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Building a Superior Strategy Using a Resource Base Theory Approach in the Procurement Process of Subcontractors and Suppliers in the Supply Chain for Building Construction Projects

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Abstract

The ongoing effects of the COVID-19 pandemic have certainly impacted the Indonesian economy, including the construction services business. The current increase in development of the construction services business is expected to become one of the economic recovery sectors after the Covid-19 pandemic. The challenges of construction projects are hefty. Therefore, there needs to be comprehensive management, such as supply chains, delivery systems in the goods and services procurement system, and construction quality. This research is on how to manage the procurement process for subcontractors and suppliers in the supply chain at construction service companies to work well to support the completion of construction project work on time, quality, and cost through the Resource Base View (RBV) approach so that the company can compete and excel in the construction services business. This research was conducted at PT. Adhi Persada Building, Mixed Used Transpark Bekasi Area Project. Data analysis includes reduction, data presentation, conclusion drawing & verification. The results of the study show that the supply chain strategy for getting superior subcontractors and suppliers in implementing construction projects is formed using the principles of Good Corporate Governance by paying attention to healthy financial aspects, experience, and specialists in their fields, having company legality, economic capabilities, experience in the field, quality and quality guarantees, competitive prices, commitment, and communication. Bona fide partners, as main contractors, need to build the company's image by maintaining partner trust through fulfilling obligations to partners and maintaining communication for the sustainability of the relationship. Appointing specialist Subcontractors and Suppliers in their fields by the main contractor can minimize risks, reduce costs, and build trust in the assignor or Owner because they can deliver services according to the contract, guarantee implementation costs, and guarantee the results of the work.

Keywords: *Subcontractors; Suppliers; Supply Chain; Good Corporate Governance*

Introduction

The construction services business is vital to economic, social, and cultural growth. The ongoing effects of the COVID-19 pandemic have certainly impacted the Indonesian economy, including the construction services business. The current increase in development of the construction services business

is expected to become one of the economic recovery sectors after the Covid-19 pandemic. The development of the construction services business in Indonesia is currently experiencing very tight competition, so construction services companies must continue to improve their competitiveness in the form of product quality, timeliness of implementation, and accuracy of production costs so that construction services companies can continue to get new projects continuously and become The leading choice of the task provider or Owner in implementing a construction project.

Special attention must be given to the management of construction project implementation when implementing a construction services business. The challenges of construction projects in the future are demanding. Therefore, there needs to be comprehensive management, such as supply chains, delivery systems in the goods and services procurement system, and construction quality. The problems often found include the completion of project implementation that is not on time or later than the planned time, being over budget, or the cost of project implementation and the quality of the work results not being met.

Implementing the construction services production process requires the involvement of many experts. It is because the implementation of construction project work is complex, requiring and forming a complex supply chain. This complexity requires management of the relationships between the chains involved. The availability of a construction supply chain is an essential factor in supporting the implementation of construction projects in development for economic, social, and cultural growth. The construction supply chain includes coordinating all parts of suppliers, contractors, and service users directly and indirectly to achieve project goals.

Good construction supply chain management is needed to reduce problems in project implementation. A good construction supply chain will improve contractor performance when implementing a project. One strategy to achieve a good construction supply chain is construction supply chain management. It is necessary to develop a good supply chain management strategy for them to increase the efficiency and effectiveness of construction services businesses.

The importance of supply chain management is stated in Law number 02 of 2017 is the uncertainty of supply, demand, and information required for managing the supply chain of material resources and construction equipment to prepare a base of material resources and construction equipment, minimizing information uncertainty related to the availability of material resources and construction equipment by Indonesian National Standards, guaranteeing the implementation of infrastructure development that is of the right quality, on time and at the correct cost, and supports the fulfillment of security, safety, health and sustainability standards.

Hugos (2011) states that companies must make collective decisions to improve and achieve an effective supply chain. In supply chain management, there are 5 (five) main areas: production, inventory, location, transportation, and information. According to Pujawan (2017), there are three types of flow in the supply chain flow process, all of which are essential in the supply chain management process. The types of flow are the flow of goods that flows from upstream to downstream, the flow of money and the like that flows from downstream to upstream, and the flow of information that can occur from upstream to downstream or vice versa.

When companies are faced with the fact that the number of suppliers is quite diverse in terms of number, type, brand, and quality offered and that each supplier has different competitive strengths, as well as the fact that the needs of consumers are increasingly varied in quantity, And how to obtain it, the company must be able to choose the right strategy so that supply chain management performance remains optimal to support the company's business processes.

In a construction project, the main contractor requires specialist personnel for certain work that requires special skills and material supplies from suppliers. In this case, the main contractor collaborates

with subcontractors and suppliers as suppliers of goods and services in the supply chain. Subcontractors and suppliers are quite an important part of a construction project.

