

Making Dual Procurement and Supply Chain Operations: Cases in the Indonesian Higher Education

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Abstract— A high performing procurement and supply chain function is vital to the success of running a safe, productive and efficient educational organisation, and can make a significant contribution to both financial and operational performance. Higher education institutions in Indonesia have experienced significant changes since the introduction of the semi-autonomous agency model. In the context of procurement, these agencies adopt both Government Procurement Procedure issued by the central government for all government institutions and Special Procurement Procedure prepared by the agency. Consequently, the agencies have to implement two different procurement procedures in accordance with each procedure. This study deeply looks at the implementation of the dual procurement procedures at a micro level in the context of gentrification. This research focuses on examining the use of dual procurement procedures in supporting through an exploration of the experiences of higher education in Indonesia. A central feature of procurement in the Indonesian higher education is unnecessary dual procedures. Higher education institutions have experienced many constraints in developing and implementing dual procurement procedures. The internal factors include risk, human resources, quality, and organizational structure, while external factors consist of the audit, political pressure, and regulation.

Keywords— *agencification, autonomous agency, higher education, procurement and supply chain strategy*

1. Introduction

Procurement teams are good neighbors with their counterparts in supply chain management. The public sector adds a layer of complexity due to the nature of service delivery. In particular, higher education is both a key public service provider and consumer with expertise in teaching and research. Meanwhile, the financial inflexibility encourages the civil service organization to become autonomous, so called ‘agency’ or quasi

autonomous non-governmental bodies – quangos [1-15].

The number and the importance of autonomous agency have expanded in almost all countries and following the global trend, the Indonesian administration has extensively implemented the agency model since 2005 [4, 16-20]; [21-23]. Agency is identified as a set of institutions, or structures for delivering public services proposed by government actors [5] and has some autonomy from their respective ministry in policy decision making and over personnel, financial and managerial matters [6] including business plan and budget [4], accounting system [4], costing system [7] and organization structure [8]. Many have claimed the encouraging effects of agencification in which agencies would be more professional, their management would be more business-like, and they would offer higher quality services compared to traditional government bureaucracy Osborne and [9]; [10] as they have a minimum standard of service delivery [7]. Besides better output quality, agencies are expected to be more efficient public service providers [10]; [19]. Indonesian public service agencies beginning to work with the bureaucratic approach are driven to implement the business-like approach by adopting new financial management [4]. Since 2005 the Indonesian government has been implementing financial management model of Public Service Agency (Badan Layanan Umum, BLU) for the particular government institution which is primarily responsible for providing public services [4]. Agencification has been a major approach under the Yudhoyono administration [11]; [17]; [18]. In the period 2005 to 2014, there were 689 agencies established in Indonesia consisting of 150 central agencies and 539 local agencies. (see Figure 1).



Figure 1. Number of Public Service Agent in Indonesia

Source: Ministry of Finance, 2014

The sweeping changes in the Indonesian higher education sector over the last few years have included: more financial flexibility, organizational redesign, and flexible budget formulated in the semi-autonomous agency model. This runs financial flexibility in budgeting, disbursement [4], and procurement procedures.

Many higher education institutions continue to attach less importance to the procurement function compared to their private sector counterparts, which structurally and culturally place more value on the procurement function. However, a review of the literature shows that there are only limited researches related to procurement in the higher education sector. Highlighted the dearth of academic literature that has sought to understand the sustainable procurement agenda from the point of view of the practitioners. This study, hence, is situated in the higher education sector of Indonesia and focuses on the perceptions of higher education procurement practitioners.

In the context of procurement, autonomous agencies have to comply with General Procurement Procedures (GPP) issued by the central government for all government institutions and Special Procurement Procedures (SPP) prepared by the agency. As autonomous agencies, higher educations have to implement two different procurement models in accordance with each procedure. In fact, the SPP was also developed for the Oil and Gas Task Force, so-called Procurement

in Mining Industry, Oil and Gas and the Village Administration, which was issued by the Procurement Policy Agency.

This study focuses on the analysis of dual procurement procedures at the higher education. It will examine distinctive aspects of procurement procedure focusing on the differences and consequences. The analysis also explores the role of higher education officials in executing the procedures.

