

Domestic Product Label Validity as the Primary Constraint on P3DN Implementation through E-Purchasing

Fakhrullah Pawakkari^{1)*}, Muttaqin²⁾, Deasy Mauliana³⁾

^{1,2,3)} Applied Master's Program in State Development Administration, Politeknik STIA LAN Makassar, Indonesia

*Corresponding Author

Email: payyu85@gmail.com

muttaqin_lan@yahoo.com, deasy.mauliana@gmail.com

Abstract

The Acceleration of Increased Use of Domestic Products (P3DN) policy turns government procurement into a lever for national industry, yet spending units often fail to translate plans into purchases. At Politeknik STIA LAN Makassar, planned domestic-product spending exceeded 98% annually in 2023–2025, while realization through e-purchasing reached only 23.36%, 51.42%, and 76.47%, respectively. This study identifies the principal constraint on implementing P3DN through e-purchasing and examines the organization's response. Using a qualitative single-case design that integrates Open Systems Theory with the Theory of Constraints, the study gathered data through interviews with twelve informants, non-participant observation, and document analysis, which were analyzed with the interactive model and validated through triangulation. Compliance with P3DN proved conditional. The binding constraint lies outside the organization: domestic product labels in the national e-Catalogue are self-declared by suppliers without verification, shifting the burden of proof to procurement officials, who need an average of 19 minutes to confirm a single product. All 71 packages planned for 2026 were recorded as domestic without verification. Existing practices have merely contained the constraint, and inter-unit synchronization has not reached the planning stage. The effectiveness of label-based policies hinges on the reliability of information in digital procurement infrastructure.

Keywords: Policy Implementation, P3DN, E-Purchasing, Theory of Constraints, Domestic Products.

INTRODUCTION

Public procurement is increasingly used as a policy instrument to pursue broader social and economic goals, including the development of domestic industry (Grandia & Meehan, 2017). Indonesia's growing economic nationalism (Patunru, 2018) has been carried into procurement through Presidential Instruction Number 2 of 2022 on the Acceleration of Increased Use of Domestic Products and Products of Micro Enterprises, Small Enterprises, and Cooperatives (Percepatan Peningkatan Penggunaan Produk Dalam Negeri, P3DN), which requires ministries, agencies, and regional governments to allocate at least 40% of their goods and services budgets to domestic products (produk dalam negeri, PDN). Presidential Regulation Number 16 of 2018, as amended by Presidential Regulation Number 12 of 2021 and Presidential Regulation Number 46 of 2025, further prioritizes products whose combined Domestic Component Level (Tingkat Komponen Dalam Negeri, TKDN) and Company Benefit Weight (Bobot Manfaat Perusahaan, BMP) reaches at least 40%.

In parallel, Regulation Number 9 of 2021 of the National Public Procurement Agency (Lembaga Kebijakan Pengadaan Barang/Jasa Pemerintah, LKPP) establishes the electronic catalogue (e-Catalogue) as the principal channel for *e-purchasing*. Electronic procurement can enhance the transparency, speed, and quality of procurement outcomes (Faisal et al., 2025; Lewis-Faupel et al., 2016; Mukhlis & Pranoto, 2020; Siregar et al., 2024), although its success depends on institutional arrangements at the implementing level (Nurmandi & Kim, 2015). For P3DN, e-purchasing makes it easier for agencies to select local products (Suryani et al., 2025): Commitment-Making Officials (Pejabat Pembuat Komitmen, PPK) and Procurement Officials need only filter the e-Catalogue for items carrying the PDN label. This convenience rests on the rarely questioned assumption that the label accurately reflects the true origin of the product.

Politeknik STIA LAN Makassar illustrates this issue. As a State Budget-funded spending unit under the National Institute of Public Administration (Lembaga Administrasi Negara, LAN RI), it planned to allocate more than 98% of its spending to domestic products throughout 2023–2025, yet realization through e-purchasing lagged far behind (Table 1). Although the gap narrowed each year, it remained above 23 percentage points in 2025, risking a lower Procurement Governance Index (Indeks Tata Kelola Pengadaan, ITKP), a component of the bureaucratic reform assessment at LAN RI.

