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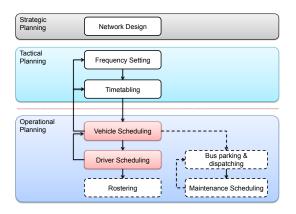
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- 1 Introduction
- 2 Vehicle Scheduling (VS)
- 3 Capacitated VS
- 4 Multidepot VS
- 5 VS and Column Generation

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(Desaulniers&Hickman2007)



Strategic Planning: Network Design (Urban)

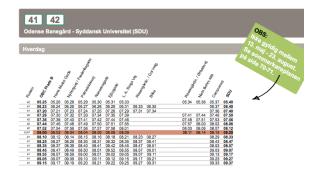


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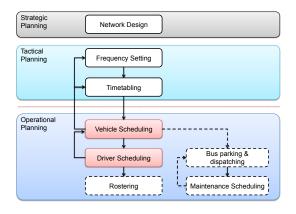
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Tactical Planning: Frequency Setting and Timetabling



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(Desaulniers&Hickman2007)





Vehicle Scheduling (VS)

| bus costs (DM) | urban | % | regional | % |
|----------------|---------|-------|----------|-------|
| crew | 349,600 | 73.5 | 195,000 | 67.5 |
| depreciation | 35,400 | 7.4 | 30,000 | 10.4 |
| calc. interest | 15,300 | 3.2 | 12,900 | 4.5 |
| materials | 14,000 | 2.9 | 10,000 | 3.5 |
| fuel | 22,200 | 4.7 | 18,000 | 6.2 |
| repairs | 5,000 | 1.0 | 5,000 | 1.7 |
| other | 34,000 | 7.1 | 18,000 | 7.2 |
| total | 475,500 | 100.0 | 288,900 | 100.0 |

Ralf Borndörfer

03.10.2009

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the quest for optimality

Using solvers & heuristics to solve complex problems

SMART MODELS START SMALL

Smart models start small

Posted on SEPTEMBER 9, 2013 Written by MARC-ANDRE CLEAVE A COMMENT

There is only one good way to build large-size or complex optimization models: to start by a small model and adding elements gradually until you get the model you wanted in the first place. I have seen so many people (including myself) try to build large-size, complex models from scratch, only to spend countless frustrating hours trying to debug all kinds of problems. It just doesn't work.

A better approach is to start with the simplest version of the model. On or two

Multidepot VS

Vehicle Scheduling

Given a timetable as a set $V = \{v_1, \dots, v_n\}$ of **trips**, where for each trip v_i we have:

 t_i : departure time

a; : arrival time

o_i: origin (departure terminal)

d_i: destination (arrival terminal)

| Vi | t i | ai | Oi | di |
|------------|------------|------|----------------|----------------|
| Vį | 7:10 | 7:30 | Ta | T _b |
| V 2 | 7:20 | 7:40 | Τ _c | T _d |
| V 3 | 7:40 | 8:05 | Ть | Ta |
| V 4 | 8:00 | 8:30 | Td | Tc |
| V 5 | 8:35 | 9:05 | Τ _c | Td |

Given the **deadheading trips** (i.e. trips without passengers) of duration h_{ii} between every pair of terminals

| hij | Ta | Tb | Te | Td |
|-----|----|----|----|----|
| Ta | 0 | 15 | 20 | 20 |
| Tb | 15 | 0 | 25 | 10 |
| Te | 20 | 25 | 0 | 15 |
| Td | 20 | 10 | 15 | 0 |

Definition (Compatible Trips)

A pair of trips (v_i, v_i) is compatible if and only if $a_i + h_{ii} \le t_i$.