According to Messah et al. (2012), the selection of subcontractors and suppliers in construction projects is essential in keeping up with the growth of the construction industry, so the main contractor as the executor needs subcontractors or specialist contractors for specific jobs that require particular expertise and material suppliers for material procurement. The selection of subcontractors and suppliers is an essential part of a construction project because the highest cost composition of the total value of the construction project implementation costs is the cost of carrying out work by subcontractors and suppliers. Mistakes in selecting subcontractors and suppliers will impact the success of a project, affecting project performance, namely project delays, failure in project quality, and additional project costs.

According to Muharram, DR (2017), for a company to win business competition in the long term, it must have the right strategy, including aligning its resources with the market it wants to target without ignoring its environment. Organizations should respond to the challenges of changes in the internal and external environment as opportunities to find new ways to gain a competitive advantage over competitors. Companies must also be able to provide more value to consumers and other related parties (stakeholders). Companies can apply an approach based on the Resource Base View (RBV) to face various challenges and opportunities. Through RBV, companies can build sustainable Competitive Advantage through heterogeneous resources.

According to Rengkuang (2015), the Resource Base View (RBV) concept makes an organization dependent on optimizing its resources compared to competitors. A company will be considered successful and able to maintain its existence if it has unique resources that exceed those possessed by competitors. Resource Base View (RBV) focuses on achieving Competitive Advantage based on ownership of specific company resources, such as company capabilities.

Construction service companies will continue to be able to compete in the construction services business, namely companies that focus on company resources and capabilities or the ability to apply the Resource Base View (RBV) concept in determining competitive strategies by using resources to achieve quality, timeliness, and cost so that the company and attain Competitive Advantage and continuing company sustainability in the construction business market.

The research was conducted at the construction services company PT Adhi Persada Building. PT Adhi Persada Gedung is a subsidiary of PT Adhi Karya (Persero) Tbk. PT Adhi Persada Gedung is currently implementing construction work on the Bekasi Transpark Building Construction Project. The Bekasi Transpark Area Building Construction Project includes structural, architectural, and MEP (Mechanical, Electrical, and Plumbing) work. PT. Adhi Persada Gedung, as the main contractor in procuring goods and services, collaborates with Subcontractors and Suppliers as suppliers during the implementation of the Construction Work process.

The most significant percentage in the process of procuring goods and services or the supply chain process is the critical point in the implementation of construction projects, which has an impact on delays in the implementation time of construction projects, additional costs for implementing construction projects, and the quality of the results of construction project work is not met. During the construction process, there were changes in subcontractors and implementing suppliers, so the main contractor looked for subcontractors and alternative supporting suppliers. This took time in the procurement process, disrupting the implementation of project production and resulting in additional costs due to increases in the unit price of work by subcontractors and alternative supporting suppliers.

In practice, there are changes in unit prices due to changes in subcontractors and suppliers as alternative supporting suppliers during the construction implementation period. There is a need for a procurement strategy for subcontractors and suppliers as suppliers in the construction project supply chain

in terms of the conditions that must be met by suppliers based on the criteria of the leading contractor company so that the final project goals in terms of quality, quality, time and cost are achieved. Superior subcontractors and suppliers are assets or resources owned by the main contractor to ensure the sustainability of the construction business.

Manambing et al. (2014) conducted supply chain management planning analysis research. The results of the research determined that the right subcontractors and suppliers must be able to produce, maintain quality, and implement and deliver projects in a timely manner, as well as provide maximum service and facilitate information and communication.

Sabri et al. (2020) conducted research on supplier selection and supply chain configuration in environmental projects. The research result is that it is necessary to pay attention to the conditions for choosing a supply chain, which must be in accordance with the construction services company's supply chain strategy.

Puspitasari et al. (2016) researched environmentally friendly supplier selection using the analytical network process (ANP) method. The critical research results for the success of construction service companies include determining subcontractors and suppliers. Appropriately selected subcontractors and suppliers can ensure stock of material requirements and delivery certainty and manage product flow.

Kholik et al. (2020) researched the sustainable competitive advantage of natural schools using the resource-based view (RBV) model. The research results show that companies can create a sustainable competitive advantage (Sustainable Competitive Advantage) by maximizing their resources.

Dasuki (2011) conducted analytical research on the Resource Based View (RBV) theory approach in strategic management. The research results show that using resources has many potential advantages for the company. The resource-based view emphasizes increasing competitive advantages from the organization's strategic resources. Competitive advantages enable the company to obtain superior performance.

Based on this background, the problem formulation in this research is how to manage the procurement process for subcontractors and suppliers in the supply chain at construction service companies so that it works well and supports the completion of construction project work on time, quality, and cost through the Resource Base View (RBV) so companies can compete and excel in the construction services business.

