252.475.000	235.875.000	235.875.000	90%	15
9. Cleaning Service Masjid Agung Al-Kautsar Kendari	CV YUVI	Jasa Lainnya	18 Dec 2015	524.880.000	543.000.000	538.400.000	97%	15
10. Penyusunan Data Base Infrastruktur Ke-Fin-Prov Sulawesi Tenggara (Plan Dokumentasi)	CV DICOOL MANAGEMENT	Jasa Lainnya	29 Jul 2015	506.768.000	1.000.000.000	515.768.000	87%	15

Top 10 Procurement is most at risk in Southeast Sulawesi Province by 2015



Southeast Sulawesi

The Star in the Shophouse

*The location of alleged office of
CV Bintang Griyatama*

IN a period of only four years, CV Bintang Griyatama has become a strategic partner of the Southeast Sulawesi Provincial Government. In the period, according to opentender.net portal introduced by Indonesia Corruption Watch, the company has won eleven significant regional project tenders.

From these eleven, ten of them were projects of the Southeast Sulawesi Provincial Government, and the other was a project of the Konawe Utara Regency Government. The value of each project reached billions of rupiahs.

One of those was the provision of food and beverages during the Regional Training Centre (Pelatda) for the National Sports Competition in 2016. The project was held by the Southeast Sulawesi National Sports Commission. The provincial e-procurement portal mentioned that the project was funded by the provincial budget, with a value of Rp 2.2 billion.

During the tender, the project was bid by 12 companies, including CV Bintang Griyatama. However, only it submitted a bid. The other companies only registered, but did not place

their bids. This is also recorded in the e-procurement portal. Other projects of CV Bintang Griyatama include eight construction projects and drinks for athletes, and one procurement of goods.

According to the founding documents of CV Bintang Griyatama, the company was founded in Act No. 29 dated 9 February 2011. The founders were Erwin Riswantyo, Mus, and Beppy Siahaya (Erwin Riswantyo's wife). In Act No. 29, Erwin Riswantyo was recorded as the general director, Mus as director, and Beppy Siahaya as limited partner.

The document also mentioned eight business areas of the company. These are general trade, construction, industry, services, printing, agriculture, transport and mining. In general trade, CV Bintang Griyatama has businesses in computer equipment, network elements, office stationery, electrical goods, computerisation goods, mechanical goods, motor vehicles, textiles and food & beverages.

After its founding on 9 February 2011, CV Bintang Griyatama has experienced an amendment of its articles of association, through Act

No. 36 of 27 February 2012. In the amendment, the position of Beppy Siahaya as limited partner was replaced by Muhammad Basry. The act also recorded that Ms. Siahaya was no longer part of the company. In the amendment, CV Bintang Griyatama was declared to be domiciled and premised on Jalan MT Haryono No. 143, Kendari. Based on the investigation of the reporter of Media Rakyat Sultra, there are three shophouses with the number 143 on the street. The first shophouse is the Istana Listrik shop. Next to the shop, there is another shophouse with the same number, however, it is the office of PT Prima Karya Sarana Sejahtera (PKSS) Kendari, which is a labour management company. Both shophouses are located in Bende Subdistrict, Kadia District, Kendari. There is another document stating the Erwin was once living on Jalan MT Haryono No. 143 in Lalolara Subdistrict, Kambu District. Currently the shophouse is leased by Kimia Farma.

The frequency of which the company wins major tenders from the Southeast Sulawesi province is inseparable from Erwin's role. Among businessmen, Erwin has the strongest network to regional

government officials. For example, he personally knows Deputy Head III of Southeast Sulawesi KONI Eryckson Ludji, who manages the finances of the organisation. Eryckson Ludji even attended the birthday party of Beppy Siahaya, former partner of CV Bintang Griyatama. The presence of the official in the birthday celebrations is found in the photograph he uploaded on his Facebook account on 12 May 2017.

Eryckson confirms that he knows Erwin Riswantyo. In relation to the birthday wish, he stated, "It is too personal. It is no business for journalists," he said on the phone on 7 June 2017. "Regarding whether I am friends with her, I am close with everyone in Kendari."

Erwin Riswantyo stated that Eryckson Ludji is not his only contact in Southeast Sulawesi KONI. He also mentioned a number of other officials. "I do not only know Eryckson. I also know Tasman Taewa (Deputy Head I KONI), Elvis Basri Uno (Acting Secretary KONI) and also Lukman (Head of KONI) I know them all," he said.

Even though admitting that he knows the officials of Southeast Sulawesi KONI, Erwin confirms that he is

free from corruption, collusion and nepotism in the projects related to the agency, such as provision of food and beverages for athletes. "There is no corruption in this project," he declared.

wish to Beppy Siahaya from Eryckson Ludji and his success in winning the tender for the project of provision of food and beverages. "Why would you connect these?" he asked.

Erwin also brushed off allegations of the relations between the birthday

CV. BINTANG GRIYATAMA									
DATA e-PROC : PENVEDIA									
Direktur: ERWIN RISWANTYO									
Direktur: MUS									
Σ Kontrak	Rp. 11.893.394.000	Σ HPS	Rp. 12.020.503.000						
̄ Kontrak	Rp. 991.116.167	̄ HPS	Rp. 1.001.708.563						
̄ Kontrak:HPS	98 %	̄ Pagu	Rp. 1.036.916.667						
Σ Paket	12 Paket	NPWP	03.107.124.4-811.000						
̄ Triwulan	ke-2	Tahun	Semua 2017 2016 2015 2014 2013 2012						
NO.	NAMA PAKET	LPSE	KATEGORI	PENGUMUMAN	NILAI KONTRAK	PAGU	HPS	KONTRAK HPS	SKOR
1.	Belanja Modal Pengadaan&Inst. Konstruksi/Pemeliharaan Gedung Kantor Kabupaten/ Kota/Ruang Pina Kantor Gubernur (Interim)	LPSE Provinsi Sulawesi Tenggara	Pekerjaan Konstruksi	5 Nov 2012	2.376.000.000	2.400.000.000	2.400.000.000	99%	18
2.	MAKAN DAN MINUM PELATDA PON XX 2018	LPSE Provinsi Sulawesi Tenggara	Jasa Lainnya	20 Apr 2018	2.209.545.000	2.223.000.000	2.223.000.000	99%	18
3.	Belanja Modal Pengadaan Intakus / Proyektor	LPSE Provinsi Sulawesi Tenggara	Pengadaan Barang	13 May 2016	1.596.596.000	1.600.000.000	1.600.000.000	100%	17
4.	Pekerjaan Interior Kantor DPRD	LPSE Provinsi Sulawesi Tenggara	Pekerjaan Konstruksi	21 Apr 2017	1.381.425.000	1.400.000.000	1.400.000.000	99%	17
5.	Pemasangan Platfond GRC Gedung Induk (Luar)	LPSE Provinsi Sulawesi Tenggara	Pekerjaan Konstruksi	27 Sep 2013	1.213.818.000	1.400.000.000	1.238.600.000	88%	15
6.	Pemasangan Platfond GRC Gedung Induk Dalam	LPSE Provinsi Sulawesi Tenggara	Pekerjaan Konstruksi	18 Apr 2014	903.020.000	1.000.000.000	915.770.000	99%	15
7.	Pembangunan Gudang Arap	LPSE Provinsi Sulawesi Tenggara	Pekerjaan Konstruksi	22 Mar 2016	397.000.000	400.000.000	400.000.000	99%	15
8.	Interior Ruang Kerja Sekeloa Provinsi Sulawesi Tenggara	LPSE Provinsi Sulawesi Tenggara	Pekerjaan Konstruksi	22 Nov 2013	293.730.000	450.000.000	299.315.000	98%	15
9.	Penyediaan Pembangunan Monumen Tugu Pasaati	LPSE Provinsi Sulawesi Tenggara	Pekerjaan Konstruksi	26 Feb 2015	259.500.000	272.000.000	259.700.000	100%	15
10.	Pembangunan Monumen Tugu Pasaati	LPSE Provinsi Sulawesi Tenggara	Pekerjaan Konstruksi	16 Jun 2014	407.000.000	408.000.000	408.000.000	100%	14

List of Projects won by CV. Bintang Griyatama

Provision of Food and Drinks for Southeast Sulawesi Athletes



12

Interested companies



1

Company submitted offer (CV Bintang Griyatama)



11

11 other companies only registered, but did not submit offers



The businesses of CV Bintang Griyatama are computer equipment, network elements, office stationery, electrical goods, computerisation goods, mechanical goods, motor vehicles, textiles and food & beverages.





one of the surviving aid cows in Jenepono

South Sulawesi **Not a Bullseye**

Aid in the form of livestock in South Sulawesi often fails to achieve its objectives. Before it is transferred to other farmers, the cow has died, or sold elsewhere.

THE three men were talking under the open roof of the wooden hut. One of them rose up and greeted the

writer, who had just arrived at the hut, whose floor was full of dry grass, on 27 July 2017.

Call the man Anton. He is one of the recipients of livestock from the government in Turatea village, Tamalatea district, Jenepono regency, in South Sulawesi. "This used to be

the cowshed," Anton pointed at the hut.

