ABSTRACT

Contruction services project, especially buildings, is a very tight competition in industrial property as well as having a relatively high risk during the implementation stage. The purpose and objectives of this study are to determine anything on dominant risk which could lead to cost overrun and its prevention measures in the implementation of building project, so that losses due to the risk of cost overrun can be avoided.

The methods used in this this study is descriptive and causal, risk measurement of cost overrun and performance of the projects are based on perception of the project's head with a 30 (thirty) people population of respondents and a survey research.

Based on the analysis of risk weights in every each dimension, the greatest risk factor that happening is the material price increases, design changes, the occurrence of idle cost due to delays in decision-nominated sub contractor by the owner, an accident of labor and an additional overhead costs due to late completion time.

Analytical result of bivariate correlations between the risk of cost overrun and the performance showed a significant relationship in dimension of the cost and of the contract documents. While the cost overrun risk regression result give effect as 69,4 %, which means that the risk of cost overrun can be used by decision makers to anticipate the largest risk of cost overrun which is the dimension of cost and of the contract documents with multiple response/ prevention in order to the company could avoid the losses.