Literature Review

Resource Based Theory

The concept of Resource Based Theory was first developed by Barney (1991), according to Barney Resource Based Theory which originates from the principle that a company's primary resources to create competitive advantage are in its internal environment. The uniqueness and capabilities of internal resources determine competitive advantage. According to the Resource Based View (RBV) concept, a company is a collection of strategic and productive resources that are unique, rare, complex, complementary, and difficult for competitors to imitate, which can be utilized as elements to maintain its competitive strategy. The Resource View concept requires capability expertise and ways to combine assets, workforce, and processes a company uses to convert input into output.

According to Butarbutar & Tricahyono (2017), the resource-based model Resource Based View believes a company is determined by its characteristics. This model focuses on developing and acquiring

valuable resources and capabilities that are difficult for competitors to imitate. According to the RBV perspective, differences in company performance are caused primarily by the uniqueness of the company's resources and capabilities and not by the characteristics of the industry structure.

Network Design

According to Pujawan (2010), network design is an important activity that must be carried out in supply chain management. Implementation of a supply chain strategy can only take place effectively if the supply chain has a network with an appropriate configuration. It means the network structure or configuration can determine whether a supply chain will be responsive or efficient. Networking in the supply chain is critical in building strong collaboration, increasing operational efficiency, and enabling adaptation to market changes. With good networking, stakeholders can work together to optimize the supply chain and achieve Competitive Advantage.

Construction Management

According to Angelo & Williams (2018), management is defined as pursuing goals effectively and efficiently by integrating people's performance results through planning, organizing, leading, and controlling the resources owned by the organization. Griffin (2013) defines management as a collection of activities, including planning and decision-making, organizing, leading, and controlling, directed at organizational resources such as human, financial, physical, and information, with the aim of achieving organizational goals efficiently and effectively.

According to Hafnidar (2016), construction management is an effort carried out through a management process, namely planning, implementing and controlling project activities from start to finish by allocating resources effectively and efficiently to achieve satisfactory results according to the desired targets. .

Management in construction is a tool for making project activities effective and efficient. The parameters used here are a function of time, quality, and cost of each construction project activity. So, to organize/arrange these activities, someone must first understand and comprehend the problem from start to finish; in other words, we must approach the construction as a whole.

Supply Chain Management

According to Ismail (2013), Supply chain management is a network of companies that work together to create and deliver a product to the end user. These companies usually include suppliers, factories, distributors, shops or retailers, and supporting companies such as logistics service companies. According to Mentzer and Christopher (2011), supply chain management is a management strategy for all business functions, including several streams, upstream or downstream, for several aspects of the supply chain system. Supply Chain Management includes all business functions coordinated within the company and other companies in the supply chain. Supply Chain Management strategy is needed to help achieve the company goals desired in the company strategy. Innovation in Supply Chain Management strategic approaches will enable companies to excel in competition.

Three types of flows must be managed in supply chain management, namely:

1. A stream that flows from upstream to downstream.
2. The flow of money or the like that flows from downstream to upstream.
3. The flow of information can occur from upstream to downstream or vice versa.

According to Pujawan (2010), a supply chain is a network of companies that work together to create and deliver a product to the end user. These companies usually include suppliers, factories,

distributors, shops or retailers, and supporting companies such as logistics service companies. In a supply chain, there are traditionally three types of flows that must be managed. First is the flow of goods from upstream to downstream. Second is the flow of money, which flows from downstream to upstream. Third is the flow of information from upstream to downstream or vice versa.

Construction Supply Chain

According to Oktaviani (2019), in the context of construction, the supply chain can be defined as a process from a set of activities changing natural materials to become final products (such as roads or buildings) and services (such as planning or costs) for use by clients without ignoring organizational boundaries. According to Vrijkoef (2011), the supply chain is a collaborative network of companies that interact to deliver products (goods or services) to end customers, a relationship between material flows from raw materials to the final delivery of the chain. Activities in the project location have a network between one activity and another. Outside the project location are suppliers, subcontractors, designers, and owners who work together directly or indirectly to form a supply chain to support the smooth running of activities within the project location.

Methods

The method used in this research is qualitative research. According to Sugiyono (2013), qualitative research methods are research methods based on the philosophy of postpositivism, used to research the conditions of natural objects, where the researcher is the key instrument, data collection techniques are carried out triangulation (combined), data analysis is inductive/qualitative. , and the results of qualitative research emphasize meaning rather than generalization.

Based on these descriptions and explanations, this research uses a qualitative phenomenology approach to implementing construction projects. Qualitative phenomenology is an approach or method appropriate for answering problematic phenomena in the construction services business supply chain process in more depth to the research objects directly involved, Namely subcontractors and suppliers as external informants as suppliers in the construction services business and main contractors as internal informants who are involved in making decisions in the subcontractor and supplier procurement process.