Anton invited the author to sit in a plastic chair. On the table were a glass of red syrup and a jar of chocolate cookies. The afternoon sunlight broke in from the gaps in the wooden wall of the hut.

Anton recalled that he received a cow as aid from the local government in May 2016. Initially, Anton knew there was a distribution of livestock from his cousin, who was the head of a farmer group in Turutea Village.

To obtain the cow, Anton had to provide copies of his ID card and family card. These are the easy part of the administration. Anton was burdened by the obligation to pay Rp 1 million to obtain the aid.

Anton wondered why he had to pay to receive the aid. "Usually it's free," he said. However, with expectations of profit, Anton borrowed money from his neighbour. Even then Anton could only obtain Rp 700,000.

At that time, according to Anton, there were seven farmer group members who received cows. "I got the smallest cow," Anton said. "Maybe it's because I only paid Rp 700,000," said the father of one child.

Anton only managed to keep the cow for a year. According to him, the cow was a picky eater. It only wanted to eat fresh green grass. The village of Turatera is located in an arid region. Fresh green grass cannot be found anywhere. "It's hard to find grass

here. I'm overwhelmed," said Anton. Possibly because of lack of food, the cow became sickly. Anton called a farmer support official from the Animal Husbandry Department. Initially, Anton hoped that the cow would be treated. "But, he asked for gas money," Anton said. "Because I had no money, I did not give any."

Anton's passion to keep raising the cow began to falter. Moreover, some neighbours suggested that he sell the cow. The reasons are, if the cow did not die, it could be stolen. In addition, other farmer group members have already sold their cows.

Anton had asked the opinion of the head of the farmer group. He initially suggested that Anton keep the cow, in case there were an officer from the Livestock Service coming to check. But, at the end of the conversation, the head of the farmer group made an offer to Anton for the cow, at a low price.

After some time, the officer from the Livestock Service did not come. Finally, because he needed money, Anton sold his cow "Come to think of it, the effort and the cost of raising the cow are not worth the selling price," said Anton, who also had to share "profits" with the neighbour who lent him money.

Tahun : 2016		Data eProc 2016		
Kategori : Semua	Σ Proyek	36	Σ Skor	55
Sumber Dana : Semua	Σ Pagu	Rp. 47.256.326.856	Σ Kontrak/Pagu	96 %
Entitas : Semua	Σ HPS	Rp. 47.006.185.555	Σ Kontrak/HPS	97 %
LPSE : LPSE Provinsi Sulawesi Selatan	Σ Kontrak	Rp. 45.545.336.379	Σ LPSE	1
Seluruh HPSD : DINAS PERTERNAKAN DA	Σ Pagu	Rp. 1.243.578.618	Σ Ageri	1
	Σ HPS	Rp. 1.237.895.148	Σ SKPD	1
	Σ Kontrak	Rp. 1.195.577.323	Σ Hanyada	25

10 Proyek eProc 2016						Potensial Realisasi			
NO.	PROJEK	PENYEDIA	KATEGORI	PENGUMUMAN	NILAI KONTRAK	PAGU	HPS	KH	SKOR
1	Pengadaan Ternak Sapi Piang untuk diserahkan kepada Masyarakat di Kab. Enrekang	CY PRO POCOROGAN	Pengadaan Barang	21 Oct 2016	2.257.620.000	2.340.000.000	2.340.000.000	96%	18
2	Pengadaan Ternak Sapi Piang untuk diserahkan kepada Masyarakat di Arah. Kabupaten Selayar	CY PRO POCOROGAN	Pengadaan Barang	21 Oct 2016	1.318.450.000	1.365.000.000	1.365.000.000	97%	18
3	Bekas Barang pada Kegiatan Pemeliharaan dan Pemangulangan Brucellosis	CY PRO POCOROGAN	Pengadaan Barang	24 Aug 2016	1.826.390.000	1.874.000.000	1.874.000.000	97%	17
4	Pengadaan Ternak Sapi Piang untuk diserahkan kepada Masyarakat di Kab. Jeneponto	CY KIRANI MAIL ATAN	Pengadaan Barang	21 Oct 2016	1.889.000.000	1.890.000.000	1.890.000.000	97%	17
5	Pengadaan Ternak Sapi Piang untuk diserahkan kepada Masyarakat di Kab. Bantul	CY KIRANI MAIL ATAN	Pengadaan Barang	21 Oct 2016	1.880.000.000	1.900.000.000	1.890.000.000	96%	17
6	Pengadaan Ternak Sapi Piang untuk diserahkan kepada Masyarakat di Kabupaten Selayar	CY KIRANI MAIL ATAN	Pengadaan Barang	21 Oct 2016	1.316.000.000	1.305.000.000	1.305.000.000	96%	17
7	Pengadaan Ternak Sapi Piang untuk diserahkan kepada Masyarakat di Kab. Pangajene	CY PUJIPAJAYA BANGGOL	Pengadaan Barang	28 Oct 2016	592.000.000	585.000.000	585.000.000	99%	16
8	Bekas Barang (ternak SK) yang akan diserahkan kepada masyarakat pada kegiatan Pemangulangan Ternak Unggas	CY ERIGITA PRANIPTA PUTRA	Pengadaan Barang	1 Aug 2016	4.187.136.000	4.211.000.000	4.211.000.000	99%	16
9	Bekas Barang pada Kegiatan Pemeliharaan dan Pemangulangan Ribas	CY MANDARINDO PENALASA	Pengadaan Barang	16 Sep 2016	596.000.000	620.000.000	620.000.000	96%	16
10	Pengadaan Ternak Sapi Piang untuk diserahkan kepada Masyarakat di Arah. Kab. Tana Toraja	CY FIRTANINDO NANA	Pengadaan Barang	21 Oct 2016	3.282.000.000	3.315.000.000	3.315.000.000	98%	16

Top 10 Most Risky Procurement in South Sulawesi Province in 2016

Anton is not the only person who failed to take care of government aid cattle. On 29 April 2017, the author met several residents of Bontomanai Village, Bangkala District, Jeneponto, who received cows as aid. One resident, call him Sappo, recalled that he received a cow from the government in 2014. When received, the cow was about 1.5 years old. Like other farmers, Sappo also had difficulty raising the cow because of the lack of fresh grass in his village. As a result, the cow became sickly, and died about a year since the handover. "The procedure is, if the cow dies,

it has to be reported to the village head," said Sappo. Bontomanai Village Secretary, Bustam, confirmed that in 2014 a number of residents received aid in the form of cows from the government. The aid was proposed in fiscal year 2013. In 2015-2016, no villagers received any cows. The village of Bontomanai will receive more cattle this year, which was proposed in 2014. Bustam explained that many villagers have difficulty in raising livestock because most of Jeneponto is barren

and rocky. Green grass for fodder is limited. "Moreover, there are many livestock thieves," said Bustam. The story from Turatea District, Jeneponto, is equally gloomy. Tono, not his real name, received an aid cow in 2015. Tono received the cow because he is related to the official of the livestock raising group.

Before receiving the aid, according to Tono, every prospective recipient received counseling from the Animal Husbandry officer. They were taught how to make cages and raise cattle, and were introduced with the artificial insemination technique.

In fact, according to Tono, raising cows in areas lacking fresh grass is still difficult. Moreover, some of the distributed cows were unhealthy. Therefore, Tono also sold the cow. According to him, he knew several members of the farmer group who sold their cows only one month after the distribution. "The habit here is to sell aid cows, because they find it difficult to take care of the cows," said Tono.

Although there are many tales of the failure of the cattle aid in many locations, the South Sulawesi

Provincial Government continues to budget the procurement of cattle to be distributed to the community. The amount of the budget is increasing from year to year.

In Jeneponto Regency, for example, in 2015, the government allocated Rp 219 million for cattle, whose tender was won by CV Mawaddah. Then, in 2016, the budget jumped to Rp 1,889 billion. This time, the tender was won by CV Kiswah Ma'al Attar.

Not only Jeneponto Regency received aid in the form of beef cattle. Based on data from the e-procurement (LPSE) of South Sulawesi, in 2016, the government also provided budget for beef cattle for Bulukumba Regency, worth Rp 1,880 billion and for Sinjai Regency, worth Rp 1,316 billion. The tenders for both regencies were also won by CV Kiswah Ma'al Attar.

In the same year, the Government of South Sulawesi distributed beef cattle for Enrekang Regency, worth Rp 2,257 billion and Takalar, worth Rp 1,318 billion. The tender winner for both regencies is CV. Pao Poerwosari.

The author investigated CV Kiswah Ma'al Attar, which often wins tenders of procurement of cows. In the auction document, the company

Procurement of Cattle Aid in South Sulawesi, 2016



Points noted by the BPK:

1. The distribution of livestock is often not accompanied by agreements. In fact, the document is very important to control and monitor the animals.
2. The proposal arrived after the decision of the Regional Revenue and Expenditure Budget (APBD) was made.
3. In the 2014 APBD elaboration, there is no attached list of recipients of livestock, recipient addresses, and the amount of value to be given to each recipient.

director's name is Rizal Effendy. On 9 April 2017, the author visited CV Kiswah's address on Jalan Perintis Kemerdekaan No, 7, Makassar, as shown on the South Sulawesi LPSE website. Apparently, it is the address of the residence of Rizal's mother. The office of CV Kiswah has moved to Jalan Pelita Raya, Makassar, about 10 kilometers from its original address.

