# Implementation of the North West Corner Rule and Loop Construction Method to Minimize Material Distribution Cost on Ameroro Dam Access Road Project (Package II)

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Abstract-Construction projects consist of several work items and require resources to achieve the success of project work including materials and costs. The material required in large quantities in the implementation cannot always be fulfilled by one material source alone, therefore several material sources are needed so that the material demand needs can be met. Especially if it consists of several project locations and must be fulfilled by several material sources. This study aimed to minimize the distribution cost of class A LPA material from the source of material collection, namely in Konaweha, Pondidaha and Moramo to the Ameroro Dam Access Road project site (Package II), namely the Entrance to the Dam Segment 1, Segment 2 and Segment 3. The results were obtained by implementing the North West Corner Rule and Loop Construction methods can minimize the cost of material distribution from the initial solution of Rp. 1,887,700,000, - to Rp. 1,849,500,000, - so that the difference in cost reduction is Rp. 38,200,000, - with a minimum cost percentage of 2.02%.

Keywords—Projects, Materials, North West Corner Rule, Loop Construction

#### I. Introduction

The success of a construction services sector is highly dependent on optimizing three key elements, namely cost, time and quality. Each element has a vital role and is interrelated with each other. In the current era of engineering technology, delays often occur in project completion. Lack of effective planning in managing resources can have a negative impact on project execution.[1]

The distribution of materials certainly requires a lot of transportation costs, especially in the context of the access road to the Ameroro Dam, which includes the Dam Entrance Road in Segment-1, Segment-2, and Segment-3. This structure is legal and serves as the entrance to the dam, where materials are collected from more than one source of material location. Therefore, careful planning is required to ensure maximum efficiency in the distribution

costs incurred. Therefore, alternatives are needed to help minimize these costs.

The transportation algorithm recognizes three kinds of methods to construct the initial table, namely:

- a) Northwest Corner Rule Method
- b) Least Cost Method
- c) VAM or Vogell's Approximation Method

The three methods above each serve to determine the initial distribution allocation that will make all source capacity allocated to all destinations.

After the initial table preparation is complete, the next step is to test the optimality of the table to determine whether the total distribution cost is minimum. Mathematically, this test is done to ensure that the minimum objective function value has been achieved. There are two kinds of table optimality testing and minimum cost transportation algorithm:

- a) Modified Distribution Method (MODI)
- b) Loop Construction Method

In this research, the initial base solution uses the North West Corner method and the optimal solution uses the Loop Construction method

In the NWCR method, it can be determined from a reference, namely located in the upper left corner, then walking towards the right path. While the least cost method is the opposite, the least cost method has no reference point but focuses on the smallest value first.

The aim of the NCR method was to provide an initial solution in the transportation or distribution model of materials with the aim of minimizing the distribution costs of materials or any similar products. The objectives of the transportation model involve the following:

1. Production planning.

2. Determine the amount that must be sent from each source based on its capacity to each destination, according to needs, so that total transportation costs can be minimized

The transportation distribution trajectory model from source to destination can be described as follows:

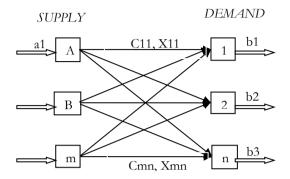


Figure 1. Transport distribution model of a Network

Formulation of a general linear programming model of a transportation problem:

$$Z = C1X1 + C2X2 + C3X3 + \dots CNXN$$

- Z = Minimum costs amount (Rp.)
- C = Transportation Unit Price between material source and destination (Rp./m³)
- X = The amount or quantity transported from source to destination (m<sup>3</sup>)

# II. Research Methodology

The research location was on the Ameroro dam access road, Konawe Regency, Southeast Sulawesi Province (Package II), namely the Entrance Road to the Dam (Segment-1, L=3355 m, (Segment-2, L=2050 m) and the Entrance Road to the Valve House (Segment 3, L=750 m) and there were three locations Material collection is in Konaweha, Pondidaha and Moramo.