The research was conducted at PT Adhi Persada Gedung, a mixed-used Transpark Bekasi Area Project located on Jl. Ir. Juanda Number 180, Bulak Kapal, East Bekasi. The research was conducted because the construction work process accounts for the most significant percentage of the procurement of goods and services, in this case, the implementation of construction work by subcontractors and suppliers as suppliers in the supply chain.

Data analysis in this research was carried out during and after data collection. At the time of the interview, the researcher had carried out an analysis of the interviewee's answers. If the answers interviewed after analysis feel unsatisfactory, then the researcher will continue asking questions again until a particular stage and obtain data that is considered credible. Activities in data analysis are carried out iteratively and continue continuously until completion so that the data is saturated. Activities in data analysis are data reduction, data presentation, conclusion drawing & verification.

Result

Management Determination in Obtaining Subcontractors and Suppliers in The Supply Chain

One of the factors for a company's success in the construction services business is the ability to determine suppliers. Supply chain management in supply chain management is a technique for deciding

suppliers and distributing supplies to final customers (Kasengkang et al., 2016). Determining suppliers quickly and on target guarantees speed in supplying a specific flow of goods and services that regulates the continuity of the production process (Jannah et al., 2020).

Based on the interview results above, the supply chain management (SCM) process is critical in the construction services business. The key factor to the success and strength of the construction services business is in the supply chain process (supply chain) procurement of goods and services, and in the supply chain process of construction service companies is the ability and success of construction service companies in delivering what the Taskmaster or Owner desires and in Its implementation requires and collaborates with specialist Subcontractors and Suppliers in their fields.

By appointing specialist subcontractors and suppliers in their fields to complete construction projects, the company can strategically compete with its resources to continue to be sustainable and obtain a competitive advantage. The company's approach to competitive strategy through its resources is based on Resource Base Theory, in which its leading resources for creating competitive advantage are in its internal environment (Barney, 1991).

The key to the success of a construction services company includes determining subcontractors and suppliers. Appropriately selected subcontractors and suppliers can ensure stock of material requirements and delivery certainty and manage product flow (Puspitasari et al., 2016). Determining Subcontractors and Suppliers is a problem in itself where there are many criteria, not only based on price, to obtain optimal supply chain performance, you must combine several factors by the company's GCG (Good Corporate Governance) principles so that the company can continue to be competitively superior in a sustainable manner. Companies can create sustainable competitive advantages (Sustainable Competitive Advantage) by maximizing resources (Kholik et al., 2020).

Determining the right Subcontractors and Suppliers is not only capable of producing, maintaining quality and quality, timely implementation and delivery. Still, it must be able to provide maximum service and ease of information and communication (Manambing et al., 2014). So, it is necessary to pay attention to the conditions for choosing a supply chain, which must be based on the supply chain strategy that is the goal of the construction service company (Sabri et al., 2020). It is in line with the results of interviews delivered by critical informants, primary informants, and supporting informants, who said that:

Key informant (RI.1) Mr. Hanif Setyo Nugroho, said that:

> *"The terms and conditions are contained in the SOP. Prospective partners must fulfill them because the corporation must satisfy good GCG to continue sustainability in its business, ensuring that subcontractors and suppliers with records and experience meet good GCG".*

The main informant (RI.2), Mr. Lilik Widayanto, said that:

> *"PT. APG, a subsidiary of ADHI, to get Subcontractors and Suppliers with complete data in the form of company legality, company experience, healthy finances, and smooth cash flow so that the quality is right, time, and price".*

The main informant (RI.3), Mr. Joni Doriza, said that:

> *"To become a partner of PT. APG companies have standards that must be met as an evaluation, namely the partner's ability in terms of company legality, experience, and financial capabilities, so that partners can support PT. APG and there are SAL and VAL evaluations every month as an assessment of partner performance capabilities".*

The main informant (RI.4), Mr. Agung DP, said that:

> *"Financial capabilities of Subcontractors and Suppliers, experience of Subcontractors and Suppliers in construction project work, and production capacity for current and future construction projects".*

Implementation of Construction Project Work Results by Appointing Subcontractors and Suppliers in Terms of Quality, Time, and Cost

The level of success of the construction services business in carrying out projects is a benchmark for construction companies to achieve work results in terms of quality, time, and cost by obtaining increasingly extensive new contracts.

The main contractor, subcontractor, and supplier are specialists in implementing construction projects to achieve time and cost to create or compare company performance in their field and business.

Construction work by appointing specialist Subcontractors and Suppliers in their fields to create excellent and efficient supply chain management will develop a competitive advantage in the construction services business in terms of cost, quality, delivery time, and accuracy of product results to end customers (Jamaludin, 2021d).