Vehicle Scheduling

Definition (Vehicle Duty)

A subset $C = \{v_{i_1}, \dots, v_{i_k}\}$ of V is a **vehicle duty (or block)** if $(v_{i_j}, v_{i_{(j+1)}})$ is a compatible pair of trips, for $j = 1, \dots, k-1$

Definition (Vehicle Schedule)

A collection C_1, \ldots, C_r of *vehicle duties* such that each trip v in V belongs to exactly one C_j with $j \in \{1, \ldots, r\}$ is said to be a **Vehicle Schedule**

Vehicle Scheduling: Example

| Vi | t i | ai | O i | di |
|------------|------------|------|----------------|----------------|
| VI | 7:10 | 7:30 | T_a | T_b |
| V 2 | 7:20 | 7:40 | T_{ϵ} | Td |
| V 3 | 7:40 | 8:05 | Tb | Ta |
| V4 | 8:00 | 8:30 | T_d | Τ _c |
| V 5 | 8:35 | 9:05 | Τ _c | Td |

| hij | Ta | Tb | T_{ϵ} | Td |
|----------------|----|----|----------------|----|
| Ta | 0 | 15 | 20 | 20 |
| T _b | 15 | 0 | 25 | 10 |
| T_{ϵ} | 20 | 25 | 0 | 15 |
| Td | 20 | 10 | 15 | 0 |

Example: These 5 trips can be scheduled with 2 vehicle duties:

- $C_1 = \{v_1, v_3\}$
- $C_2 = \{v_2, v_4, v_5\}$

Further Features of the Problem

- Limited number of vehicles
- Minimize fleet size (number of vehicles)
- Minimize operational costs (given by pull-out and pull-in from depots and deadheading trips)
- Multiple depots
- Different types of vehicles with different operational costs located at a single depot

Vehicle Scheduling and Matchings

Introduction

We build a complete bipartite graph $G = (S, T, A_1 \cup A_2)$

- $S = \{d_1, \dots, d_n\}$: a node for each arrival terminal
- $T = \{o_1, \dots, o_n\}$: a node for each **departure terminal**

S

(∘ı)

(d2)

(02)

 (d_3)

(03)

(04)

Vehicle Scheduling and Matchings

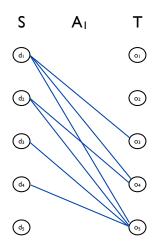
We build a complete bipartite graph $G = (S, T, A_1 \cup A_2)$

• $A_1 = \{(d_i, o_i) \mid (v_i, v_i) \text{ is a compatible pair of trips}\}$

| Vi | ti | ai | Oi | di |
|------------|------|------|----------------|----------------|
| Vį | 7:10 | 7:30 | Ta | T _b |
| V 2 | 7:20 | 7:40 | Τ _ε | Td |
| V 3 | 7:40 | 8:05 | Ть | Ta |
| V4 | 8:00 | 8:30 | Td | Τ _ε |
| V 5 | 8:35 | 9:05 | Τ _ε | Td |

Introduction

| hij | Ta | Ть | Τ _ε | Td |
|----------------|----|----|----------------|----|
| Ta | 0 | 15 | 20 | 20 |
| T _b | 15 | 0 | 25 | 10 |
| Τ _ε | 20 | 25 | 0 | 15 |
| Td | 20 | 10 | 15 | 0 |

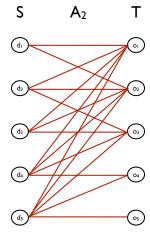


• $A_2 = A \setminus A_1$, where each $(d_i, o_i) \in A_2$ corresponds to

1 pull-out: deadheading trip from d_i to the depot

2 pull-in: deadheading trip from the depot to o_i

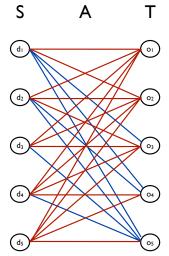
| Vi | t i | ai | Oi | d i |
|------------|------------|------|----------------|----------------|
| Vį | 7:10 | 7:30 | T_a | Tb |
| V 2 | 7:20 | 7:40 | T_{ϵ} | Td |
| V 3 | 7:40 | 8:05 | T_b | Ta |
| V4 | 8:00 | 8:30 | Ta | Τ _ε |
| V 5 | 8:35 | 9:05 | T_{ϵ} | Td |



Complete bipartite graph

Introduction

| Vi | t i | ai | Oi | di |
|------------|------------|------|----------------|----------------|
| Vį | 7:10 | 7:30 | Ta | Tb |
| V 2 | 7:20 | 7:40 | Τ _c | T _d |
| V 3 | 7:40 | 8:05 | Tb | Ta |
| V4 | 8:00 | 8:30 | Td | T_{ϵ} |
| V 5 | 8:35 | 9:05 | Τ _c | T _d |