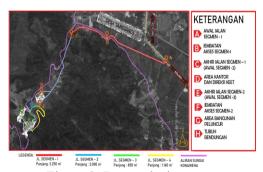


Figure 2. Research sites

The model applied in this research was the transportation model, which focused on minimal cost planning to distribute goods from various material sources to certain destinations, such as Segment 1, Segment 2, and Segment 3.

#### 1. Northwest Corner Rule Method

The Northwest Corner Rule method was the method used as the initial solution in determining the material distribution model. The steps can be explained as follows:

- a. Start from the top left corner (northwest of the table) and allocate as much as possible without exceeding supply and demand constraints.
- b. Delete any rows or columns that can no longer be allocated, then allocate as many as possible to the box next to the undeleted rows or columns. If a column or row is exhausted, move diagonally to the next square.
- c. Continue the process until all offers have been allocated and demand requirements have been met.

After all demand requirements are met, the next step was to carry out calculations to determine whether the composition at this stage is optimal using the multipliers method. If the table has not reached the minimum cost for non-basic unit costs, then the process continues with the loop construction method.

#### 2. Loop Construction Method.

The steps for testing the Loop Construction method were carried out as follows:

- a. Select an unused box to evaluate.
- b. Starting from that square, find a closed path that returns to the starting square through the squares in use, with vertical and horizontal movement permitted. Empty or filled boxes can be skipped.
- c. Start by marking unused squares with a plus sign (+), placing a plus sign and a minus sign alternately on each square on the closed path just passed.
- d. Calculate the improvement index by adding the unit cost in each box that has a plus sign, then subtracting the unit cost in each box that has a minus sign.
- e. Repeat steps a through d until the repair index for all unused squares is calculated. If all the calculated indices are minus (-) or equal to zero, the optimal solution is considered achieved. [2]

The condition for achieving minimum costs is if the unit costs for non-basic variables reach a value of (-)

or zero (0) and the material distribution model is optimal.

A detailed analysis of the implementation cost budget for material sources (SM) around the project location and material needs at the location has been carried out to meet the need for class A aggregate material for LPA work.

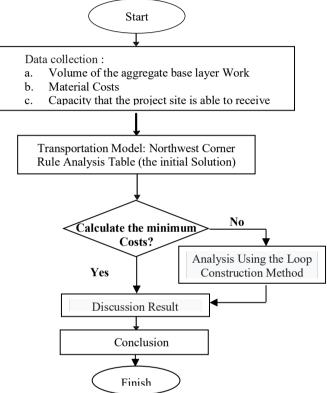


Figure 3. Research Flow Chart

Ta	Table 2.1 Material requirements data				
No	Section Name	Requirements			
		$(m^3)$			
1	Segment 1	3.200			
2	Segment 2	2.000			
3	Segment 3	800			
Amount o	f material requirements	6000			

	Tabel 2.2 Material Availability				
No	Material Source	Supply Scenario (m <sup>3</sup> )			
1	Konaweha	700			
2	Pondidaha	2.800			
3	Moramo	2.500			

Tabel 2.3 Scenario Material costs until arriving at the location

Supply – Demand	Seg. 1 (Rp./m3)	Seg. 1 (Rp./m3)	Seg. 1 (Rp./m3)
SM 1	296.000	298.000	325.000
SM 2	299.000	335.000	300.000
SM 3	317.000	325.000	350.000

## ш. Results and Discussion

Survey results and analysis of transportation costs, along with the required volume of class A aggregate material for the top foundation/base course work (thickness = 15 cm), are presented for the Ameroro Dam Construction Work in Konawe Regency, Southeast Sulawesi Province (Package II).

