

ABSTRACT

Bidding strategy is the initial process of the project implementation in the construction project life cycle. Project performance is a criterion in assessing of the project success while company performance defined as the records of outcomes produced on a specified job function or activity during time periods. This study aims to identify the factors influence on bidding strategy, analysis the relationship between bidding strategies to the project and company performance, and the simulation of the relation each other in construction (SP-K).

The methods used are surveys and case studies. The surveys were conducted through questionnaire and interviews with 61 major contractors in Indonesia and case studies carried out on the one of major contractors in Denpasar. Data were analyzed using Multivariate Analysis with Structural Equation Modeling Partial Least Square and System Dynamics Analysis.

The research shows that SP-K model consists of three relationships between variables. First the influence of bidding strategy to the project performance was positive significant. Second the influence of project performance to the company performance also positive significant, and third the influence of bidding strategies to the company performance through the project performance were positive significant, at 5% level of significance. Therefore project performance becomes a perfect mediation of bidding strategy and company performance relationship. The most influential dimensions of bidding strategy are the economic situation, the competition, contract, company characteristics, company experience, client characteristics, project characteristics, benefit, project financing and bidding situation. Project performance most influence factor such as time, productivity, cost, quality, safety and environment. While the financial aspect, internal business process, environment, customer satisfaction and learning and growth is the most decisive dimension of company performance. The models simulation suggest that the enhancement of bidding strategy 11,02%-20,86% will obtain project performance 10,55%-11,15%, and company performance 8,24%-9,39% from the bidding price. Futhermore the success of company performance influence the activities on bidding strategies and project performance such as increase of contract price and project profit. The limitation of this study was done only on the large contractor, with traditional project delivery system. The suggestion is needed to do further research on various project delivery system.

Keywords: Bidding Strategy, Project Performance, Company Performance, Construction Project