Table 1. Planned and Realized Spending on Domestic Products through E-Purchasing, 2023–2025

Year	Planned PDN (%)	Realized PDN (%)	Gap (Percentage Points)
2023	98.04	23.36	74.68
2024	99.96	51.42	48.54
2025	99.67	76.47	23.20

Source: Processed from data.inaproc.id (2026)

A preliminary review of the katalog.inaproc.id portal revealed two complicating symptoms: imported products listed by suppliers under the PDN label and price disparities that run counter to product specifications. For instance, the PDN-labeled Epson WorkForce DS-530II scanner was offered at IDR 9,657,000 with a speed of 35 ppm, whereas the non-PDN DS-410 model was priced at IDR 5,642,324 with a speed of 50 ppm. These symptoms place implementers in a dilemma between national targets and value for money.

Previous P3DN studies have generally mapped inhibiting factors side by side, such as uneven human resource (HR) capabilities and limited availability of domestic goods and services (Saragi, 2023) or fragmented stakeholder coordination, weak procurement planning, and limited engagement of local suppliers (Aldiansyah, 2025). Studies of e-purchasing have similarly reported incomplete product information and TKDN certificates in the e-Catalogue, weak enforcement of TKDN requirements, and limited user understanding (Hutasuhut et al., 2025), as well as officials' uncertainty over the priority rules of Presidential Regulation Number 46 of 2025 and continued purchases of imports despite available domestic alternatives (Supratman et al., 2026). Implementation studies grounded in variable-based models also tend to treat communication, resources, disposition, and bureaucratic structure as carrying equal weight (Hupe & Hill, 2016). Such approaches produce long lists of barriers but leave unanswered which barrier limits the performance of the system as a whole.

The Theory of Constraints offers a different perspective: the performance of a system is determined by its weakest link, so improvement should be directed sequentially at that constraint (Goldratt & Cox, 1984). The theory has expanded well beyond manufacturing (Ikeziri et al., 2019), including into public services (Mabin & Balderstone, 2003; Mwakapemba & Andriana, 2025), but its use in analyzing procurement policy implementation remains limited. Using procurement as an industrial policy tool also demands considerable administrative capacity (Kattel & Lember, 2010), and quality labels are credible only when claims are certified rather than merely self-disclosed (Dranove & Jin, 2010). Nevertheless, prior research has neither examined the validity of information within digital procurement infrastructure as a source of implementation failure nor studied higher-education spending units with specific procurement needs.

This study therefore aims to identify the principal constraint limiting the implementation of P3DN through e-purchasing at Politeknik STIA LAN Makassar and to analyze how the organization exploits this constraint, subordinates other units to it, and elevates its capacity. By combining Open Systems Theory with the Theory of Constraints, the study contributes theoretically by distinguishing the source of a constraint from the point at which its impact is

felt, and practically by formulating corrective measures that other spending units facing similar problems can adopt.

RESEARCH METHODS

This study employed a qualitative single-case study design at Politeknik STIA LAN Makassar with a layered analytical framework. At the macro level, Open Systems Theory (Katz & Kahn, 1966) frames policy implementation as a cycle of input, throughput, output, and feedback interacting with the external environment: P3DN regulations were treated as the input, the sequence of procurement processes as the throughput, and recommendations for improvement as the output. At the micro level, the throughput was examined using four of the five focusing steps of the Theory of Constraints: identifying the constraint, exploiting it, subordinating everything else to it, and elevating it. The fifth step, repeating the process, lies beyond the scope of this study because it requires observation after the interventions have been implemented.

Primary data were collected between September and October 2026 through semi-structured in-depth interviews with 12 informants selected purposively for their direct involvement in the procurement cycle (Table 2). The PPK and Procurement Official informants spanned two terms of office to capture changes over time, and suppliers were included to represent the parties who list products in the e-Catalogue.

Table 2. Research Informants

Code	Role in Procurement	Number
KPA	Budget User Proxy (Director)	1
KKU	Head of the Finance and General Affairs Division	1
KRT	Head of the Household Affairs and State Property Subdivision	1
PPK1, PPK2	Commitment-Making Officials for the 2022–2024 and 2025–2026 terms	2
PPE	Procurement Officials	2
PER	Budget Planner	1
USR	Goods Users (work units)	2
PNY	Suppliers in the e-Catalogue	2
Total		12

Source: Research data (2026)

Non-participant observation on October 5, 2026, focused on how Procurement Officials searched for and verified PDN status in the e-Catalogue, the preparation of the owner's estimate (Harga Perkiraan Sendiri, HPS) for a computer equipment package, the completion of procurement request forms by user units, the entry of the General Procurement Plan (Rencana Umum Pengadaan, RUP) into the SiRUP application, and the physical inspection of procured items against the TKDN certificate database of the Ministry of Industry. The documents reviewed included the 2023–2026 RUP, PDN realization data from data.inaproc.id, e-purchasing preparation worksheets, contract recapitulations, purchase orders for imported goods, memoranda requesting import permits, recapitulations of procurement requests, certification records of procurement personnel, and the 2024 internal audit report of the LAN RI Inspectorate.