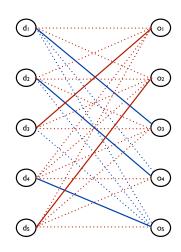
Example of solution:

Introduction

•
$$C_1 = \{v_1, v_3\}$$

•
$$C_2 = \{v_2, v_4, v_5\}$$

| Vi | t i | ai | Oi | di |
|------------|------------|------|----------------|----------------|
| Vį | 7:10 | 7:30 | Ta | Tb |
| V2 | 7:20 | 7:40 | Τ _c | T _d |
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| V4 | 8:00 | 8:30 | Td | Τ _c |
| V5 | 8:35 | 9:05 | Tc | T _d |



Single Depot VS and Integer Linear Programming

Integer Linear Programming formulation:

$$\min \quad \sum_{ij \in A} c_{ij} x_{ij} \tag{1}$$

s.t.
$$\sum_{i \in S} x_{ij} = 1$$
 $\forall j \in T$ (2)

$$\sum_{j \in T} x_{ij} = 1 \qquad \forall i \in S \tag{3}$$

$$x_{ij} \in \{0,1\} \qquad \forall (i,j) \in A. \tag{4}$$

To minimize the fleet size we set:

- $c_{ij} = 1$ for each $(i, j) \in A_2$

Integer Linear Programming formulation:

$$\min \quad \sum_{ij \in A} c_{ij} x_{ij} \tag{5}$$

s.t.
$$\sum_{i \in S} x_{ij} = 1$$
 $\forall j \in T$ (6)

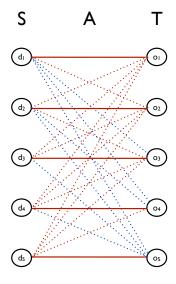
$$\sum_{j \in T} x_{ij} = 1 \qquad \forall i \in S \tag{7}$$

$$x_{ij} \in \{0,1\} \qquad \forall (i,j) \in A. \tag{8}$$

To minimize the operational costs we set:

- if $(i,j) \in A_1$, c_{ij} is the deadheading costs from d_i to o_j plus the idle time cost before the starting of v_j
- 2 if $(i,j) \in A_2$, c_{ij} is the sum of the pull-out and pull-in costs

Question: with very high idle time costs?



What if the number of vehicles is limited?

How can we modify the ILP formulation?

How can we modify the Assignment formulation?

Single Depot VS: Capacitated Matching

Integer Linear Programming formulation:

$$\min \quad \sum_{ij \in A} c_{ij} x_{ij} \tag{9}$$

s.t.
$$\sum_{i \in S} x_{ij} = 1$$
 $\forall j \in T$ (10)

$$\sum_{j \in T} x_{ij} = 1 \qquad \forall i \in S \tag{11}$$

$$\sum_{ij\in A_2} x_{ij} \le k \tag{12}$$

$$x_{ij} \in \{0,1\} \qquad \forall (i,j) \in A. \tag{13}$$

How can we modify the Assignment formulation?

(Recall) Minimum Cost Flow Problem

Given a directed graph G = (N, A), where

- each node i has a **flow balance** parameter b_i (if $b_i > 0$ is a source node, if $b_i < 0$ sink node, if $b_i = 0$ transhipment node)
- each arc (i, j) has a non negative cost cii
- each arc (i,j) has a **non negative capacity** u_{ii}

the problem of finding a *feasible* flow f_{ii} on each arc that respects the node flow balances and the arc capacities, and which minimize the summation $\sum_{ij \in A} c_{ij} f_{ij}$, is called the

Minimum Cost Flow Problem

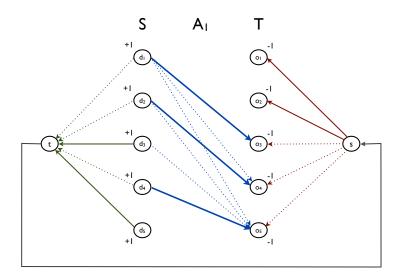
Min Cost Flow: Computational Complexity

Good news: Min Cost Flow is Polynomially Solvable!