Subcontractors and specialist suppliers are part of the company's resources that need to be maintained and nurtured to continue to develop and innovate so that the company's performance continues to grow and is able to compete. The use of resources has many potential advantages for the company. The resource-based view emphasizes increasing competitive advantage that comes from Organizational strategic resources, which enable companies to obtain superior performance (Dasuki, 2011).

This is in line with the results of interviews delivered by critical informants, primary informants, and supporting informants who said that:

Key informant (RI.1) Mr. Hanif Setyo Nugroho, said that:

> *"Subcontractors and Suppliers are involved as part of the SCM scope management project strategy and for specialist work. Their presence is significant to ensure that the scope that the Main Contractor delivers according to the contract is achieved. Mitigating risks (shared risks) in terms of cost, product, legal, and quality is the responsibility of the Subcontractor and Supplier".*

Appointing subcontractors and suppliers who are specialists in their field creates a competitive advantage for the company. It increases the trust of the assignor because they can deliver services at the right quality, time, and cost because they involve specialists in their field.

The main informant (RI.2), Mr. Lilik Widayanto, said that:

> *"Using specialist Subcontractors and Suppliers in their fields does not require a lot of workshops and human resources, transferring risks during the implementation period, quality accuracy, quality, time and costs, during the maintenance period is the responsibility of the Subcontractor and Vendor".*

Appointing specialist Subcontractors and Suppliers in their fields is expected to achieve quality, time, and cost objectives so that the Owner forms trust, Subcontractors and Vendors, competitive prices, small implementation risks, specialists carry out maximum results, the company can implement company principles and values (GCG) business continues to be sustainable.

The main informant (RI.3), Mr. Joni Doriza, said that:

"The results obtained are more precise in terms of quality, time, and cost because they are carried out by specialists in their field".

Appoint specialist Subcontractors and Suppliers in their fields, ensure definite costs from start to finish of implementation, and guarantee that the work will be carried out according to quality, quality, time, and price, with specialist Subcontractors and Suppliers having a standard system as a guarantee of quality and results, superior in quality and Quality allows for repeat orders from the Owner, transferring risks during implementation and maintenance.

The main informant (RI.4), Mr. Agung DP, said that:

"Quality is guaranteed, work results can be accounted for, and risks can be minimized if PT APG is carried out by itself".

Appointing specialist Subcontractors and Suppliers in their fields transfers risks from general Maincontractors to specialist Subcontractors and Suppliers to minimize risks so that quality, work quality, and cost accuracy are achieved according to plan. This Helps Subcontractors and Vendors continue to develop, creating new jobs to improve the Indonesian economy.

Discussion

How Does Management get Subcontractors and Suppliers in the Supply Chain?

Management requirements in determining and appointing subcontractors and suppliers in the procurement of goods and services are presented as follows:

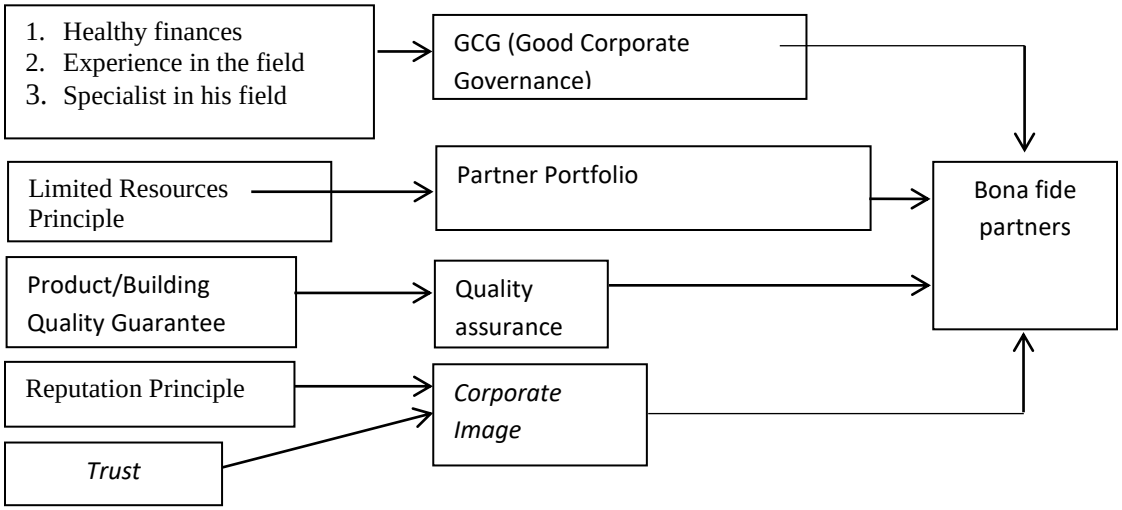

Figure 1. Management Requirements in Determining Subcontractors and Suppliers in the Supply Chain

Management in obtaining Subcontractors and Suppliers in the supply chain is based on collecting research data through interviews and direct observation data (observation) to describe data from interviews and direct observation into text form (transcription process), then interpreted and grouped or called coding (Diah, 2021)

In obtaining subcontractors and suppliers, management determines the conditions that partners must meet based on the company's GCG (Good Corporate Governance) principles in procuring goods and

services. The conditions specified are that Subcontractors and Suppliers must follow SOPs, be specialists in their fields, have records and experience in meeting the company's GCG, have company legality, experience, healthy finances, smooth cash flow, suitable quality, time and price, financial capability, have production capacity, not in legal trouble, has a clear marketing and operational system.