Data were analyzed using the interactive model of Miles, Huberman, and Saldaña (2014), comprising data condensation, data display, and conclusion drawing and verification. The data were organized according to the four focusing steps so that each finding could be traced back to its process stage. Credibility was established through source triangulation, by comparing accounts from informants representing different units and interests, and method triangulation, by cross-checking interviews against observations and documents. Interview excerpts are labeled with the informant's code and the date of the interview

RESULTS AND DISCUSSION

Results

Input: Regulations Understood at the Level of Targets. Procurement actors understood the P3DN policy in terms of its targets but not its technical details. The Budget User Proxy (KuasA Pengguna Anggaran, KPA) could state the 40% minimum threshold and expressed a commitment to meeting it, yet acknowledged not having studied the instruction in full.

“As the KPA, I have not read the Presidential Instruction in its entirety or in detail. As I understand the rules, the KPA can delegate authority to the PPK, so technical matters of that kind are handled by the PPK” (KPA, September 15, 2026).

Consequently, the PDN obligation tended to be treated as a performance indicator rather than a criterion to be verified for each package. Leadership commitment was also conditional, since PDN priority was supported “as long as it does not neglect the principles of effectiveness and efficiency” (KPA, September 15, 2026). Oversight by the LAN RI Inspectorate, through its request for monthly PDN achievement reports to the Procurement Unit (Unit Kerja Pengadaan Barang/Jasa, UKPBJ) of LAN RI, kept implementers attentive to realization targets.

Identifying the Constraint. Tracing each stage of the throughput yielded five recurring symptoms. The first emerged at the planning stage. The procurement request form recorded the requester, the item, its specifications, quantity, and urgency, but had no field for PDN status. The Household Affairs and State Property Subdivision screened requests by urgency and budget ceiling because it held no data on the origin of the items.

“The first thing we look at is the level of urgency, which is then coordinated with the planning section to see whether the budget is available. But as for whether an item is PDN or not, the Household and State Property section has no data on that” (KRT, October 5, 2026).

The planning section had never received any instrument or direction concerning P3DN (PER, October 5, 2026), and goods users did not check product status because they did not understand the provisions (USR, October 7, 2026). Even so, packages were still marked as PDN in SiRUP. The 2026 SiRUP dashboard recorded all 71 planned packages, worth IDR 3.21 billion, and all 17 packages under execution, worth IDR 1.92 billion, as 100% PDN. None of the units involved in planning held data on the origin of the items behind this record.

The second symptom was HR readiness. All PPKs and Procurement Officials held a basic certificate of competence in government procurement, but training related to the e-Catalogue and P3DN was uneven. Only the PPK for the 2022–2024 term, who no longer holds the position, attended both programs; the incumbent PPK attended neither, one Procurement Official attended only the P3DN training, and the other attended neither. Training assignments by the leadership were limited to programs required for a given position, leaving other training to individual initiative (KKU, September 28, 2026).

The third symptom, later identified as the primary constraint, was the weak validity of PDN labels in the e-Catalogue. At the specification stage, the PPK and Procurement Officials prepared an e-purchasing preparation worksheet covering the legal basis, specifications, price

preferences, and PDN status, and returned non-conforming requests to the requesting unit. This mechanism, however, relied entirely on the accuracy of system labels. Observation showed PDN-labeled and import-labeled products of similar brands and types appearing side by side on the same search page, and confirming the status of a single product took an average of 19.2 minutes (Table 3).

Table 3. Time Required to Verify PDN Status in the E-Catalogue

Item	Search Keyword	Verification Time (Minutes)
Filing cabinet	Simon Lemari Arsip	20
Office chair	Alex Kursi Kantor	25
Speaker	JBL Party	18
Amplifier	Ashley	17
Camera	Mirrorless Alpha 7	16
Average		19.2

Source: Observation results, October 5, 2026

The Procurement Officials had no means of verification other than contacting the manufacturer to request a statement letter (PPE, October 5, 2026). One supplier explained the root of the problem:

“When listing a product, we simply click the PDN or Import button, and there is no verification process by the e-Catalogue administrator. So we list all of our products with the PDN label so that they appear at the top of the search page” (PNY, September 17, 2026).