Jeneponto Regency
IDR 1,889 billion
CV Kiswah Ma'al Attar

Bulukumba Regency
IDR 1,880 billion
CV Kiswah Ma'al Attar

Sinjai Regency
IDR 1,316 billion
CV Kiswah Ma'al Attar

Enrekang Regency
IDR 2,257 billion
CV. Pao Poerwosari

Takalar Regency
IDR 1,318 billion
CV. Pao Poerwosari

When visited at her home, Rizal's mother said that his son has worked for CV Kiswah since 2014. After CV Kiswah won the tender for the procurement of cows in 2015-2016, Rizal, who graduated from the Faculty of Animal Husbandry of Hasanuddin University, was appointed as one of the directors. "My son only follows the orders of the bosses," said the mother.

The author did not meet Rizal, because he was busy participating in tenders in other areas. At the South Sulawesi LPSE, CV Kiswah is not only listed as the winner of the cattle tender. The company also has won a variety of auctions, from procurement of uniforms to sports equipment.

The distribution of cattle aid in South Sulawesi is included among the

points highlighted in the Supreme Audit Agency (BPK)'s 2015 report. According to BPK, the management of livestock assets in the Livestock and Animal Health Service Office of South Sulawesi is "inadequate".

The BPK noted that as of 31 December 2015, there were 472 heads of cattle –worth Rp 1,853 billion – which were handed over to the community to be raised under certain agreements. The official rule, according to the BPK, is that the livestock breeding should be based on agreement documents between the Livestock Service Office and the recipient group. The documents stipulate that the recipient of the cattle must report the development of the cattle they raise, and deliver the offspring of the animals to the Animal Husbandry Department. The cattle will only be the property of the farmers – based on a deed of grant – after they have fulfilled their obligations.

In fact, according to BPK's findings, the distribution of livestock is often not accompanied by agreements. In fact, the document is very important to control and monitor the animals. The document is also important for when the animals die or have offspring. The Supreme Audit Agency also

mentioned that the proposals of livestock aid request from community groups often do not follow the rules. In 2014, for example, the proposal arrived after the decision of the Regional Revenue and Expenditure Budget (APBD) was made. As a result, in the 2014 APBD elaboration, there is no attached list of recipients of livestock, recipient addresses, and the amount of value to be given to each recipient.

Despite finding indications of irregularities, BPK does not expressly state that there is a loss incurred to the state in the distribution of cattle aid. The Head of South Sulawesi BPK Representative, Endang Tuti Kardiani, said that the findings of the BPK about the cattle are administrative in nature. The former Director General of Animal Husbandry and Animal Health of the Ministry of Agriculture, Professor Muladno, gave a special note on the livestock aid, which he called "charity-oriented". According to Muladno, similar programs are prone to corruption. "The beneficiaries are party politicians and livestock traders," he said.

Party politicians, according to Muladno, could influence local governments to distribute the

Nama Paket	Pengadaan Ternak Sapi Potong untuk diserahkan kepada Masyarakat di Kab. Jeneponto	Kode Lelang	4644036
Propinsi	Sulawesi Selatan	Akhir Lelang	
Kota/kabupaten	Makassar (Kota)	Pengumuman	2016-10-21
LPSE	LPSE Provinsi Sulawesi Selatan	Tahun Anggaran	2016
SKPD	DINAS PERTERNAKAN DAN KESEHATAN HEWAN	Kategori	Pengadaan Barang
Agen	-	Sumber Dana	APBNP
Panitia	Pokja VIII Pengadaan Barang Dinas Peternakan dan Kesehatan Hewan TA. 2016	Pagu	1.950.000.000
Jumlah Peserta	0 / 0	HPS	1.950.000.000
Penyedia	CV. KISWAH MA'AL ATTAR	Nilai Penawaran	
Direktur		Skor PFA	17
		Partisipasi:	5
		Monopoli:	3
		Nilai:	3
		Efisiensi:	5
		Waktu:	1
NPWP Penyedia	72.286.971.6-801.000	Hasil Lelang	1.889.000.000

Value of procurement package of beef cattle for Jeneponto Regency

livestock to the constituents of the politician or the party. “The basis for selection is not the professionalism of the breeders, but their political loyalty,” Muladno said.

As for the traders, said Muladno, get a profit not only as the winner of the tender. They can also reap profits when the breeders resell the animals at low prices. “The trader enjoys profits in both sides of the transaction. While the breeders cannot improve their lot, “said the professor from the Bogor Agricultural Institute.

The Public Relation Officer of Animal Husbandry and Animal Health, Rusdin, denied that the cattle aid has been wrongly targeted. According to him, the procurement of the cows took place in an open manner. The Livestock Service Office distributes cattle aid based on the needs and proposals of farmer groups.

Before distributing the aid, Rusdin said, the Livestock Service Office also conducted field visits to assess whether the group sending the proposal is worthy of assistance or not. “Usually, when our teams review the location, the farmer group officials promise to make cages and to care for the cattle well,” said Rusdin.

The problem is, according to Rusdin, after receiving assistance, some farmers do not fulfill their promise. They do not take care of cattle well, so many cattle died. When the cows died, according to Rusdin, many farmer groups delayed their reports. “Hence, according to the findings of BPK, many cows have not been recorded,” said Rusdin.

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CV. KISWAH MA'AL ATTAR									
DATA e-PROC 2016: PENYEDIA									
Σ Kontrak	Rp. 6.198.985.000	Σ HPS	Rp. 6.454.812.000						
x Kontrak	Rp. 1.239.797.000	x HPS	Rp. 1.290.962.400						
x Kontrak:HPS	96 %	x Pagu	Rp. 1.290.962.400						
Σ Paket	5 Paket	Σ Pagu	Rp. 6.454.812.000						
x Triwulan	ke-4	NPWP	72.286.971.6-801.000						
		Tahun	Semua 2017 2016 2015 0						
NO.	NAMA PAKET	LPSE	KATEGORI	PENGUMUMAN	NILAI KONTRAK	PAGU	HPS	KONTRAK HPS	SKOR
1.	Selanjutnya Barang Persediaan Kegiatan Pengadaan Alat Olahraga	LPSE Kota Makassar	Pengadaan Barang	9 Oct 2016	813.483.000	889.812.000	889.812.000	92%	13
2.	Selanjutnya Barang Fasilitas Lainnya pada Kegiatan Pengembangan Budidaya Sapi Perah Kab. Enrekang	LPSE Provinsi Sulawesi Selatan	Pengadaan Barang	1 Aug 2016	298.500.000	300.000.000	300.000.000	100%	14
3.	Pengadaan Ternak Sapi Potong untuk diantarkan kepada Masyarakat di Kab. Jempang	LPSE Provinsi Sulawesi Selatan	Pengadaan Barang	21 Oct 2016	1.889.000.000	1.950.000.000	1.950.000.000	97%	17
4.	Pengadaan Ternak Sapi Potong untuk diantarkan kepada Masyarakat di Kab. Bulukumba	LPSE Provinsi Sulawesi Selatan	Pengadaan Barang	21 Oct 2016	1.880.000.000	1.950.000.000	1.950.000.000	96%	17
5.	Pengadaan Ternak Sapi Potong untuk diantarkan kepada Masyarakat di Kabupaten Singsing	LPSE Provinsi Sulawesi Selatan	Pengadaan Barang	21 Oct 2016	1.316.000.000	1.365.000.000	1.365.000.000	96%	17

All Projects Ever Won by CV. Kiswah Ma'al Attar



Sulawesi Selatan

The Case of the Missing Hand Tractors

Aid in the form of 75 hand tractors from the South Sulawesi regional budget has been unclear in the distribution process. It has been problematic since the bidding process.

Photo Illustration

THE 30 meter-long stony path connects the warehouse to Perintis Kemerdekaan road in Makassar. It was 11.30 when Makassar Terkini visited the warehouse where the farming implements were stored, on Friday 30 June 2017.

There was only one man, claiming to be the guard of the warehouse owned by the Food Security, Food Crops and Horticulture Office of South Sulawesi Province.

From the gap between the doors of the warehouse, two two-wheeled hand tractors were visible. “Those belong to farmers in Pinrang,” said the guard, who have worked since 2008 and lived in the official residence in the warehouse premises. His duties include taking out the farming implements from the warehouse when farmer groups arrive carrying letters from the Food Security Office allowing them to take their implements.

Makassar Terkini asked him how to get the tractors as aid. “That would be difficult. Even I cannot get one. Even though I am also in a farmer group,” said the guard. According to him, to obtain the hand tractor or other farming implements, the farmer has

to obtain various documents at the Food Security Office. “Only when they approve, you can take the item from the warehouse,” he said.

Our conversation came to an end when the call to prayer was sounded. The warehouse guard departed to the mosque, riding the motorbike he was cleaning as we talked.

Makassar Terkini visited the warehouse to trace the existence of the hand tractors, provided by the South Sulawesi Provincial Government from the 2015 budget year.

