Abstract

Pertamina is an oil and gas company which activities in up and down stream that owned by government. According to the deregulation policy by government since in 2001, Pertamina is not becoming a single player in oil and gas in Indonesia, especially in down stream activity as a refinery unit, shipping, marketing and distribution. Pertamina must be survive and growth and give a value added to the country by own, because government can not protected any longer from entering the competitors from world wide oil and gas company. Since 2007, Government has been assigned to pertamina to do a new program that named is conversion from kerosine product to liquid petroleum gas 3 kilograms weight. This program is purpose to reduce a government budget minimum 17,01 billion rupiahs annually to substitute the difference between real cost to produce and processes oil form crude until light product, and selling price that regulated by government, as named as one price policy, to make a same selling price for kerosine, gasoline and diesel oil in every place in Indonesia. Goverment has a key performance indicator to pertamina to know how the program still conform to the main ideas or not. According to this KPI’s Pertamina should to do a program is named a Breakthrough Project to make a movement to improve existing supply chain channel for distribution a product to customers.

On this research, we proposed to do a briefly analysis how to make a decision to built and how many unit must be built is named SPBE filling station for bulk liquid petroleum gas, especially three kilogram weight in province east java, to achieve the goverment program with the key indicator are, all of the demand must be supplied, no shortage event and the minimum transportation and distribution cost.

Analysis using a quantitative methods that named P-Median, with primary indicators are all of the demands must be supplied on 31 city/rural district in province of east java, no shortage evidence during implementation of the program and the important purpose is to minimize transportation and distribution cost. The final result are Pertamina must be: built a mid supply point in 14 median or areas, 79 units filling station, to assure total Demand on 31 city/rural distric can fullfill in province east java is 7.873.043,- kilogram per day, no shortage event and minimum distribution cost is Rp. 1.580.675.179,- per day.

Keywords: Conversion Program; Goverment Assignment; P-Median; Mid Supply Point; Demand; No Shortage; Minimum Distribution Cost.