Science tells us that use of technology will improve performance jobs. The application of e-procurement in purchasing goods should be the same.

There are two important things discussed in this thesis. Firstly, it does not discuss e-procurement theory from IT aspect but the e-procurement in practice called Gulf Procurement on Line or GPO. E-procurement is used in purchasing goods in Procurement Dept. of Gulf (Indonesia) Resources Ltd. or GIRL. This is the 1st e-procurement in Indonesia and the 1st e-procurement in Gulf international. Secondly, it discussed the effect of e-procurement in performance improvement due to application of e-procurement.

Quantitative method is used to analyze the 2102 population data which were produced in year 2001. They are analyzed using a simple linear regression.

The results of analysis show some significant effects, processing time increased almost 2 times, invited vendors become unlimited in numbers, vendors submitting quotations increased 3 times, and there was a Break Event Point (BEP) in the development of this GPO program to the goods. Meanwhile, Contract budgets are always categorized as a cost by Company.