Two years after the bidding for the procurement of the hand tractors, farmer groups in various regencies in South Sulawesi continue to be unaware about the assistance in the form of tractors, funded by the South Sulawesi Provincial Budget. “I don’t know there is a distribution of tractors from the province,” said Tallasa, head of the Ashabul Yamin farmer group from Moncongloe district in Maros regency.

Faisal Daeng Rurung, head of Tompobalang 1 farmer group from Barombong district in Gowa regency also said the same thing. “There is no information,” Faisal said. “We do

not know about the tractors from the province,” said M. Asri, member of Andalan farmer and fishermen group in Bantaeng regency.

The tale of the hand tractors began on 25 August 2015. At that time, the Farming, Food Crops and Horticulture Office of South Sulawesi – now the Food Security, Food Crops and Horticulture Office – held a tender for the procurement of hand tractors through the Procurement Services Unit. The value of the agreed contract was Rp 2.39 billion, compared to a self-estimate cost of Rp 2.4 billion and a budget ceiling of Rp 2.625 billion. The South Sulawesi Electronic Procurement Service System (LPSE) announced the winner of the tender on 8 September 2015. Of the 27 companies competing in the tender to provide the goods, CV Wisama Cahaya Rezky was declared the winner. CV Wisama made an offer valued at Rp 2.39 billion for the procurement of 75 units of hand tractors.

According to www.opentender.net, managed by the Indonesia Corruption Watch (ICW), procurement of hand tractors is included in the “Top 10” corruption prone procurement of goods in South Sulawesi. In the range

of scores from 1 to 20 on corruption, the hand tractor procurement scored an ‘18’. The higher the number, the higher the possibility of corruption. “A score above 15 is a warning light of potential violation,” said Kes Tuturoong, ICW researcher.

Makassar Terkini traced the hand tractor tender at the South Sulawesi LPSE website. Several irregularities could be observed. Among other things, out of the total of 27 companies registering for the tender, only three companies presented their bids. Of the three companies, only one completed the required files, namely CV Wisama Cahaya Rezky. Further, CV Manunggal Jaya, which offered a lower price than CV Wisama failed in the tender, as it did not provide an offer letter. CV Manunggal Jaya was recorded to have registered in South Sulawesi LPSE’s tenders for several times, however, the company never submitted their bids.

Another company offering a slightly lower price than CV Wisama was CV Putra Jongaya. The company did not win the tender because its technical bidding documents were incomplete. Two other tender participants, CV Alam Mutiara and PT Wahana Abadi Pratama, had the same address for

their 'offices': a shophouse on Jalan Skarda N, Kompleks Mangasa No. 4, Makassar. Two other companies have similar names, namely CV Permata Wisama and CV Wisama Cahaya Rezky. Makassar Terkini found that the owners of both companies are in fact related.

The Head of Administration, Registration and Verification Section of South Sulawesi LPSE, Herbudhie Ristanto, said that agency only has the responsibility to bring together the providing companies and the procurement committee to make the bidding process transparent. According to him, LPSE does not interfere with the bidding process. What determines the schedule and the winning bidder is the working group in the South Sulawesi Procurement Services Unit. "Our responsibility is limited to facilitating," Herbudhie said.

Similarly, the head of South Sulawesi PSU Urganawan did not explain in detail the bidding process. "If you want to find out about that (the hand tractor bidding process), ask the Agricultural Office," said Urganawan. "What is clear is that we have been audited."

Makassar Terkini then investigated the winning company. Based on data in LPSE, CV Wisama was located at Jalan Karunrung Raya No. 27, Makassar. The director of the company was listed as Munawar. When visited, the address was that of a residence. There was no signboard marking that the location is a corporate office.

A number of neighbors told us that the owner of the house was named Alif, a retired civil servant in the Public Works Department of South Sulawesi. When Makassar Terkini knocked on the door, Alif came out to greet. However, he was puzzled when asked if the house was the office of CV Wisama, whose director was named Munawar.

Alif then entered again and called his wife. The wife confirmed that the house was indeed once the office of CV Wisama. However, the company's director was a Haji Muhammad Azhar, not Munawar. "He already moved to Maros," said the woman who claimed to be Azhar's elder sister. After his brother married and moved to Maros, the house was still used as the correspondence address of CV Wisama.

After several phone calls, Azhar finally agreed to meet in Maros. The meeting took place at a cafe near the Maros bus terminal on 18 May. To Makassar

Terkini, Azhar claimed to be the owner of CV Wisama.

When CV Wisama won the hand tractor tender, according to Azhar, he was still serving as the company director. Munawar was only appointed director of CV Wisama after the change of deed in front of a notary on 26 July 2016.

Azhar still remembered when CV Wisama won the auction of 75 units of Yanmar brand hand tractor in 2015. "At that time, I was the one who made the offer," he said.

Azhar's claim was confirmed by data from the procurement plan information system on the LKPP site: <https://sirup.lkpp.go.id/sirup/rup/pencarian>. In the site it was noted that the hand tractor package has the procurement number ID of 3861283 and numbered 75 units.

Despite winning the tender, Azhar claimed to never have seen the hand tractors directly. "My company's name was borrowed," he said. As the Director of CV Wisama, Azhar admitted signing the goods handover, complete with photos of farmer groups mentioned as the recipients of the hand tractors.

Azhar explained that based on the official report, the 75 hand tractors were distributed to 47 farmer groups. However, Azhar claimed that he did not know the continuation of the hand tractor distribution. "My company was only assigned for procurement. The distribution to farmer is part of the authority of the Agriculture Office," said Azhar.

Azhar also initially promised to provide contract documents for the hand tractor procurement. But, later he withdrew his promise. "I have no right to provide data. Please go to the Agriculture Office," he said.

At the end of the talks, Azhar said that the person 'borrowing' his company was Andi Pahlevi, the nephew of Governor Syahrul Yasin Limpo. "The person using the company as a front was Andi Pahlevi, nephew of Mr. Syahrul (Governor of South Sulawesi)," said Azhar.

Azhar then believed his company would not be used for illegal things. Because the dignity and name of the Governor of South Sulawesi are at stake. "I believe in Pope (Andi Pahlavi's nickname). The governor's dignity is on table, Pak Syahrul never taught us anything bad," said Azhar.

Andi Pahlevi was now registered as a Member of the Makassar DPRD. He sat in Commission C representing the Gerindra Party for the period of 2014 - 2019.

Met at the Commission C meeting room in Makassar on 10 July 2017, Pahlevi denied ever borrowing CV Wisama to participate in the tender. "I do not know a Haji Azhar, let alone borrow his company," said Pahlevi. "I have not been taking care of such activities for a long time." Given the physical features of Haji Azhar and his home address, Pahlevi keeps shaking his head. "If I meet directly I may know it. Obviously, I do not know about borrowing the company," Pahlevi said.

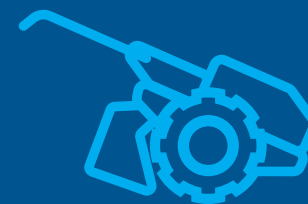
The Executive Director of the Indonesian Legislative Monitoring Committee, Syamsuddin Alimsyah, said that the practice of borrowing companies violate the rules and are prone to corruption. "The borrowed company must ask for commission money," said Syamsuddin. "If it's true that the company's borrower is a member of the DPRD, that's a big mistake."

Makassar Terkini repeatedly requested an explanation from the Office of Food Security South Sulawesi. However, no official was willing to give explicit information. The Chief of Food Security, Fitriani, was reluctant to comment on the hand tractor assistance. "I do not want to discuss the tractor again, it's done. All has been distributed," she said.

Fitriani suggested Makassar Terkini met the Head of Facilities and Infrastructure of Food Security Office, Arfain. Makassar Terkini had previously met Arfain in his office on 16 May 2017. However, at that time, Arfain claimed not to know about the hand tractor project. "I'm new here," said Arfain.

A week later, on 23 May 2017, Makassar Terkini returned to meet Arfain. He still does not want to provide data receiver tractor hand assistance funded APBD 2015 it. However, this time Arfain paved the way. "Please contact Mr. Hermanto," he said.

Hermanto was the former Head of Facility and Infrastructure, who was



Hand Tractor Aid

75 units
Yanmar brand

Budget ceiling: IDR 2.625 billion
Self-estimate cost: IDR 2.4 billion
Contract: IDR 2.39 billion

Irregularities:

1. Out of the total of 27 companies registering for the tender, only three companies presented their bids.
2. CV Manunggal Jaya, which offered a lower price than CV Wisama failed in the tender.
3. Two tender participants, CV Alam Mutiara and PT Wahana Abadi Pratama, had their offices in the same shophouse on Jalan Skarda N, Kompleks Mangasa No. 4, Makassar.

replaced by Arfain. Hermanto is now retired while being an onion farmer in Enrekang Regency.

Hermanto's name was also mentioned by Amin Manurung, Chairman of the ULP Working Group on hand tractor procurement in fiscal year 2015. According to Amin, all hand tractor auction processes are in accordance with the procedure. "Whether the goods exist or not, only Mr. Hermanto knows," said Amin.

On 5 June 2017, Makassar Terkini met Hermanto in the Office of Food Security Department. At that time, Hermanto invited us into a room in front of the hall. "This project does exist. However, it is a secret. Only investigators can request the data," said Hermanto.