Indonesia is the context of this study. Higher education institution is the majority among the Indonesian autonomous agency. These institutions are drivers in their organizational model including university, institute, college, polytechnic, and academy. BLU has flexibility in procurement when funding comes from non-tax revenues. This flexibility has been running for 10 years. Unfortunately, higher education institution does not prefer to implement this opportunity although there are constraints in implementing GPP for specific procurement such as research and community service activities.

This study deeply looks at the micro level on how the dual procurement procedure is implemented in the context of gentrification. It endeavors to explore the distinctive procurement aspects implemented at the agency. This research explores the overarching question: How did dual procurement procedure work in facilitating

effective gentrification? Further related sub-questions are:

- 1) What is the essence to implement dual procurement?
- 2) What are the constraints of implementing dual procurement?
- 3) Could the government develop special procurement regulation for the autonomous agency?

Considering the chance to implement dual procurement procedures in the Indonesian higher education institutions, this paper attempts to capture the empirical essential reason in implementing these procedures and to describe the constraints of this implementation.

This research aims to contribute to both theoretical areas and practical fields. It focuses on examining the use of dual procurement procedures in supporting gentrification through an exploration of the experiences of higher education. Procurement discussion includes procurement planning, organization, supplier management, information system, reporting, and accountability and control system.

2. Literature Review

The supply chain management as the new public management network has become a new approach to managing public organizations in central and local governments. The term was first introduced during the 1980s to describe approaches in developing business-like public organization by adopting private sector management principles. The NPM reforms often focused on the centrality of citizens or customers to the public service agencies. The NPM reformers experimented with decentralized service delivery models to provide autonomy on how these agencies deliver their services. In some cases, NPM reforms used e-government to consolidate a centralized service in order to reduce costs. Several governments tried using quasi-market structures so that the public sector would have to compete against the private sector. The key themes in the NPM include controlling finance, creating value for money, increasing efficiency, identifying and setting targets, and monitoring performance.

The NPM introduces private sector governance for public sector organizations. This approach has been adopted in almost all countries, initiated in the OECD countries. The NPM reformers focus on introducing corporate approaches to the public administration context including policies and programs. They have claimed that this approach is more effective in achieving the better outcome.

From the NPM perspective, citizens are viewed as the customers and public servants are viewed as the public managers. NPM tries to realign the relationship between public managers and their political superiors by developing a parallel relationship between the two. Under the NPM banner, public managers have the incentive-based motivation, such as pay-for-performance, and clear performance targets assessed using performance evaluations. In the NPM paradigm, managers may have greater discretion and freedom on how they achieve the targeted performances. This approach is contrasted to the traditional public administration model, in which institutional decision-making, policy-making, and public service delivery are guided by regulations, legislation and administrative procedures.

The NPM reforms use approaches such as disaggregation, customer satisfaction initiatives, customer service efforts, entrepreneurial spirit to public service, and introduction of innovations. The NPM system allows the expert manager to have a greater discretion. Public managers can provide a range of choices from which customers can choose, including the right to opt out of the service delivery system completely.

The procurement function in the public sector and indeed universities, enters into various upstream and downstream relationships with suppliers and customers [12]. The critical difference between the private and public sector's approaches to procurement lies in their differing objectives. They argue that the objectives and scope of the public sector, and therefore public procurement is not only to generate financial profit but also includes non-financial objectives such as providing education services, developing research excellence, supporting community development to a large and often diverse customer base.

Studied procurement practices in higher education and further education institutions in the United Kingdom. The starting points of their study were the importance of procurement's relationship to the other functions in their respective institutions; the importance of supplier selection and relationship management; and the importance assigned to procurement as a value-adding activity. The results showed a need for whole lifecycle management, training of procurement staff, greater awareness, and priority to the purchasing function, more accurate data, benchmarking and the value of purchasing consortia.

How the purchasing function was organized across sixty-five German universities emphasized the importance of the centralization or decentralization debate in procurement at universities. They hypothesized that universities, as public institutions, would be faced with relatively greater scrutiny in the future and therefore need to have a more formalized and centralized procurement function to assist in better accountability and transparency. Their results, however, demonstrated that there were a number of contextual factors at play in determining the level of centralization, including: the size of the university; purchasing volume; the nature of the purchases; and the experience and education of the chief purchasing officer.

