E-procurement is a process of electronic based goods/service procurement (web or internet based). E-procurement is encouraged by the weaknesses of conventional system of procurement which is done by direct meeting of related parties. E-procurement exists to make use of information technology advancement in the process of procuring goods and service, as well as to realize an efficient, effective, transparent, and fair goods and service procurement process. In reality, E-procurement has some difficulties and obstacles in the process. That is why it is important to know the application of e-procurement in every step and the effect of E-procurement application towards the performance and efficiency of procurement. The research is done in Surabaya government institutions.

This research uses survey method. The population and sample of this research is procurement committee or parties involved in procurement process, especially E-procurement. Later, data is analyzed with Double Linear Regression Analysis for simultaneous and partial judgment as well as descriptive explanation.

The result of this study is the application of E-procurement in procurement process of Surabaya government can be categorized as full E-procurement. Influential variables towards procurement performance include better centralized management, creation of clean, transparent, and acceptable procurement, and the improvement of customer satisfaction. Additionally, influential variables towards procurement efficiency are reduced cost per tender and reduced time of procurement process. The result of this study is expected to help the development of next researches and studies about e-procurement.

Key words: e-procurement, goods and service procurement system, performance, efficiency