In the project, Hermanto claimed to serve as Committing Officer. However, when asked again the number and recipients of hand tractor assistance, Hermanto again fell silent. "I forgot," he said.

Not receiving the list of hand tractor recipients, on 26 May 2017, Makassar Terkini submitted a letter requesting public information to the Head of Food Security Office.

However, until the 10-business day deadline stipulated by the Public Information Disclosure Act, the Food Security Office has not provided the requested information. "Please communicate with Mr. Hermanto," Arfain repeated the suggestion he received.

Hitting the "wall" with the Office, Makassar Terkini tried to investigate in some areas in South Sulawesi. In addition to requesting data from farmer groups, the media's journalists also sought information from farmer group networks.

From a number of agencies and farmer groups in the regencies and municipalities, Makassar Terkini received data of hand tractor recipients from the government in 2015. The lists of farmer groups receiving the aid were collected from the Agriculture Office of Barru Regency, Bulukumba Regency and Soppeng Regency. However, the tractors given as aid to these three regions did not come from the South Sulawesi regional budget. "We received them from the national budget," said the Barru Regency head of office, Aminullah Arsyad.

The network of farmer groups

and NGOs contacted by Makassar Terkini in Sidrap, Maros, Bone, and Takalar also mentioned their lack of knowledge of where the hand tractors were distributed. What exists are aid from the national government," said Ilham Lahiya, member of Bumi Mentari, an NGO, in Maros.

In the end, until this report was written, the 75 hand tractors bought using the regional budget of South Sulawesi in 2015 continue to be missing.

J. Proyek	252	J. Skor	15
J. Pagi	Rp. 312.544.773.451	J. Kontrak Pagi	97.7%
J. HPS	Rp. 305.150.047.548	J. Kontrak HPS	98.7%
J. Kontrak	Rp. 497.569.193.547	J. LPSB	1
J. Pagi	Rp. 1.936.430.433	J. Agas	3
J. HPS	Rp. 1.928.078.807	J. GRUP	26
J. Kontrak	Rp. 1.899.115.907	J. Penawar	183

NO. PROYEK	PENYEDIA	KATEGORI	PENGUMUMAN	NILAI KONTRAK	PADU	HPS	K/H	SKOR
1. Pengadaan Alat Kesehatan dan Kebersihan Rumah Sani	PT. CIPA SAPANA LABKUTOR	Pengadaan Barang	30 Sep 2015	15.490.807.000	15.898.565.150	15.501.274.100	100%	19
2. Pengadaan Alas APD Penulahan 700D Lelawang Dal Prox Suan	PT. METRA TRITUNGGA ABADI	Pengadaan Barang	17 Nov 2015	2.972.000.000	2.073.442.922	2.073.442.922	100%	19
3. Pengadaan Modal Pengadaan alat-Alat Kebersihan (Aul KOC dan alat-Alat KCU)	PT. SHAJANA TARIMAS	Pengadaan Barang	30 Sep 2015	18.815.170.000	20.000.000.000	18.836.107.300	100%	19
4. Pengadaan Peralatan Interlokasi Tanaman Kakao Paket 7	CV. DIRGANTARA MUDA MANDIRI	Pengadaan Barang	11 Sep 2015	6.298.672.000	6.300.000.000	6.299.832.000	100%	18
5. Pengadaan Atraktan Interlokasi Tanaman Kopi Paket 8	PT. DYLAN MULGERAN PERMAI	Pengadaan Barang	2 Sep 2015	2.625.000.000	2.675.000.000	2.628.123.000	100%	18
6. Pengadaan Hand Traktor	CV. WISAM CAHAYA NEZKY	Pengadaan Barang	29 Aug 2015	2.380.000.000	2.625.000.000	2.400.000.000	100%	18
7. Pengadaan Pupuk Interlokasi Tanaman Kakao Paket 3	PT. IMBANI	Pengadaan Barang	14 Aug 2015	12.890.790.000	12.960.000.000	12.941.280.000	100%	18
8. Belanja Peralatan dan Mesin serta Kapalan Fasilitas RPH Rumahnya Di Kota Pare Pare	CV. TUNGGAL PUTRA	Pengadaan Barang	12 Okt 2015	1.742.695.000	1.750.450.000	1.750.600.000	100%	18
9. Pengadaan Peralatan Interlokasi Tanaman Kakao Paket 5	PT. MODAL UTAMA MANDIRI	Pengadaan Barang	21 Sep 2015	2.915.400.000	2.990.000.000	2.940.080.000	98%	18
10. Pengadaan Peralatan Interlokasi Tanaman Kakao Paket 8	PT. TAWARA LESTARI ABADI	Pengadaan Barang	11 Sep 2015	3.908.980.000	3.600.000.000	3.900.904.000	100%	17

Top 10 Most Risky Procurement in South Sulawesi Province in 2015



Executive minibus of a province parked at Samratulangi Airport North Sulawesi

Sulawesi Utara

Collusion in the Executive Minibus Tender

Car procurement projects in the North Sulawesi Provincial Government are allegedly controlled by one company since seven years ago. Detailed specifications in each tender are allegedly set to win the company. Opentender.net concludes there is potential for corruption in the tender.

THE latest minibus owned by the North Sulawesi Provincial Government is practically a mobile entertainment venue. There is a refrigerator, karaoke set and high end stereo, plus automatic massagers in the chairs. Everything is completely automated, including the doors. “The comfort equals a first-class airline seat. All the guests were satisfied,” said Wilfred Bororong, in early July 2017.

Wilfred was the driver chosen to drive the Toyota Hiace Commuter minibus. He is an experienced driver who was once trusted to drive the car of the Deputy Governor of North Sulawesi. He felt lucky to be trusted to drive the car. “It has nice brakes,” said the man also known as Apet.

A luxury car, indeed, but its inception is not necessarily as smooth as its

highly polished exterior. The North Sulawesi Provincial Government has three similar cars. All three have been budgeted in the Regional Government Budget (APBD) of North Sulawesi Province in 2016 through the General Bureau with a value of Rp 2 billion. The winner was PT Hasjrat Abadi. Indonesia Corruption Watch (ICW) through opentender.net listed the procurement of these luxurious

cars with a score of 19, from a scale of 1-20. The higher the score, the higher the possibility that the project indicates corruption.

Tender Participants

The bidding for the minibus was unusual. Several companies listed as participating in the tender have known that they lost the tender from the outset. “We took part

in the tender, but did not send an offer, because the specification has already led to one company,” said Fanda, a representative of PT Kana Surya Lestari, one of ten companies participating in the tender. The company referred to is PT Hasjrat Abadi, Toyota’s main distributor in eastern Indonesia.

Fanda added that PT Hasjrat indeed often wins tenders of vehicles in the North Sulawesi Provincial Government. PT Hasjrat, he said, always win because it can always meet the specifications requested by the tender committee. “So we chose to step down and did not submit an offer. It was certain our company would not win,” said Fanda.

Fanda and other participants could not do much. The tender was considered to be not in violation of Presidential Regulation No. 4 of 2015. They could not accuse that there was a monopoly behind the tender. “The presidential regulation allows it,” Fanda said dejectedly.

The project worth Rp 2,030,600,000 was contained in the procurement document numbered 01/POKJA ULP 132-RO. UMUM/X/2016, dated 25 October 2016. It contains

procurement of three minibuses. It used the simple e-auction method with post-qualification by the Working Group of Procurement Services Unit: Pokja ULP 132 of North Sulawesi Province, General Bureau of the Regional Provincial Secretariat of Fiscal Year 2016.

The bidding process was followed by 10 participants. They were PT Hasjrat Abadi, CV Multi Teknik, CV Nomat Jaya, CV Trigil, PT Isuzu Mobilindo Plaza, CV Kana Surya Lestari, CV Bumi Inti Nusantara, CV Race, CV Artika, and CV Wisanggeni. Other than PT Hasjrat, the nine companies did not submit offers and several withdrew from the tender process.

There is another irregularity. The owner of CV Bumi Inti Nusantara, Vonny Watung-Lasut, admitted that her company did not participate in the tender. She was searching for information about her company’s involvement. “It is possible that CV Bumi Inti Nusantara was registered by a ‘rogue’ employee. Unfortunately the employee is now no longer working in our company. We do not know where he is now, and lost his contact,” Vonny said.

She insisted she never signed any documents related to the project. The employee, she said, used to be a trusted person who managed the company’s account in the Electronic Procurement Service (LPSE). “Probably he registered, but did not continue the process, because we did not sign the documents of the tender process,” she said.

The Head of Procurement of Goods and Services Unit of North Sulawesi Provincial Government, Conny Tidayoh, admitted that she cannot explain the procurement process for the three minibus units. She reasoned that she only held the position since January 2017, after the bidding

committee was formed. “Basically, though, the procurement process of three minibus units, if not through the e-catalog, was carried out in a bidding process, especially with special specifications,” she said.

Although many companies were registered, she said, only a few were interested in providing the offer documents and completing the required files. “Although there was only one offer from one provider, according to the rules of Presidential Regulation No. 4 of 2015, the process can continue. The tender process is legitimate even if there is only one offer,” said Tidayoh.