The physical inspection of a procured high-back office chair revealed another dimension of the problem. The product held a TKDN certificate of 35.18%, placing it in the second priority tier under Presidential Regulation Number 46 of 2025 (a TKDN of at least 25%), which may be lawfully purchased only if no similar product with a combined TKDN and BMP of at least 40% is available. Verification is therefore not merely a matter of distinguishing PDN from imported products but also of determining a product's priority tier. For certified products, the answer can be read directly from the certificate; for products carrying only a PDN label, it cannot be established without further investigation.

The fourth symptom arose in the preparation of the HPS. In the computer equipment package, a PDN-labeled *All-in-One* computer with an Intel Core i5 processor was offered at IDR 21,250,000, whereas a comparable imported product with an Intel Core i7 processor was offered at IDR 19,980,000. Under a fixed budget ceiling, an HPS based on the PDN price forced a reduction in either quantity or quality, so the PPK followed a tiered adjustment route.

“If it turns out that the price of the domestic product exceeds the available budget ceiling, we immediately offer the goods user the option of substituting the product or reducing the quantity. However, if that is not possible, we ask the KPA to submit a request to the Head of LAN for permission to purchase imported goods” (PPK1, October 5, 2026).

This route was documented in purchase orders for imported goods and in official memoranda that required assurance that no comparable domestic product met the specifications, along with written justification and a report to the KPA. The PDN orientation established at the RUP stage thus did not always survive to the contract stage.

The fifth symptom was the difficulty of determining the PDN status of bundled items comprising components of different origins and of items rarely available on the market (PPK2, October 2, 2026). Suppliers approached to list such items declined because their origin status could not be determined (PNY, September 19, 2026).

Following the categorization of Hansen and Mowen as summarized by Mulyono (2018), these symptoms comprise internal constraints, namely limited technical understanding among HR personnel and information disconnects among planning units, and external constraints, namely weak validity of PDN labels, market price disparities, and the ambiguous status of bundled items. Weak label validity constituted the main bottleneck: it was the earliest to affect subsequent stages, from distorted RUP data to the burden of manual verification, and its impact was the most extensive because it affected every package processed through the e-Catalogue.

Exploiting the Constraint. Because the source of the constraint lies outside the organization, the spending unit cannot correct the labels in the system directly. Internally, however, the constraint manifests as a verification burden borne entirely by the PPK and Procurement Officials. This verification capacity is the scarcest resource: a single package containing five types of items can consume approximately 1.5 hours solely to confirm PDN status.

The organization already applies four practices that substantively exploit the constraint, although they have not been formulated as a strategy: the preparation worksheet, which functions as a quality gate before supplier selection; TKDN certificates as a basis for verification; an HPS based on market price surveys, accompanied by offers of substitution or quantity reduction; and import exemptions granted through permission from the Head of LAN RI with written justification.

These practices contain the impact of the constraint but do not yet make optimal use of verification capacity. The first gap lies in the direction of verification priorities.

“If the listed product has a TKDN certificate, we check whether it matches the displayed specifications, but if it only has a PDN label, we usually don't check it further because it cannot be done directly” (PPE, October 6, 2026).

Verification time is thus spent on products that already have supporting evidence, while uncertified PDN-labeled products, the most exposed to mislabeling, pass without examination. The second gap is that goods users are involved only after the PPK has returned a request, so each return consumes the same verification capacity a second time (USR, October 7, 2026). The third gap is that verification results are not recorded in a reusable list, so the same work may have to be repeated from the beginning for the next package.

Subordinating Other Processes to the Constraint. Synchronization operated at two levels. At the execution stage, other units had adjusted to the needs of the weakest link. Goods users rechecked their requests and helped the PPK find substitutes, although items deemed irreplaceable retained their original specifications and were left to the PPK to resolve (USR, September 18, 2026). The KPA supported the import exemption route, and monthly reporting to the UKPBJ of LAN RI kept attention focused on the target.

This downstream synchronization stemmed from oversight pressure rather than process design. The 2024 internal audit by the LAN RI Inspectorate found that the spending unit had not yet complied with P3DN principles, and the PPK from the previous term acknowledged that implementers had at that time been unaware of the requirement to obtain permission from the Head of LAN RI before purchasing imported goods (PPK1, October 5, 2026). The P3DN training attended by that PPK, the purchase orders for imported goods, and the permit memoranda all postdate that audit finding.

At the planning stage, synchronization had not yet occurred. The planning section, the Household Affairs and State Property Subdivision, and goods users each followed their own logic of functional urgency and budget availability, and the KPA confirmed that P3DN directives were absent during planning.