3. Research Methodology

The research employs a qualitative case study, which is supported by descriptive statistical analysis to provide a deep analysis of one institutional practice. It adopts systematic and comprehensive approaches regarding basic concepts and data. Various statistics are used to bolster the evidence. The exploration of dual procurement procedures cannot be considered without the context of gentrification. It is only in these agencies that dual procurement procedures are developed and utilized. Cases are useful to understand how the procedures are developed in the process of implementing agencification. The research uses cases in Indonesia as the most current rapidly growing countries in implementing agencification. Research objects of the paper include higher educations which have been implementing autonomous agency model as of 2015.

The results are analyzed through the comparison of procurement procedures, before and after these changes, with a view to exploring whether their rationales are appropriate. Furthermore, it also examines the comparison to regular government unit. Data collection methods include documentary analysis and interviews. The main data includes documentary analysis, which involves the study of many official documents, government papers, committee reports, and other documents. A number of interviews are conducted with key persons at the higher education (mainly the head of procurement division), Directorate of public service agency development, procurement expert, and representative of Agency of Procurement Policy.

The interview aimed to delve deep beneath the surface of superficial responses to obtain true meanings that key persons affiliated to procurement. Semi-structured interviews were adopted based on the main question "how has dual procurement procedures in the Indonesian higher education worked in facilitating effective agencification?", and all questions were open-ended to provide the interviewees the flexibility necessary to express their personal experiences and perceptions of the most important issues.

The selected higher education institutions to represent the type (university, institutes, academic, and polytechnic) and the Ministry in chief. The institutions under The Ministry of Research and Higher Education include Diponegoro University, State University of Semarang, State University of Yogyakarta, Hasannudin University, Sriwijaya University, State University of Surabaya, Institute of Technology Sepuluh Nopember. Under the Ministry of Religion are UIN (Islamic State University) Sunan Kalijaga Yogyakarta, UIN Walisongo Semarang, UIN Sunan Ampel, UIN Raden Patah Palembang, and UIN Aliudin Makassar. The rest are under other ministries, consisting of Marine College, Polytechnic of Health Surabaya, Transportation College, Polytechnic of Health Semarang, Polytechnic of Sailing Surabaya and Academy of Engineering and Flight Safety Surabaya. Documentary analysis was carried out by analyzing the regulations of the higher education institutions, the MoF, and the LKPP.

3.1 The Indonesian procurement

Procurement in the government organizations is regulated by Presidential Regulation No. 70/2010 and its amendments thereto. All the procurements for central and local governments, either partly or wholly funded by the state budget, must comply with this regulation. In general, the procurement is completed by a third party or self-managed procurement. Furthermore, the type of procurement is divided into the procurement of good, procurement of consulting, procurement of construction, and procurement of other services.

Government Regulation (Peraturan Pemerintah, PP) No. 23/2005 concerning Financial Management of Public Service Agency states that procurement in the BLU is based on the principle of efficiency and economy. This means that the BLU can partially or completely exempt from the provisions of the GPP when there is a reason for efficiency or effectiveness.

Regulation of the Minister of Finance No. 08/2006 states that procurement in the BLU is generally carried out under the provisions of the government. But, the government provides flexibility in the form of exemption, partially or entirely, from the general provisions where there are reasons of efficiency or effectiveness. This flexibility is given to the procurement which the funding is originated from:

- 1) Revenue from the services provided;
- 2) Unrestricted grant; and
- 3) Return of partnership business.

This special procurement is conducted under the provisions of the procurement determined by the head of the BLU by adopting transparency, fairness, non-discriminatory, accountability and business practices principles. The public higher education institution is funded by the state budget. Procurement which is funded by the state budget must comply with the Presidential Decree No. 70/2010. However, the higher education funding is not only from the state budget but also from non-taxes revenue, for example, student tuition fees, grants, and return from partnership business. From this legal perspective, it can be summarized:

- 1) Higher education institution which has adopted autonomous agency model may implement flexible

procurement procedures based on PP No. 23/2005 when the source of funding is in accordance with PMK No. 08/2006.

- 2) For the technical guidance of the procurement, the head of the BLU may issue specific procedures adopting transparency, fairness, non-discriminatory, accountability and business practices principles.