Tahun:	2015	# Skor:	94
Kategori:	Barang	# Kontrak-Paga:	98 %
Sumber Data:	Semua	# Kontrak-HPS:	97 %
Entitas:	Semua	# LPSE:	1
LPSE:	LPSE Provinsi Sulawesi UI	# Agen:	2
		# HRS:	23
		# Kontrak:	77

NO.	PROJEK	PENYEDIA	KATEGORI	PENGUMUMAN	BLA KONTRAK	PAJU	HPS	X/N	SKOR
1	Pengadaan minibus (termasuk 14 barang ke bawah/lembar)	PT HASJRAT ABADI	Pengadaan Barang	24 Oct 2016	2.338.680.900	2.030.600.000	2.030.600.000	100%	18
2	PENGADAAN PERALATAN LABORATORIUM	PT. Matungging Kansa Perada	Pengadaan Barang	2 Nov 2016	2.275.000.000	2.300.000.000	2.280.800.000	98%	19
3	Pengadaan Azon Laser	PT TRINITY SUKSES	Pengadaan Barang	25 Feb 2016	2.444.420.000	2.500.000.000	2.467.900.000	98%	18
4	Pengadaan Alat Kesehatan Keperawatan Umum (alat Keperawatan Mani)	PT SURABANDI	Pengadaan Barang	4 Nov 2016	2.701.600.900	2.982.000.000	2.878.900.000	94%	18
5	Pengadaan Maki Onas Kepala CARTOL	PT HASJRAT ABADI	Pengadaan Barang	1 Jan 2016	1.347.000.000	1.000.000.000	1.045.800.000	100%	17
6	Pengadaan Pajka NPK Urea Intermixtas Kalsia, Cangkang, dan Pals	CV GARUDA KIRIT BENTOSA	Pengadaan Barang	11 Apr 2016	4.978.500.000	5.000.000.000	4.996.750.000	100%	17
7	Pengadaan Sifat Kalsia Di Wilayah Minahasa Raya	CV BERKUT PRIMA	Pengadaan Barang	11 Apr 2016	1.275.000.000	1.500.000.000	1.288.900.000	86%	17
8	Pengadaan Ched Paster dan CoabokMat	CV Replik Jus	Pengadaan Barang	1 Jan 2016	1.888.000.000	1.925.000.000	1.921.721.000	99%	17
9	Pengadaan Pajka NPK untuk Intermixtas Tanaman Kakao di Gales		Pengadaan						

Top 10 Most Risky Procurement in North Sulawesi Province in 2015

The Presidential Regulation referred to by Tindayoh is regarded to open the possibility for a monopoly. Article 109 paragraph (7) mentions “If the incoming number of offers is less than three participants, the selection of the provider is continued through technical and price negotiations.” This condition allegedly occurred in the tender for the minibuses.

Specifications lead to a single brand

The nine companies withdrew because they thought the specifications led to a single company’s product. It seems like a conspiracy. With the requested specifications, the required car was definitely a Toyota Hiace Commuter. Other bidders did not have cars that could fulfill the specifications requested by the bidding committee.

The specifications mentioned an executive minibus, similar to a Toyota Hiace Commuter minibus. In fact, in the detailed Amendment of the Direct Expenditure Budget of the General Bureau in the Amended 2016 Budget, ‘Hiace Commuter’ was explicitly written.

The specifications of the minibus are: leather sofa seats for 9 passengers, climate control, real ceiling air

conditioner, new combination meter, three point seatbelts. Also vibrating massage facilities in every passenger seat, first row passenger seats can be rotated to face backwards. In the second row passenger seats, the armrests should function as tables. While the last row seat should be foldable to expand the luggage. There are also automatic cylinder doors, reading lights in every seat, mini TV and refrigerator, and 220-volt electrical outlet.

In addition, the specification also mentioned that the minibus must be equipped with a separate audio video system between the driver’s cabin and passenger’s cabin. The audio video system in the driver cabin is equipped with a GPS system and a rear camera when reversing the car. Audio video for the passenger cabin is integrated with the karaoke system containing more than 10 thousand licensed songs.

All the specifications requested by the General Bureau were almost certainly filled by PT Hasjrat Abadi. In the Standard Electronic Procurement Document (SDPSE), the procurement of the 14-passenger minibus consisted of 2 types of specifications. It consisted of two executive units and

one unit with standard specifications. However, in the realization of the project, the Bureau purchased one Toyota Hiace Commuter and 2 Toyota Hiace Commuter Executive units with special modifications.

According to the former Head of Public Bureau of North Sulawesi, Jimmy Ringkuangan, there were 3 minibuses purchased. Those were one unit of Toyota Hiace Commuter Executive costing Rp 509 million, and two units of specially modified Toyota

Hiace Commuter Executive costing Rp 760 million per unit. The total cost was Rp 2,029,000,000. “One car is parked behind the governor’s office, one at the airport and another at the governor’s residence. These three minibuses are used to pick up guests,” he said.

Differences between the Realization and the Regional Budget

From the beginning, there was a striking difference between the Amended 2016 Regional Budget and the realization of the minibus project. The Amendment of the

Nama Paket	Pengadaan minibus (penumpang 14 orang ke bawah/commuter)	Kode Lelang	2909173
Propinsi	Sulawesi Utara	Akhir Lelang	
Kota/kabupaten	Manado (Kota)	Pengumuman	2016-10-24
LPSE	LPSE Provinsi Sulawesi Utara	Tahun Anggaran	2016
SKPD	BIRO UMUM	Kategori	Pengadaan Barang
Agen	-	Sumber Dana	APBD
Panitia	BIROUMUM092016	Pagu	2.030.600.000
Jumlah Peserta	0 / 0	HPS	2.030.600.000
Penyedia	PT. HASJRAT ABADI	Nilai Penawaran	
Direktur		Skor PFA	19
		Partisipasi:	5
		Monopoli:	4
		Nilai:	4
		Efisiensi:	5
		Waktu:	1
NPWP Penyedia	01.306.067.8-092.000	Hasil Lelang	2.030.600.000

Package Provision of Minibus Commuter Government of North Sulawesi Province

Direct Expenditure Budget of the General Bureau in the Amended 2016 Budget is referred to as capital expenditure in the form of passenger motor vehicles (executive bus with 30 seats) and Hiace Commuter minibus (with less than 14 seats). In fact, the General Bureau opens a tender for the purchase of one Toyota Hiace Commuter Executive, and two specially modified Toyota Hiace Commuter Executive units.

Many questions came up. Is this difference acceptable? Former Head of the General Bureau Jimmy Ringkuangan, who now serves as Head of Bureau of Infrastructure and Goods and Services Procurement of North Sulawesi Province, said that it was normal. He explained that the budgeting requirements could be shifted according to the needs. The mechanism is to propose a shift with due regard to needs.

“We need vehicles to carry guests at the state official level and foreign guests. This resulted in the budget shift. From 2 units of bus, into 3 units of Hiace Commuter (2 executive units with special modification and 1 executive unit),” said Ringkuangan. The proposal for the shift was submitted to the Secretary of North

Sulawesi Province to get the necessary approval. The proposal was also submitted to the Provincial Finance Board as well as to establish the budget shift according to the available portion. “However, the budget can only be shifted if the new utilization is in the same program. We have met all applicable procedures in this project,” said Ringkuangan.

In relation to this budget shift, member of Commission II of North Sulawesi Provincial DPRD Billy Lombok said that Permendagri No. 13 of 2006 Article 154 paragraph (1), last amended by Permendagri Number 21 of 2011, gives room for the shift. Changes in the APBD may be made in the event of: (a) developments that are not in accordance with KUA assumptions, (b) circumstances forcing budget shifts between organizational units, between activities and between types of expenditures, (c) circumstances causing excess budget from the previous year having to be used in the current year, (d) emergencies and (e) exceptional circumstances.

The budget shift is allowed as intended in Article 154 paragraph (1) letter b, namely budget shifts between organizational units,

NO.	NAMA PAKET	LPSE	KATEGORI	PENGUMUMAN	BLAU KONTRAK	PAGU	HPS	KONTRAK/HPS	SKOR
1.	PENGADAAN MOBIL PATROL (OPERASIONAL POLRES)	LPSE Kabupaten Mahkota Ujung	Pengadaan Barang	8 Oct 2016	488.400.000	500.000.000	488.400.000	100%	16
2.	PENGADAAN 1 UNIT MOBIL TRUK	LPSE Kabupaten Mahkota Ujung	Pengadaan Barang	12 Oct 2016	494.800.000	500.000.000	494.800.000	100%	16
3.	PENGADAAN 1 UNIT MOBIL DUMP TRUCK SAMPAH	LPSE Kabupaten Mahkota Ujung	Pengadaan Barang	12 Oct 2016	391.600.000	400.000.000	391.600.000	100%	16
4.	Pengadaan Mobil Jabatan Kelas (DPR)	LPSE Provinsi Sulawesi Utara	Pengadaan Barang	1 Jan 2016	1.045.000.000	1.050.000.000	1.045.000.000	100%	17
5.	Pengadaan Mobil Pelayanan Tams VIP	LPSE Provinsi Gorontalo	Pengadaan Barang	31 Aug 2016	800.000.000	800.000.000	800.000.000	100%	16
6.	Pengadaan mobil (perumpang 14 orang ke bandara)	LPSE Provinsi Sulawesi Utara	Pengadaan Barang	24 Oct 2016	2.030.600.000	2.030.600.000	2.030.600.000	100%	19
7.	PENGADAAN MOBIL OPERASIONAL DOKTER SIKU	LPSE Kabupaten Mahkota Ujung	Pengadaan Barang	5 Oct 2016	874.999.000	875.000.000	875.000.000	100%	17

Procurement Package Ever Win by PT Hasjrat Abadi

between activities and between types of expenditure, and as meant in Article 160 paragraph (1) which justifies the shift between purchased objects and types of expenditure and between detailed types of purchased objects.