“When budget ceilings are proposed, I have never heard PDN mentioned. The policy on using domestic products is indeed usually conveyed, but only during the procurement

process, and even then only when the PPK reports a request to purchase imported goods” (KPA, September 19, 2026).

Leadership directives thus emerged only after the constraint had materialized at the weakest link. Upstream units continued to generate PDN-labeled packages without verification, pushing all the work of confirming product status downstream and adding to, rather than relieving, the burden on the weakest link.

Elevating the Constraint. Capacity elevation was analyzed in two directions. Internally, verification capacity was lost whenever officials changed, because knowledge was attached to individuals rather than institutionalized in procedures. The incumbent PPK knew that a method existed for calculating the TKDN value of bundled items but had not mastered it, not having attended P3DN training (PPK2, October 2, 2026). The KPA was willing to assign P3DN training to the PPK, Procurement Officials, and even all employees if such competence was required (KPA, September 19, 2026), an opportunity that has yet to be seized.

Externally, formal *market sounding* had never been undertaken, and informal attempts failed because of the unclear status of bundled items (PPK1, October 5, 2026). Two suppliers illustrate an important pattern. The first labeled all of its products as PDN to rank at the top of search results and never faced any consequences, whereas the second chose not to list products of uncertain origin and thereby lost market opportunities. The findings for these three steps are summarized in Table 4.

Table 4. Summary of Findings on Exploiting, Subordinating, and Elevating the Constraint

Step	Existing Condition	Main Gap	Direction for Improvement
Exploiting the constraint	Preparation worksheet; TKDN certificate-based verification; survey-based HPS; import exemptions	Inverted verification priorities; goods users involved only after requests are returned; verification results not documented	Risk-based verification; checks against the TKDN database; list of verified PDN products
Subordinating other processes	Strong inter-unit support at the execution stage, formed after the 2024 Inspectorate finding	Planning without PDN data or directives; PDN status in SiRUP entered without verification	PDN status field on the request form; PDN status in SiRUP entered after verification; written directives from the planning stage
Elevating the constraint	Complete procurement certification; KPA willing to assign P3DN training	Uneven P3DN and e-Catalogue training; no formal <i>market sounding</i> ; system rewards inaccurate labels	Planned technical guidance, including TKDN for bundled items; <i>market sounding</i> conditional on TKDN certificates; reporting of mislabeling through the UKPBJ

Source: Processed from interviews, observation, and document review (2026)

Discussion

Conditional Compliance and Information Asymmetry. The central finding of this study is that compliance with P3DN at the spending-unit level is conditional. It depends on whether the budget ceiling can absorb price differences and whether implementers can confirm the accuracy of the labels presented by the system. The 100% PDN record across all SiRUP packages, set against far lower realization, reveals the distance between recorded and actual

compliance. Such uniformity is unusual for a spending unit with diverse procurement needs and reflects habitual data entry rather than verification. This pattern resembles *decoupling*, in which organizations satisfy formal demands at the reporting level without commensurate changes in their core practices (Bromley & Powell, 2012). Here, however, the separation arose not from a deliberate strategy to evade obligations but from planning instruments that offered no space to record PDN status accurately.

Conceptually, the weak validity of PDN labels is a problem of information asymmetry. When product attributes are known only to the seller, the market becomes saturated with claims whose truth cannot be distinguished, and honest actors are crowded out (Akerlof, 1970), a mechanism the supplier's admission illustrates plainly. Because quality claims are credible only when independently certified (Dranove & Jin, 2010), declarative and unverified labels effectively reward over-labeling, cost cautious suppliers their visibility, and shift the burden of proof to frontline implementers. Implementers facing heavy workloads and uncertainty tend to develop routines that simplify their tasks (Tummers & Bekkers, 2014), which explains the tendency to check easily verifiable products while bypassing uncertified labeled ones. The problem also extends beyond a single institution: procurement data are an important source for policy evaluation (Fazekas & Kocsis, 2020), so uniform and unverified planning data risk distorting national assessments of P3DN achievement.

These findings complement earlier studies. The limited HR competence and product availability identified by Saragi (2023), the fragmented coordination and weak planning reported by Aldiansyah (2025), and the incomplete e-Catalogue information noted by Hutasuhut et al. (2025) also surfaced here, but in a different position. Whereas previous studies placed these factors side by side as direct causes, this study shows that they act as reinforcing factors, while the constraint binding the entire system resides in information infrastructure beyond the control of the spending unit. The view that e-purchasing supports P3DN (Suryani et al., 2025) therefore holds only if the information conveyed by the system can be trusted, consistent with Nurmandi and Kim (2015), who stressed that e-procurement success is determined by institutional arrangements rather than technology alone.