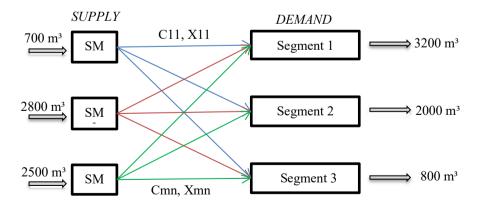


Figure 4. Material Distribution Path Solution Model

Total Supply = 
$$700 + 2.800 + 2.500$$
  
=  $6.000 \text{ m}^3$ 

Total Demand =  $3.200 + 2.000 + 800 = 6000 \text{ m}^3$ Total Supply = Total Demand

Table 3.: Transportation Table by NCR Method

SUPPLY - DEMAND	SEG.1 (V1)	SEG.2 (V2)	SEG.3 (V3)	SUPPLY
SM1 (U1)	296.000	298.000	325.000	- 700
SWI (U1)	700	NB	NB	- 700
CM2 (H2)	299.000	335.000	300.000	- 2.800
SM2 (U2)	2.500	300	NB	2.800
CM2 (II2)	317.000	325.000	350.000	2 500
SM3 (U3)	NB	1.700	800	2.500
DEMAND	3.200	2.000	800	6.000

The cost units in this condition (in the basic part) are:

Z = (700 x Rp. 296,000) + (2,500 x Rp. 299,000)

+ (300 x Rp. 335,000)+ (1,700 x Rp. 325,000)

+ (800 x Rp. 350,000)

Z = Rp. 207,200,000,-+Rp. 747,500,000,-

+ Rp. 100,500,000,- + Rp. 552,500,000,-

+ Rp. 280,000,000,-

Z = Rp. 1,887,700,000,-

So the cost for the basic part is Rp. 1,887,700,000,-To find out whether the composition at this stage is minimum, use the Method of Multipliers, namely:

U1 + V1 = Rp. 296,000

U2 + V1 = Rp. 299,000

U2 + V2 = Rp. 335,000

U3 + V2 = Rp. 325.000

U3 + V3 = Rp. 350.000,

Jika U1 = 0, maka V1 = Rp. 296.000

U2 = Rp. 3.000

V2 = Rp. 332.000

U3 = Rp. -7.000

V3 = Rp. 357.000

Unit costs (Non Basic part) are:

$$C12 = U1 + V2 - C12$$

=Rp. 34.000,-

C13 = U1 + V3 - C13

= 0 + Rp. 357.000, - Rp. 325.000, -

= Rp. 32.000,-

C23 = U2 + V3 - C23

= Rp. 3000,- + Rp. 357.000,- - Rp. 300.000,-

= Rp. 60.000,

With the largest positive value on C23, X23 is the basic variable. To determine the variables to be excluded, one can use the Loop Construction method, which involves forming closed polygons.

The North West Corner Rule method is one of the easiest transportation methods to implement, but the results are, of course, not optimal. In this NWCR method, the source and destination locations are sorted from left to right and from top to bottom in the data matrix map. The method for calculating transportation costs using the NWCR method starts from the top-left side, then moves left or down based on source production capacity (supply) and/or destination request (demand).

The North West Corner method is not effectively used to minimize the costs of transporting materials from multiple sources to various project locations. Therefore, it is supplemented with the final method or loop construction method to search for minimum transportation costs and optimal distribution patterns.

When comparing the North West Corner Rule method with the Least Cost method, which serves as the initial solution for the transportation model, the Least Cost method calculates the cost burden first, aiming to minimize costs through systematic allocation to boxes based on the standard amount of transportation per unit.

	Tab	ole 4. Phase I Itera	ation	
SUPPLY - DEMAND	SEG.1 (V1)	SEG.2 (V2)	SEG.3 (V3)	SUPPLY
SM1 (U1)	296.000	298.000	325.000	- 700
5W1 (C1)	700	NB	NB	700
	299.000	335.000	300.000	
SM2 (U2)	2.500	-300	+NB	2.800
	317.000	325.000	350.000	
SM3 (U3)	NB	+1.700	-800	2.500
DEMAND	3.200	2.000	800	6.000

Based on table 4, the variable that will leave the basic variable and become a non-basic variable is X22 because it has the smallest negative value, namely - 300 m<sup>3</sup>.