How to Implement the Results of Construction Project Work by Appointing Subcontractors and Suppliers in Terms of Quality, Time, and Cost

Implementation of the results of construction project work by appointing subcontractors and suppliers in terms of quality, time, and expenses is presented as follows:

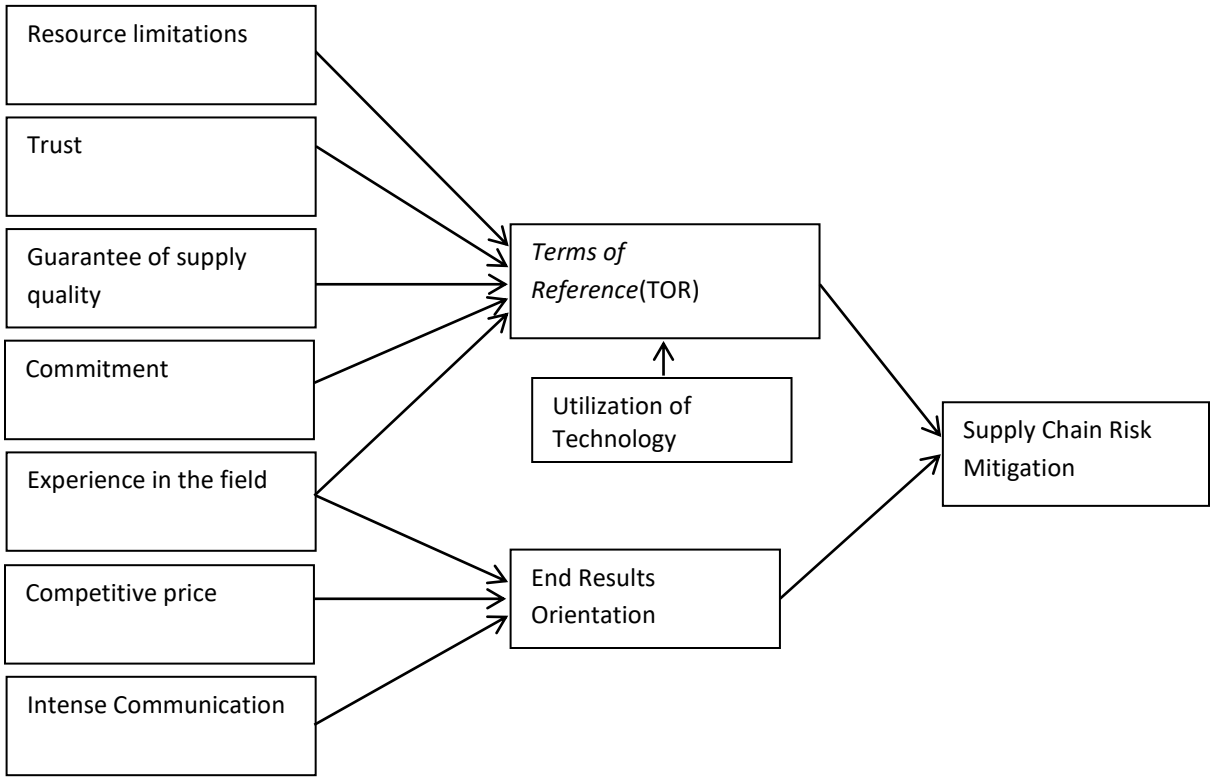

Figure 2. Implementation of construction project work results in appointing Subcontractors and Suppliers as implementation in terms of quality, time, and cost

Implementation of construction project work results by appointing Subcontractors and Suppliers in terms of quality, time, and costs based on collecting research data through interviews and direct observation data (observation) to describe data from interviews and direct observation into text form (transcription process), then interpreted and grouped or called coding (Diah, 2021).

In implementing construction projects, main contractors need subcontractors and suppliers who are specialists in their fields. The function of appointing subcontractors and suppliers in the implementation of construction projects is to obtain materials, both goods and services, at competitive prices compared to market prices, good quality in accordance with project needs, and guarantees for the quality of materials (Septian, 2020).

Construction work by appointing specialist Subcontractors and Suppliers in their fields to create excellent and efficient supply chain management will develop competitive advantages in the construction services business in terms of cost, quality, delivery time, and accuracy of product results to end customers (Jamaludin, 2021d).