The price dilemma reinforces the view that using procurement as a policy instrument inevitably creates tension with efficiency objectives and requires adequate implementing capacity (Grandia & Meehan, 2017; Kattel & Lember, 2010). The computer and scanner cases show that imported products can be both cheaper and higher in specification. Patunru (2018) cautions that domestically oriented policies may impose costs on end-users; this study reveals a micro-level form of such costs, in which fixed budget ceilings compel reductions in quantity, substitution of specifications, and import exemptions. An exemption mechanism that requires proof that no substitute is available is a reasonable counterweight, provided that it is applied in a planned rather than a reactive manner.

Theoretical and Practical Implications. The main theoretical contribution lies in applying the Theory of Constraints to public policy implementation. In its classic formulation, a constraint resides within the system and is directly exploitable (Goldratt & Cox, 1984), and adapting the theory beyond manufacturing often requires conceptual modification (Ikeziri et al., 2019; Mwakapemba & Andriana, 2025). This study proposes one such modification: distinguishing the source of a constraint from its point of impact. The source, unreliable labels in the national system, lies beyond the reach of the spending unit, whereas the point of impact, the verification capacity of the PPK and Procurement Officials, lies within its control. This distinction explains why the exploitation and subordination steps remain meaningful even when the primary constraint is external, and why capacity elevation must move in two directions: strengthening internal capabilities and influencing the external source. This is in line with Mabin and Balderstone (2003), who argue that the value of the theory in the public sector lies in focusing attention on the point that most determines performance.

From the perspective of Open Systems Theory, the feedback mechanism for correcting erroneous labels is not yet functioning. The only effective feedback came from outside, namely the 2024 finding of the LAN RI Inspectorate. The gap between planned and realized spending more than halved in 2025 after that finding, although this study does not claim that finding as the sole cause. The organization does learn, but only after being corrected, and such reactive learning is easily lost with each change of officials, as the training gap between the former and incumbent PPK shows.

For the spending unit, this study produced three Standard Operating Procedures: risk-based verification of PDN status supported by a list of verified products; the entry and verification of PDN status from the procurement planning stage onward; and the submission of exemptions for purchasing imported goods, to be communicated to every newly appointed official. These procedures are supported by planned P3DN technical guidance and formal *market sounding* that requires TKDN certificate numbers. For LKPP, as the manager of the e-Catalogue, the findings point to the need to validate PDN labels, for example by requiring TKDN certificate numbers linked to the Ministry of Industry's database, so that PDN status is no longer merely declarative. The monthly reporting channel to the UKPBJ of LAN RI could also forward mislabeling findings to LKPP, creating the feedback loop that has so far been absent.

This study has several limitations. The single-case design limits generalization, although the similarity of the findings to those of earlier studies suggests a broader pattern. The analysis also stops at four focusing steps, so it remains unknown whether the proposed interventions would shift the constraint elsewhere, most likely to the price disparity between PDN and non-PDN products. Future research could examine such a shift and extend the locus to other spending units using a mixed-methods approach.

CONCLUSION

The implementation of the P3DN policy through e-purchasing at Politeknik STIA LAN Makassar is characterized by conditional compliance. Although planned PDN spending exceeded 98% each year, realization reached only 23.36%, 51.42%, and 76.47% in 2023–2025, and this gap does not stem primarily from weak commitment among implementers. The constraint binding the entire system is the weak validity of supplier-declared PDN labels in the e-Catalogue, which shifts the burden of proof onto the PPK and Procurement Officials, who need an average of 19.2 minutes to verify a single product, and distorts planning data from the outset, as all 71 packages planned for 2026, worth IDR 3.21 billion, were recorded as 100% PDN without verification. The organization's responses, namely preparation worksheets, manual verification, survey-based HPS, and import exemptions, have only contained the impact of the constraint. Inter-unit synchronization is strong at the execution stage but has not reached the planning stage, and competence development remains unresponsive. Distinguishing the source of the constraint from its point of impact allows targeted improvement: internally, through risk-based verification, recording PDN status from the moment items are requested, and institutionalizing knowledge through standard procedures; externally, through advocating label validation in the national system, since the effectiveness of label-based policies depends on the reliability of information in digital procurement infrastructure.

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