4. Research Results

A root cause of the supplier-customer mismatch is the disconnect between the customer's procurement and supply chain operations. Higher education institutions experienced several constraints in implementing procurement, either funded by state budget or non-tax revenues, especially those related to the community development activities. They also found that implementing procurement flexibility is not easy. That is why, for the past 10 years, only a small number of higher education institutions have implemented dual procurement by developing Specific Procurement Procedures (SPP). The content of this procedure, in general, is similar to the procurement procedure issued by the LKPP. Based on the interview, those which does not implement dual procurement argued that there is no clear guidance to develop the SPP. The condition of improving efficiency and productivity are not explained in detail. Hence, to develop SPP, higher education requires longer time and consideration. The effectiveness and efficiency of the SPP are difficult to be measured. In addition, there are several internal and external factors influencing the use of dual procurement procedures.

According to the Directorate of PK BLU, dual procurement procedures is one of the flexibilities for autonomous agency. Therefore, this should be adopted to improve efficiency and productivity. In contrast, expert from LKPP said that this dual procedure only relevant to the old regulation (Presidential Decree No. 80/2003). But now, according to the new regulation (Presidential Decree No. 54/2010) this dual procedure is no longer a relevant issue. If only autonomous agencies require SPP, the government should prepare special regulation similar to that of the Oil and Gas Task Force and Village Funding.

Based on the interviews with several procurement officials in the higher education Institutions and

documentary analysis, there are several factors influencing the implementation of dual procurement procedures. This includes internal factors (risk, human resources, quality, and organizational structure) and external factors (auditor, political pressure, and regulation).

4.1 Internal factors

Firstly Firstly, the risk is considered as the main reason. When applying different procedures (rather than Presidential Regulation No. 54/2010) the procurement officials found a high risk in the future. There are inherent risks in the accountability report that the SPP will be blamed if only they had a problem in the procurement. The heads of the higher education consider the risks bigger than the advantages. Furthermore, they are mostly in agreement in terms of risks faced in the future from the points of view of the heads of higher education institutions. The heads of higher education institutions with BLU status tend to avoid procurement risks due to incongruous authority.

Secondly, in order to execute a procurement project, the autonomous agency needs to establish procurement team including commitment maker, procurement officer, receiver, and technical team. Given two sources of funding and two procurement procedures, the question is whether the procurement will be carried out by the same team or different team. If this is carried out by the same team, there will be a technical complexity of administrative procedures. If this is completed by the different team, they will have difficulty in finding the similar excellent team. Based on the interview, this because higher education institution is difficult to find the qualified person for establishing procurement team. In addition, a different team could set the different standard for the same goods or services. This situation is observed more in the universities and institutes. Whereas, polytechnics and academies experience differing situation since the budget, activities specifications and procurement team are relatively small. This factor causes higher education institutions did not take the advantage of the dual procurement flexibility.

Thirdly, it was considered by many that the procurement team often found difficulties to measure the quality of goods or services because of different location, type, and time. Procurement in

the higher education is mainly related to the Three Missions (Tridarma) including education, research, and community development. It is difficult to implement difference procurement procedure merely because of a different source of funding. These procurement objectives should be similar although having different sources of funding. Problems in procurement are not coming from the different source of funding but from the quality of the goods or services.

Lastly, higher education institutions, including University, Institute, College, Polytechnic, and Academy, have different organizational structure. This difference leads to variation in managing procurement. While adopting the concept of 'centralizing operational and decentralizing academic', central management of universities and institutes will have difficulty to meet the complex academic needs. The single procurement procedure may have several obstacles and so do the dual procedures. College and Polytechnic have relatively simpler organizational structure compared to University and Institute. They are more open-minded to implement dual procedures. However, the other factors influence them in suspending dual procedures implementation, such as human resource and risk. In the end, according to the respondent, as the majority among higher education, universities and institutes do not prefer to implement dual procurement procedures. Rather than implementing autonomous agency model, these institutions prefer to implement Legal Entity State University (Perguruan Tinggi Negeri Badan Hukum, PTN-BH) which has more flexibility in managing the university including the procurement procedure. From the point of view of higher education institutions, there are variations in perceiving several factors related to risk, procurement team, output quality, and organizational structure.

Table 1. Variations in perceiving several factors related to risk, procurement team, output quality, and organizational structure

	Univ/MoRHE	Univ/MoR	Pol/MoH	Pol	Ins	Acad
Risk	***	***	**	***	***	*
Procurement team	***	***	*	*	***	*
Output Quality	**	***	***	***	**	**
Organizational structure	***	***	*	*	**	*

* not sensitive; ** sensitive; *** very sensitive.