	Table 3. Filasi	e i iteration Kesui	118	
SUPPLY - DEMAND	SEG.1 (V1)	SEG.2 (V2)	SEG.3 (V3)	SUPPLY
CM1 (III)	296.000	298.000	325.000	700
SM1 (U1)	700	NB	NB	700
CM2 (H2)	299.000	335.000	300.000	2 900
SM2 (U2)	2.500	NB	300	2.800
CM2 (112)	317.000	325.000	350.000	2.500
SM3 (U3)	NB	2000	500	2.500

3.200

2.000

Table 5. Phase I Iteration Results

The cost units in this condition (in the basic part) are:

**DEMAND** 

Z = Rp. 1.869.700.000,

So the cost in the basic part for iteration 1 is **Rp.** 1,869,700,000,-

Next, use the Method Of Multipliers, namely: U1 + V1 = Rp. 296.000,

6.000

800

U2 + V1 = Rp. 299.000,

SM3 (U3)

DEMAND

+NB

3.200

= U3 + V1 - C31C31 Rp. 53.000,-Rp. 296.000,-- Rp. 317.000,- = Rp. 3200,-

C31 has the largest positive value, then X31 will be a basic variable. continued with the Loop Construction method

2.500

6.000

-500

800

	Table 6. Phase 2 Iteration			
SUPPLY - DEMAND	SEG.1 (V1)	SEG.2 (V2)	SEG.3 (V3)	SUPPLY
CN (4 (T14)	296.000	298.000	325.000	- 500
SM1 (U1)	700	NB	NB	700
	299.000	335.000	300.000	
SM2 (U2)	-2.500	NB	+300	2.800
	317.000	325.000	350.000	

The non-basic variable is X33 because it has the smallest negative value, namely 500 m<sup>3</sup>.

2000

2.000

Table 7 Phase 2 Iteration Results

	Tai	ole 7. Filase 2 fter	ation Results	
SUPPLY - DEMAND	SEG.1 (V1)	SEG.2 (V2)	SEG.3 (V3)	SUPPLY
03.54.6740	296.000	298.000	325.000	
SM1 (U1)	700	NB	NB	700
(3.10.(110)	299.000	335.000	300.000	2.000
SM2 (U2)	2.000	NB	800	2.800
03.52.633	317.000	325.000	350.000	
SM3 (U3)	500	2000	NB	2.500
DEMAND	3.200	2.000	800	6.000

C12 has the largest positive value, then X12 will be a basic variable, Loop Construction method.

SUPPLY - DEMAND	SEG.1 (V1)	SEG.2 (V2)	SEG.3 (V3)	SUPPLY
SM1 (U1)	296.000 - <b>700</b>	298.000 +NB	325.000 NB	700

Table 8. Phase 3 Iteration

CM4 /II4)	296.000	298.000	325.000	700
SM1 (U1)	-700	+NB	NB	700
SM2 (U2)	299.000	335.000	300.000	2.800
SWI2 (U2)	2.500	NB	800	2.000
(3.10 (110)	317.000	325.000	350.000	2.500
SM3 (U3)	+500	-2000	500	2.500
DEMAND	3.200	2.000	800	6.000

X21 because it has the smallest negative value, namely -700 m<sup>3</sup>.