Appointing subcontractors and suppliers forms a business network, an integral part of networking in the supply chain. Building good relationships with suppliers, manufacturers, distributors, logistics parties, and customers can help increase visibility, reduce risks, and expand business opportunities. Strong networks also enable the exchange of knowledge and innovation between various parties involved in the supply chain (Pujawan, 2010).

Build a Theory of Supply Chain Strategy in The Building Construction Services Business

Subcontractors and specialist suppliers are part of the company's resources that must be maintained and nurtured to continue to develop and innovate so that the company's performance continues to grow and can compete. The use of resources has many potential advantages for the company. The resource-based view emphasizes increasing competitive advantage from Organizational strategic resources, which enable companies to obtain superior performance (Dasuki, 2011).

In theory, The critical role of resources consisting of human capital, structural capital, relational capital, and customer capital for achieving sustainable competitive advantage is that a company is required to be able to create value that is beneficial to its consumers, only owned by a few companies, complex for competitors to imitate and supported by company management. Long-term company growth will be safe (Mulyono, 2013)

Supply chain management is a technique for determining suppliers, subcontractors, and suppliers and planning and delivering to the final consumer (Kasengkang et al., 2016). Determining subcontractors and suppliers is one of the success factors for a company. Quick and accurate determination of subcontractors and suppliers will guarantee the flow of goods and services during the uction procnah et al., 2020). Determining Subcontractors and Suppliers is a significant activity in procuring goods and services to gain competitive advantage (Widianto, 2012). The key to the company's success includes determining subcontractors and suppliers. Appropriately selected subcontractors and suppliers can ensure material stock and regulate product flow (Puspitasari & Yancadianti, 2016).

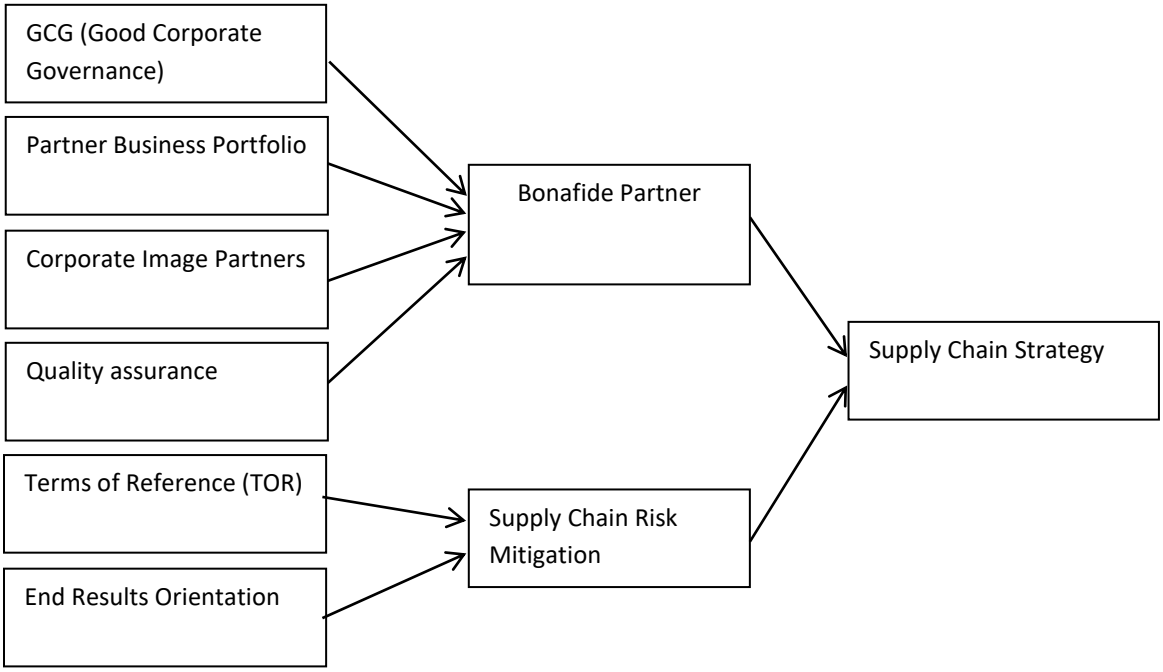

Figure 3. Building a Superior Strategy In The Subcontractor And Supplier Procurement Process In The Construction Project Supply Chain

Based on the results of the analysis of existing problems, to build a superior strategy in the Subcontractor and Supplier procurement process in the construction project supply chain (figure 3) as follows:

Bonafide Partner

The successful implementation of a construction project is in the process of the main contractor or principal contractor determining subcontractors and suppliers who are specialists in their field as suppliers. One of the factors for a company's success in the construction services business is the ability to determine suppliers, supply chain management in supply chain management is a technique for deciding suppliers, distributing supplies to end customers (Kasengkang et al., 2016).

