

ABSTRACT

Every construction project had their own feasibility study for fund allocation purpose. This amount of fund and guide the owner in design phase until the tender proccess. During this phase, if the actual budget prediction already exceed the allowance fund, then the design need to be revise. Generally the owner will not do any design revise if the ammount money that has been final in tender proccess did not exceed the bugdet. The final tender bid will be the final owner estimate. The problem happen if during the construction there is a condition that force a major change to the design. Of course it will affect the project schedule, quality and cost.

Sistematically problem solving needed to preserve the owner estimate budget. The solver must consider the time schedule, and may not reduce the specification and quality that is final in the tender. The alternate design should consider all thing that will be happen in the object future. For that reason, value engineering method should be the right to be applicate in this study. In the process the value engineering will be used with pareto law methode and cost model in deciding the potential study object. At last object that will produce a low cost construction.

Key words: Value Engineering, Cost, Budget