Furthermore, Article 160 also grants and limits the authority to make shifts. Article 160 paragraph (2), gives the space and limits the authority for shifting budget between the detailed types of purchased objects, to be made on the approval of the PPKAD (regional finance manager).

So, Billy said, if it is in accordance with the rules and apparently no

longer needs to be discussed in the DPRD, the action is legitimate. “However, the General Bureau as the spearhead for the infrastructure of the government leadership must be mature in planning. In the future, the General Bureau needs to be more alert, improve its planning and takes into account the needs of protocol and other operational needs,” said the Democratic Faction member.

Motive of the Tender Winner

The practice of monopoly is suspected to have been longstanding in every tender of North Sulawesi Provincial Government vehicle. Such fraud is allegedly still happening to date, because the position of PT Hasjrat

Abadi remains unbeatable as the winner of the tenders. PT Hasjrat together with the North Sulawesi Provincial Government are like inseparable partners.

Aware that they are in the spotlight, the management of PT Hasjrat claims to have improved the project tender mechanisms since seven years ago. They mention that they refrain from providing additional gratuities in the tenders. They learn from experience, after having been repeatedly summoned by the prosecutor's office related to alleged corruption of government vehicle tender process.

PT Hasjrat Abadi is the largest Toyota dealer and distributor in North Sulawesi. One of its marketing officers, Christian Ferry Taroreh, acknowledged that local government service vehicles procurement projects are part of the sales target of PT Hasjrat Abadi. In order to achieve this objective, PT Hasjrat Abadi puts the best sales counter officers in every government unit. The goal is to establish good relations and monitor the procurement plans for official vehicles.

The Hiace Commuter procurement project in the General Bureau of

the Provincial Government of North Sulawesi in the 2016 budget year was initially handled by PT Hasjrat's Airmadidi branch. At that time Ferry Taroreh was the Toyota Head Outlet in North Minahasa. The company, he said, put Fransine as a sales counter in North Sulawesi provincial government.

Fransine, he said, has always taken care of official vehicle procurement projects. But Fransine has resigned, following her husband who works in Palu. Her position in the project was later replaced by Ferjie. "I do not really know what happened next because before the realization of the project in September 2016, I have moved to the Toyota branch in Tendeana," said Ferry.

Ferjie said that she did not understand the details of the tender information, such as the price offered by PT Hasjrat. She also did not remember the exact amount of money paid by the North Sulawesi Provincial Government for the procurement of the three minibuses. "The price was around Rp 700 million. I do not remember and all the files I have submitted to my bosses," said Ferjie. The North Sulawesi Provincial Government is aware that PT Hasjrat

Abadi continuously wins its tenders. They reasoned that PT Hasjrat's products are always in accordance with the required specifications. The government mentioned that it has given opportunity to local providers, but the after sales service was not as good as expected. "Other providers have not opened up to adapt to the government's tender process," said Head of Procurement of Goods and Services of North Sulawesi Provincial Government, Conny Tidayoh.

Opentender Database

The potential for fraudulent tender of these three minibuses has been recognized from the beginning by opentender.net. This site is managed and developed by ICW. This site often detects various irregularities in the electronic procurement of goods and services (e-procurement) process. "Procurement data are now all open, accessible via LPSE. ICW makes this method online by linking national procurement data in LKPP on an ICW-made Opentender system, so that the public can access for free through opentender.net," ICW Deputy Coordinator Agus Sunaryanto stated. The data available at opentender.net, he said, have been processed. The public can directly utilize them because every existing procurement

has been risk analyzed based on assessment indicators. "Because it is a potential risk, the results found in Opentender have not been named as a corruption case. But with Opentender, law enforcers, internal supervisors and the public can determine the most prioritized risky procurement for further investigation," Agus said.

Finding out more about the mishandling of the tenders as identified by Opentender, said Agus, must be done through investigation. For example, by searching and tracking procurement contract data and the track record of companies participating and winning in the tenders. This includes investigation to find out whether the project is fictitious or not," he said. ***

The Road to Victory

- The specification of the minibus procurement at the North Sulawesi Province General Bureau leads to one brand, Toyota Hiace Commuter minibus
- The other 9 bidders retreated and did not submit the bidding documents as they certainly could not meet the tendered car specifications.
- The Standard Document of Electronic Procurement (SDPSE) for the procurement of the minibus referred to minibuses with a maximum number of seats for 14 persons with 2 types of specifications i.e. 2 Executive units and 1 Standard unit. However, in the realization of the project, the General Bureau purchased 1 Toyota Hiace Commuter Executive unit and 2 specially modified Toyota Hiace Commuter Executive units.

Luxurious to the door

The facilities present in the Toyota Hiace Commuter of the North Sulawesi Provincial Government are as follows:



Electronic massager in each seat



Television



Karaoke with hi-fi speaker plus 10 thousand licensed songs



Refrigerator



Climate control in each cabin



Automatic door



Reading lights on every seat



Sophisticated suspension



Easily adjustable seats

Projects won by PT Hasjrat Abadi



Procurement of cars for department heads – Gorontalo Province – November 2012



Procurement of sedans – Tomohon City – September 2013



Procurement of motorbikes – Bolaang Mongondow Regency – October 2013



Procurement of car for DPRD head – North Sulawesi Province – June 2016



Procurement of VIP service cars – Gorontalo Province – August 2016



Procurement of police cars – North Halmahera LPSE – October 2016



Procurement of sewage truck – North Halmahera Regency – October 2016



Procurement of garbage dump truck – North Halmahera Regency – October 2016



Procurement of minibus – North Sulawesi Province – October 2016



Procurement of jeep for Deputy Governor – North Sulawesi Province – March 2017



Starting from Construction Materials

Almost 90 percent of the official vehicles of the North Sulawesi Provincial Government are Toyotas supplied by PT Hasjrat Abadi. This company wins various tenders in Eastern Indonesia due to their ownership of 273 Toyota outlets. Yet, car sales are not part of their initial business.

PT. Hasjrat Abadi is a private company in Manado, North Sulawesi, working in general trading. Formerly it was called CV Hasjrat Abadi, founded on 31 July 1952 in Jakarta, under Notary Sie Kwan Djien Deed No. 12 of 1952. Initially, the company traded in construction materials, such as cement, iron, plywood etc.

As it grew rapidly, CV Hasjrat Abadi transformed into a limited liability company (PT), based on Notarial Deed No. 124 of 1956 at Jalan Sisingamangaraja No. 09 Calaca Manado, with Decree of the Minister of Justice of the Republic of Indonesia dated 2 November 1981 No 5/43/13. Two founders were recorded, namely Albert Hendrik Palar on behalf of Rakhel David and Willy Lontoh.

The company was then successful as an importer of plastic, industrial glass, and agricultural implements and products. Over the next two decades, PT Hasjrat expanded its business to meet new opportunities and lines in the market and shaped its core business image. The products supplied during the early years were cement, wooden doors, electronic appliances, and four-wheeled vehicles.

In 1965, PT Hasjrat Abadi became the exclusive distributor of Yamaha motorcycles in Manado. Their market was extended to Maluku and Papua. In 1979, cooperation with Toyota began. In the same year, PT Hasjrat established a sales service partner, CV Combos in Manado. The establishment of this company aimed to complete the sales facility. Now, with a staff of over 2,200, PT Hasjrat Abadi focuses its business on vehicle sales, service and financing.

The Head of General Section of PT Hasjrat Abadi, Manado Branch, Novi Koba, said that the company is currently providing innovative products such as Yamaha outboard motors, distribution of Dunlock tires and Yanmar hand tractors, Mitico zinc and Alduron zinc. These products accompany their main sales, namely

Toyota and Yamaha brand products. They also have PT Hasjrat Multifinance (HMF), which deals with the financing of PT Hasjrat products. HMF also serves advising services up to the specific analysis of the financing of each product, as well as competitive packages to meet customer needs in purchasing vehicles efficiently and easily. "HMF started operations in 1995, and opened offices in almost all of our sales outlets," Novi said.

Judging from its activities, the office of PT Hasjrat Abadi in Manado is the largest branch. That is why the Manado branch is the parent of almost all branch offices in Eastern Indonesia. PT Hasjrat Abadi also has several subsidiaries, among others PT Perkonsuma engaged in construction, CV Combos engaged in car repairs, PT. Samudera Purnablie Abadi engaged in services, CV. Yosparine, CV Harpa, CV Autonusa, CV Hasjrat Multifinance and PT Mauru Permata Abadi.