In determining Subcontractors and Suppliers, they must meet several criteria and principles for main contractors to compete superiorly with competitors. Optimal supply chain performance must be by GCG (Good Corporate Governance) so that the conditions for selecting Subcontractors and Suppliers are to the goals of construction companies (Sabri et al., 2020) to create competitive advantages by maximizing the resources they have (Kholik et al., 2020), namely Subcontractors and Suppliers.

As suppliers, Subcontractors and Suppliers are required to meet the requirements criteria determined by the main contractor in the form of a Subcontractor and Supplier business portfolio, including company legality, financial capability, experience, quality assurance, and quality, competitive prices, production capacity, communication systems, delivery, technical capabilities, and compliance, towards fulfilling implementation procedures (Septian, A., 2020).

Risk Mitigation

The main contractor's decision to appoint subcontractors and suppliers as implementers and suppliers in the construction project supply chain is part of risk mitigation, namely minimizing or transferring risk to subcontractors and suppliers. Risks can occur due to inaccuracies in appointing Subcontractors and Suppliers; in this case, the main contractor arranges the procurement of Subcontractors and Suppliers, starting from the procurement, implementation, and closing process in the form of a clear work reference framework to provide final results in the form of accuracy, quality, time and costs. There is a need for planning, implementing, and controlling goods, services, and information so that the correct goods and quantity are obtained at the right time and the right price (Albăstroiu, 2013).

Building construction companies, in creating a supply chain strategy, need to choose bona fide partners who can mitigate risks so that quality, quality, time, and cost are achieved appropriately and according to the request of the tasker or owner. Bonafide pOwnerrs are subcontractors and suppliers who can fulfill the partner requirements determined by the main contractor, namely having GCG (Good Corporate Governance), a business portfolio as a partner, a partner's corporate image as a specialist in their field, and having a guarantee for the quality of the work done. Supply chain risk mitigation is the ability of partners as subcontractors and suppliers as specialists in their fields to complete work based on the working framework or terms of reference (TOR) with results-oriented according to quality, quality, time, and cost.

Conclusion

The formulation of a supply chain strategy to obtain superior subcontractors and suppliers in the implementation of construction projects is formed based on the GCG (Good Corporate Governance) principle that bona fide partners who have healthy finances, experience and are specialists in their field are registered as proven by the company's legality, financial capability, experience in their field. , quality assurance and quality, competitive prices, commitment and communication, and bona fide partners as

main contractors need to build the company's image by maintaining partner trust through fulfilling obligations to partners, as well as maintaining communication for the sustainability of the relationship.

Appointing specialist Subcontractors and Suppliers in their fields by the main contractor can minimize the risk of quality, quality and cost objectives being achieved, building trust in the assignor or Owner because the owner delivers services according to the contract, the certainty of implementation costs, and guarantees for the results of the work.

Implications

According to the Resource Based View (RBV) concept, a company is a collection of strategic and productive resources that are unique, rare, complex, complementary, and difficult for competitors to imitate, which can be utilized as elements to maintain its competitive strategy. Resource Theory originates from the principle that a company's leading resources for creating competitive advantage are in its internal environment (Barney, 1991).

Supply chain management is a network of companies that work together to create and deliver a product to the end user. These companies usually include suppliers, factories, distributors, shops, retailers, and supporting companies such as logistics service companies.

Based on the Resource-based Theory, a company is a collection of resources utilized to maintain a competitive strategy and create a competitive advantage. The supply chain management process involves Subcontractors and suppliers who work together with the main contractor due to the limited resources owned by the main contractor. Subcontractors and suppliers are resources owned by construction companies with specialist capabilities in their field to deliver services of the right quality, quality, time, and cost to the task provider or Owner. Manage structured subcontractor and supplier selection strategies to continue to be developed following the needs and requests of task providers for the continuity of the main contractor's business and to be able to compete to create a competitive advantage.

The contribution of supply chain management strategy in the development of the RBV theory (Resource Base Theory) is the company's strategic way of utilizing and optimizing its internal resources through collaboration with subcontractors and specialist suppliers in their fields. This saves costs and resources and allows the company to develop other valuable resources, achieving long-term competitive advantage.

Limitations and Future Research Directions

Researchers realize that the research results are still not perfect, there are weaknesses, deficiencies and limitations. The limitation of this research is that it is limited to a particular company's construction business, so it is difficult to recommend and generalize broader findings. The measurement and evaluation of results are not optimal because they do not consider external aspects such as construction business conditions, market price aspects, regulation changes, and the availability of subcontractors and specialist suppliers in their fields.

Further research or a future research agenda is needed to complement and perfect the results of this research and obtain a superior strategy for procuring subcontractors and suppliers in the construction business.

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