Note: Univ refers to university; MoRHE refers to Ministry of Research and Higher Education; MoR refers to Ministry of Religion; Pol refers to Polytechnic; MoH refers to Ministry of Health; Ins refers to Institute; Acad refers to Academy.

4.2 External factors

Firstly, external factor includes the role of the independent auditor. The financial audit (audit for the financial statements) and the compliance audit conducted by the Financial Audit Board (Badan Pemeriksa Keuangan, BPK) encourage several agencies to avoid implementing dual procurement procedures. Audit findings could come from the procurement funded by non-tax revenues. It is difficult to defend the effectiveness of the SPP and to provide a proof that the SPP increases efficiency and productivity. This would be a dispute between the auditors and the auditee. Higher education also argued that it was difficult to prove the SPP meeting good internal control principles. Moreover, they needed to prove that implementation of the SPP did not contain fraud or conflict of interest. Such concerns led to the doubt for developing dual procurement procedures.

Secondly, political pressure inhibits higher education to develop dual procurement procedures. Some fraud cases involving higher education leader

to lawsuits, brought a significant fear to prepare different procurement procedures. Possibly, the respondent said, political pressure will lead to a high-risk procurement. In contrast, several respondents said that selected activities require the SPP.

The last, the regulation on procurement has experienced significant changes from 2003 to 2010. The old regulation has been amended and simplified. According to the higher education officials, given this amendment, the need to prepare dual procurement procedures become irrelevant, although it is permitted by the law. Moreover, the latest Regulation of the LKPP provides breakthrough procurement procedures for research services. In addition, the technical regulation on how to develop the procedure for procurement funded by non-tax revenue remains unclear. Some higher education institutions which have developed SPP had discussed to their Ministry in chief, Ministry of Finance, and the LKPP. Concern that the proposed SPP would against the GPP made the development of the SPP time-consuming.

Table 2. Institutions which have developed SPP

	Uni/Dikti	Uni/ag	Uni/oth	Pol/dik	Pol/ag	Pol/oth	St/dik
Auditor's role	***	***	***	***	***	***	***
Political pressure	**	**	**	*	*	*	*
Regulation	*	*	*	**	**	***	*

* not sensitive; ** sensitive; *** very sensitive.

Note: Univ refers to university; MoRHE refers to Ministry of Research and Higher Education; MoR refers to Ministry of Religion; Pol refers to Polytechnic; MoH refers to Ministry of Health; Ins refers to Institute; Acad refers to Academy.

4.3 The necessity of dual procurement

Spending in the higher education is mainly supporting the Three Missions. According to the Governmental Accounting Standards, this type of spending is generally reported as 'operational

expenditure'. Meanwhile, the spending on 'capital expenditures' is not always allocated every year. Considering the characteristics of the goods or services bought are relatively homogeneous, higher education should not take the source of funding

into account.

Based on the interview, procurement in the higher education is mainly supporting educational activities such as laboratory materials, teaching equipment, and learning media. These needs are having a similar quality characteristic, regardless of the source of funding. Indeed, there are special needs for specific purposes such as in the Marine College. However, almost all the higher education institutions are relatively having similar needs. Hence, single or dual procurement procedures is not an issue in the self-managed dominated procurement.

The new procurement regulation has not been accommodating specific procurement procedures such as research. This type of procurement can be provided by third party (advisory services) or by researcher under self-managed procurement. Spending for research is dominantly under the scheme of 'grants' and 'operational expenditures'. Initially, this spending was carried out by self-managed procurement. In this procurement, research funding is disbursed for supplies expenses, transportation expenses, meals, and other operating expenditures. Researcher should be able to provide any documents for each expenditure. Consequently, researchers found most of their schedule was dealing with administrative accountability purposes instead of research content and quality. In the extreme case, researchers might spend their personal funding due to the complexity of required documents. This problem indicates that dual procurement procedures is considered as a solution, a respondent said. This problem has been solved since the beginning of 2017 by a breakthrough procurement model, so-called the output-based research funding. The need for specific procurement procedures for research has been accommodated regardless the source of funding (state budget, non-tax revenue, or grant).

Procurement for community development activities is mainly related to the spending on goods or services for the benefit of society. The government has provided a special account for this spending since the goods or services will be handed over to the community or local authorities. There is no special procurement procedure because this activity usually needs general specifications of goods or services. In addition, procurement for this purpose is dominantly self-managed.