Tender for Official Vehicles

Tender of government official vehicles is one of the sales targets of PT Hasjrat, especially with the Toyota brand. In order to achieve this target, the management of PT Hasjrat Abadi continues to make breakthroughs as the exclusive distributor of Toyota

and Yamaha, in eleven provinces in Central and Eastern Indonesia region, including North Sulawesi Province. Excellent service through post-sale care, vehicle inspection, tune ups, and customer maintenance are the main focus of their business. Mechanics are trained in accordance with Toyota and Yamaha standards, with specialized computerized workshops equipped to serve consumers. They also always use original Toyota and Yamaha parts, and ensure availability and timely delivery of spare parts.

“PT Hasjrat Abadi’s products follow Toyota and Yamaha standards, enabling them to respond to customer needs quickly and accurately. Our integrated sales and service facilities are modern, with access to high-tech workshops,” said Christian Ferry Taroreh, marketing staff of Toyota Tendeand Branch Showroom.

They also claim to be the best. “This is why almost all tenders for government service vehicles are won by PT Hasjrat Abadi. In our opinion, for customers, the process of choosing and buying should be fun, by our offering fast service, tailored financing options, competitive pricing as per customer requirements,” Ferry added. In 2016, PT Hasjrat Abadi won the

tender for the official car of the Chairman of North Sulawesi DPRD and procurement of 3 units of Hiace commuter minibuses. In 2017, they managed to win the tender for the car of the Deputy Governor of North Sulawesi. In tenders of official vehicles in East Indonesia, PT Hasjrat Abadi is also unbeatable, as in North Halmahera, Gorontalo, Tobelo, Papua and other provinces.

Champions of Aftersales Service

The chairman of the North Sulawesi branch of the Indonesian Offroad Federation (IOF), Harley Alfredo Benfica Mangindaan (‘Ai’), recounted his experience related to official vehicles while serving as Deputy Mayor of Manado in the 2010-2015 period. “ I would have preferred a Rubicon as my official vehicle, but that was not possible as the Manado City Government has prepared a Toyota. Their reasoning was that Toyota met all the standards of procurement of official vehicle projects,” said Ai.

For the man who also hold the position as the chairman of the Indonesian Transportation Society (MTI) in North Sulawesi, the level of comfort and satisfaction with Toyota was actually mediocre, however there was no other choice. The

official car had been budgeted and all the processes were handed over to the relevant agencies. “In my experience, Toyota is a middle class car, though actually as expensive as a premium class car. Unfortunately, this other brand is not used as much by officials,” said Ai.

He stated that procurement projects of official cars do not only focus on the comfort aspect of the vehicle. Each tender should also note the readiness of the post-sale facility. Each sole agent (ATPM) should have a qualified infrastructure in North Sulawesi. Related to this, Ai thinks Toyota is the best.

“In addition, the uniformity of choice from all regions (regencies and cities) also affect the tender committee. How could another brand win in a region when other regions choose Toyotas? There is the opinion that Toyota is the best at this time. This later will raise questions with the BPK,” said the man who would prefer a jeep.

The love affair with Toyota has existed for a long time. When the position of Governor of North Sulawesi was held by E.E. Mangindaan in 1995-2000, the official cars in North Sulawesi Provincial Government included

not only Toyotas, but also Suzukis, Daihatsus and others. “Yet the governor himself used a Toyota, and so did the later governors,” he said.



Seplin Bachrir

Place/date of birth: Kolaka, 5 September 1989

Email: seplinbachrir@gmail.com

Work Experience:

1. Reporter of Rakyat Sultra (Kendari Ekspres) Daily, Kendari (2013-present)
2. Journalist of Media Sultra Daily, Kendari (2012)



Jeane Bernetje Rondonuwu

Place/date of birth: Lembean, 05 August 1974

Email: rnetje@yahoo.com

Work Experience:

1. Editor in chief of sulutdaily.com (2012-present)
2. Journalist of IdManado.com (2011-2012)
3. Journalist of Manado Post Daily (1998-2000)
4. Head of Representation of Komentari Daily (2003-2005)
5. Editor and Journalist of Komentari Daily (2001-2005)



Muhammad Yunus

Place/date of birth: Oesapa, 20 May 1984

Email: yunuzmuhammad@gmail.com

Work Experience:

1. Editor of Makassar Terkini (2016-present)
2. Contributor of Tempo (2011-2016)
3. News program producer of CELEBESTV (2011)
4. Video journalist (VJ) of Metro TV (2008-2011)
5. Production staff of Discover Indonesia program of Metro TV (February-April 2011)
6. R&D for Research and Polling of Identitas Campus Magazine of Hasanuddin University (2007-2008)
7. Editor of Identitas Campus Magazine of Hasanuddin University (2006-2007)
8. Reporter of Identitas Campus Magazine of Hasanuddin University (2004-2006)



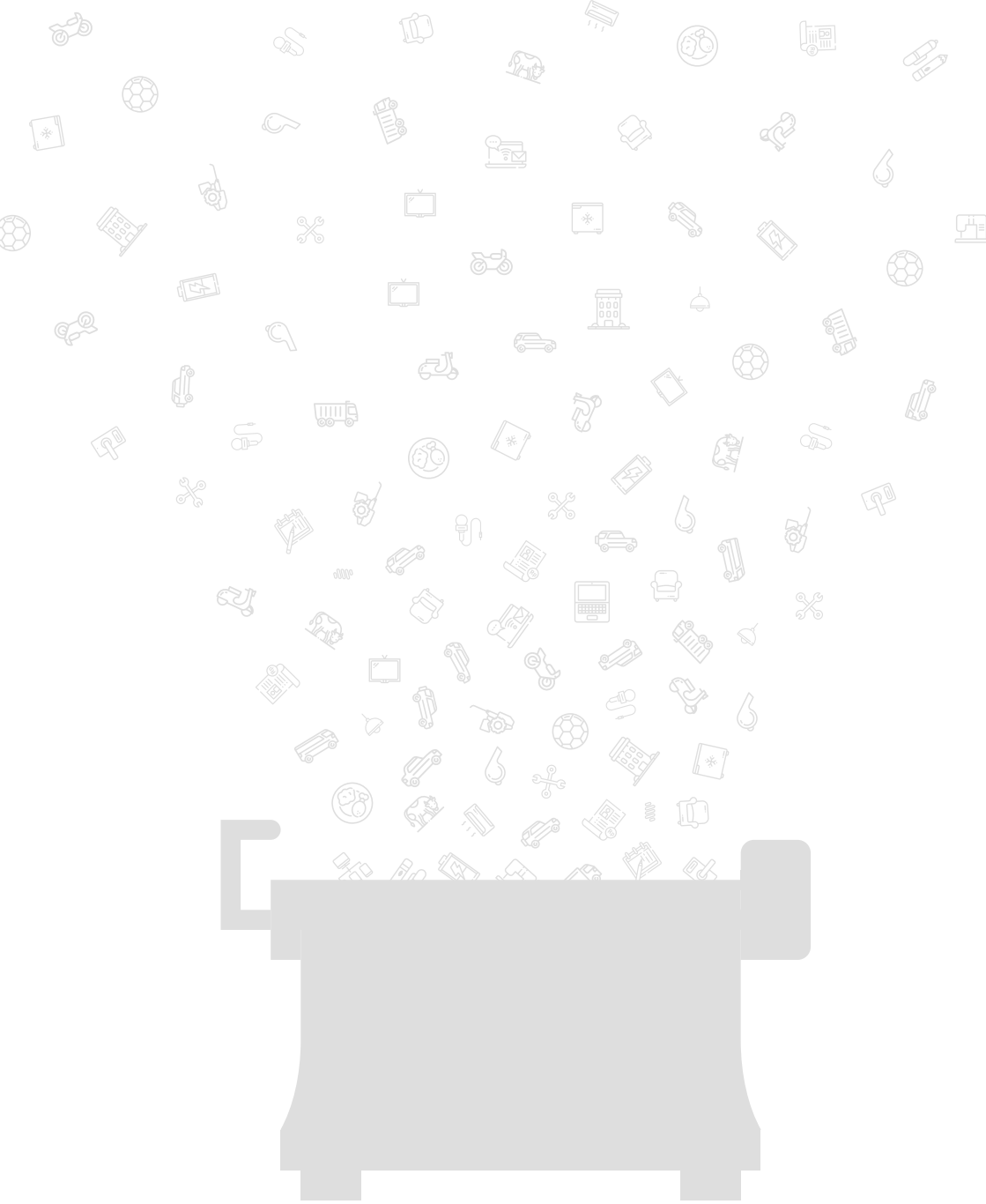
Aqilah Nurul Khaerani Latif

Place/date of birth: Jakarta, 2 April 1994

Email: aqilahnkl.job@gmail.com

Work Experience:

1. Journalist of Fajar Daily, 2015-present



Through the investigation of the journalists participating in the fellowship, the e-tender 'game' can be discovered in full view. Their findings also confirm the validity of the opentender.net instrument made by ICW to help the people monitor the work of the government, especially in the public procurement sector. Besides journalists, CSOs, students, researchers and the public in general can benefit from the opentender.net tool for monitoring, due to the ease of which the tool is used.

Adnan Topan Husodo
ICW Coordinator