Tabel 9. Phase 2 Iteration Results

SUPPLY- DEMAND	SEG.1 (V1)	SEG.2 (V2)	SEG.3 (V3)	SUPPLY
CM (4 / T14)	296.000	298.000	325.000	700
SM1 (U1)	NB	700	NB	700
	299.000	335.000	300.000	
SM2 (U2)	2.000	NB	800	2.800
	317.000	325.000	350.000	
SM3 (U3)	1.200	1.300	NB	2.500
DEMAND	3.200	2.000	800	6.000

Z = Rp. 1.849.500.000,

So the cost in the basic part for iteration 3 is **Rp. 1.849.500.000,-**

# Method Of Multipliers:

$$U1 + V2 = Rp. 298.000,$$

$$U2 + V1 = Rp. 299.000,$$

$$U2 + V3 = Rp. 300.000,$$

$$U3 + V1 = Rp. 317.000,$$

$$U3 + V2 = Rp. 325.000,$$

Jika U1 = 0, maka 
$$V2 = Rp. 298.000$$
,-

$$U3 = Rp.27.000,$$
-

$$V1 = Rp. 290.000,$$

$$U2 = Rp. 9.000$$
,

$$V3 = Rp. 291.000,$$

Unit cost (bagian Non Basik) yaitu:

$$C11 = U1 + V1 - C11$$
  
= 0 + Rp. 290.000,- - Rp.

296.000,-

$$= - Rp. 6.000,-$$

$$C22 = U2^{1} + V2 - C22$$

$$C33 = U3 + V3 - C33$$

Because the Unit Cost in the Non-Basic Variable received a Negative value (-), this condition reached the Minimum Cost. If a sensitivity analysis was carried out by varying material distribution costs or material capacity, it minimized material distribution costs. If the volume of each material source and the needs at the project location were different and changed, the minimum value of material distribution costs also changed.

The implementation of the northwest corner rule method on the Ameroro dam access road project (Package II) minimized material distribution costs from three material sources for segment 1, segment 2, and segment 3 access roads from the initial solution of Rp. 1,887,700,000.00,- to Rp. 1,849,500,000.00,- with a cost reduction percentage of 2.02%.

The minimum costs obtained after applying the loop construction method may change if influenced by costs, required material capacity, and material availability at material sources. The application of the North West Corner Rule and Loop Construction methods minimized material distribution costs. These two methods could also be applied to various types of construction projects with other similar products or materials, for example, cement, sand, gravel, manufactured concrete, or other products, especially similar products.

Table. 9 Percentage Cost Reduction

<b>Iteration Stage</b>	<b>Material Costs</b>	
Initial Solution	Rp. 1.887.700.000,-	
Iteration 1	Rp. 1.869.700.000,-	
Iteration 2	Rp. 1.853.700.000,-	
Iteration 3	Rp. 1.849.500.000,-	
Cost Reduction	Rp. 38.200.000	
Cost Reduction Percentage	2,02 %	

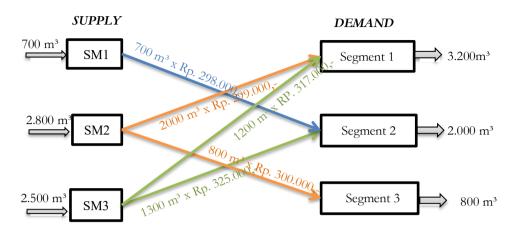


Figure 2. Material Supply Scenario Model (Class A LPA Material Distribution)





Figure 3. Correlation of the results of the iteration stages with class A aggregate material costs

#### Conclusion

Based on the description of the results and discussion, the following conclusions can be drawn:

- 1. The Class A LPA material distribution process, by implementing the northwest corner rule method on the Ameroro dam access road project (Package II), involves the following:
- For segment 1, 3200 m3 of material is required, taken from Pondidaha (SM2) and Moramo (SM3).
- For segment 2, 2000 m3 of material is needed, sourced from Konaweha (SM1) with 700 m3 and Moramo (SM3) with 1,300 m3.
- For segment 3, 800 m3 of material is necessary, taken entirely from Pondidaha (SM2).
- 2. The implementation of the northwest corner rule method on the Ameroro dam access road project (Package II) minimizes material distribution costs

for segment 1, segment 2, and segment 3 access roads. The costs decrease from the initial solution of Rp. 1,887,700,000.00 to Rp. 1,849,500,000.00, resulting in a cost reduction percentage of 2.02%.

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