In summary, considering the characteristics of higher education institutions and the type of goods or services needed, dual procurement was essentially important at the beginning of autonomous agency adoption. But, now the procurement regulation has been changed resulting in unnecessary dual procurement.

4.4 Needs for special regulation

In the context supply chain management for education system, there is a difference between fiscal and academic year. Considering the 'annual' principle, there are two different regulations applied in academic activities on the academic year (which usually ended on August) and the activity of financial reporting (which must be ended on December 31 each year). This difference can be further analyzed from the perspective of cost, timeliness, payment scheme, and the special case procurement.

Firstly, cost charging becomes ineffective because the activities are often truncated by fiscal year. In Indonesia, higher education normally has the academic calendar from September to August of next year. By this cut-off period, the education activity is not in line with the period of budget and financial reporting. Higher education needs to estimate the funding need by calculating the relevant costs. All the financial process must be finished in December when academic activity is still running. Performance achievement for higher education is measured at the end of the academic year instead of at the end of December. Another concern is about the revenue generating period. Higher education revenue is not earned throughout the year. Hence, the university needs to 'shift' funding between several activities.

Secondly, timeliness of performance measurement is absolutely essential. Procurement in the higher education needs to consider the academic calendar. Therefore, higher education needs to set the timely procurement schedules. Almost in all universities, this arrangement is often conflicted to the time constraints in the fiscal year. Synchronization between the academic calendar and the procurement schedule usually does not match so that it influences the quality of learning.

Third, the payment scheme for 'state budget funded' activities is conducted through State Treasury Services (STS). Meanwhile, 'non-tax

revenue funded' activities are carried out by the internal treasurer who later reports to the STS. There are two payment schemes for the transaction: cash basis and accrual basis. There is a gap for accountability of procurement due to the payment scheme in the STS which needs longer time to proceed. In contrast, the payment scheme in the internal treasurer is relatively simpler.

The last concern is special case procurement similar to the Village Funding scheme. This scheme is a unique financial governance under government budget. The central government has directly transferred funding from the state budget to each village since 2015. The village is considered as a separate entity as well as province and district. Because of this uniqueness, the LKPP issued new regulation No. 22/2015 as the guidelines for the procurement procedure for the Village Funding. With this regulation, the village has a distinctive procurement procedure even though the source of funding is from the state budget. This is an exception of the Presidential Regulation No. 54/2010 due to special characteristics of the Village Funding.

Another exception was designed for Oil and Gas Task Force. Procurement in this task force is conducted under special regulation No. 007/2011. This task force is a government agency funded by the state budget. However, it has a special procurement regulation. According to the expert, it is possible to develop a special procurement procedure which is excluded from the GPP as long as having a unique characteristic of goods or services regardless of the source of funding. Within the procurement framework, the source of funding cannot be a reason to develop different procurement procedure. Considering the types of procurement, almost all higher educations have similar characteristics as an educational institution. Therefore, it is possible to develop special procurement regulation instead of carrying out dual procurement procedures. In summary, the basis is the procurement activity and the uniqueness of goods and services needed by the higher education institution.

This research discussed procurement supported by previous research, namely [5]; [9]; [10]; [13]-[16].

5. Conclusion

Dual sourcing, single sourcing, cross-sourcing, and multi-sourcing are all terms related to supply chain. Dual procurement procedures have developed in order to provide flexibility for the autonomous agency. It was essential at the beginning of the autonomous agency adoption. However, the incongruity on the effectiveness and productivity requirements to the procurement of goods and services from non-tax revenues specifically results in inflexibility due to complication to apply for higher education institutions.

Unfortunately, higher education institution experienced many constraints in developing and implementing dual procurement procedures. The internal factors comprise risk, human resources, quality, and organizational structure and external factors contain audit, political pressure, and regulation.

From the higher education perspective, single or dual procurement procedures is not an issue. They prefer not to differentiate the source of funding for procurement. The more essential emphasis is on distinct characteristic for the procurement related to the expenditures for education, research, and community development activities.

6. Recommendation

Future development, considering characteristics of higher education in Indonesia, is possible to develop special procurement regulation for higher education regardless of the source of funding. Since the characteristics of procurements in the higher education are quite homogenous, it will be beneficial for the government to establish special procurement regulations for all higher education with BLU rather than having individual, specific yet ineffective procurement regulations for each higher education.

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