

## **ABSTRACT**

*The aim of the study was to examine bureaucratic officials' compliance implementing good governance principles in the procurements of governmental goods and services in Bitung City, North Sulawesi, as an effort to maximize the role of UMKK as mandated in the Presidential Regulations of Indonesian Republic No. 54, 2010, regarding the Procurements of Governmental Goods and Services. Likewise, the objectives of the study were to examine the levels of eligibility and capacity of UMKK, and to determine empowerment or capacity-building strategies for UMKK as providers of governmental goods and services. The secondary data were obtained from governmental institutions that were relevant to the study. The primary data were obtained from 47 SKPD agencies. Data about UMKK as the suppliers of goods and services were obtained from 50 UMKK agents. Questionnaires were distributed to gather information about the perceptions of respondents from both SKPD and UMKK. The empowerment strategy was determined via data analysis of focus group discussion (FGD), in-depth interviews with key persons, and Analytical Hierarchy Process (AHP). Results of the study showed that the compliance levels of bureaucratic officials in implementing good governance principles in the procurements of governmental goods and services were quite high at average of 82.93 percent. The percentages for each aspect in the compliance levels were as follows: efficiency at 82.76 percent, effectiveness at 84.71 percent, transparency at 82.19 percent, openness at 83.57 percent, competitiveness at 81.91 percent, fairness/indiscriminative at 82.01 percent and accountability at 83.36 percent. Meanwhile, the implementation of RUP preparations averaged at 73.53 percent. UMKK eligibility level found to be high which was averaged at 70 percent. Using 21 variables for assessing the eligibility level of UMKK it was found that 13 variables were eligible and the other 8 were not eligible. UMKK in Bitung City were deemed as eligible to participate in a tender for governmental goods and services, as long as the criteria for eligibility for the other 8 variables that were not eligible have been met. The capacity of UMKK as providers of goods and services based on 6 aspects and their influencing indicators was considered powerless. Only the Provider's Eligibility Aspect (AKPU) has the highest capacity level at 83.60 percent, while the other 5 aspects were still less than 50 percent. The empowerment or capacity-building strategies for UMKK as providers of governmental goods and services were determined based on the results of FGD, in-depth interviews with the key persons, and AHP with 6 aspects of alternative strategies, each of which with 5 alternative strategies: Business Aspect, Information and Technology Aspect, Human Resources Aspect, Lobbying Aspect, Role of Stakeholder Aspect, and Provider's Eligibility Aspect.*

**Keywords:** *Good governance, public procurement, UMKK, eligibility, capacity, empowerment strategy.*