| $O(\mathfrak{nU}\cdot\mathrm{SP}_+(\mathfrak{n},\mathfrak{m}))$ | Edmonds and Karp [24]; Tomizawa [70] successive shortest path |
|--|---|
| $O(\mathfrak{m} \log U \cdot \mathrm{SP}_+(\mathfrak{n},\mathfrak{m}))$ | Edmonds and Karp [24] capacity-scaling |
| $O(\mathfrak{m} \log \mathfrak{n} \cdot \mathrm{SP}_+(\mathfrak{n},\mathfrak{m}))$ | Orlin [60] enhanced capacity-scaling |
| $O(nm\log(n^2/m)\log(nC))$ | Goldberg and Tarjan [38] generalized cost-scaling |
| $O(nm \log \log U \log(nC))$ | Ahuja, Goldberg, Orlin, and Tarjan [1] double scaling |
| $O((\mathfrak{m}^{3/2}\mathfrak{U}^{1/2}+\mathfrak{m}\mathfrak{U}\log(\mathfrak{m}\mathfrak{U}))\log(\mathfrak{n}\mathfrak{C}))$ | Gabow and Tarjan [30] |
| $O((nm + mU \log(mU)) \log(nC))$ | Gabow and Tarjan [30] |

Table 1: Best theoretical running time bounds for the MCF problem

Capacitated Matching: Min Cost Flow Formulation



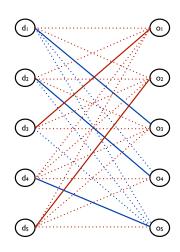
Example of solution:

Introduction

•
$$C_1 = \{v_1, v_3\}$$

•
$$C_2 = \{v_2, v_4, v_5\}$$

| Vi | t i | ai | Oi | di |
|-----------------------|------------|------|----------------|----------------|
| Vį | 7:10 | 7:30 | T_a | Tb |
| V ₂ | 7:20 | 7:40 | T_{ϵ} | T _d |
| V 3 | 7:40 | 8:05 | Tb | Ta |
| V4 | 8:00 | 8:30 | Td | Τ _c |
| V 5 | 8:35 | 9:05 | Tc | T _d |



Min Cost Flow: LP formulation

$$N = S \cup T \cup \{s,t\}$$

•
$$A = A_1 \cup \{(s,i)|i \in S\} \cup \{(t,i)|i \in T\} \cup \{(t,s)\}$$

$$\min \quad \sum_{i \in A} c_{ij} x_{ij} \tag{14}$$

s.t.
$$\sum_{ij\in A} x_{ij} - \sum_{ij\in A} x_{ji} = b_i \qquad \forall i \in \mathbb{N}$$
 (15)

$$x_{ts} \leq k$$
 (16)

$$x_{ij} \leq 1 \qquad \forall ij \in A \setminus \{t, s\} \qquad (17)$$

$$x_{ij} \ge 0 \qquad \forall ij \in A \qquad (18)$$

Capacitated Single Depot VS: Questions?

Matching and Min Cost Flow: which is the difference in term of graph sizes?

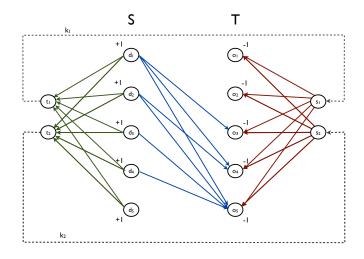
What if the vehicles are located in different depots?

What if there is a single depot, but the vehicles have different types, and hence different operational costs?

Real life: Société de Transport de Montreal [HMS2006]

- 665 Bus Lines
- 7 Depots, capacities between 130 and 250
- 17.037 trips

Let D be the set of depots, and let k_h be the capacity of depot h. For each depot h we introduce the pair $\{s^h, t^h\}$.



Multi Depot Vehicle Scheduling: First Formulation

•
$$N = S \cup T \cup \{\{s^h, t^h\} \mid h \in D\}$$

•
$$A = A_1 \cup \{(t^h, s^h), h \in D\} \cup \{(s^h, i) \mid i \in S, h \in D\} \cup \{(t^h, i) \mid i \in T, h \in D\}$$

$$\min \quad \sum_{i:\in A} c_{ij} x_{ij} \tag{19}$$

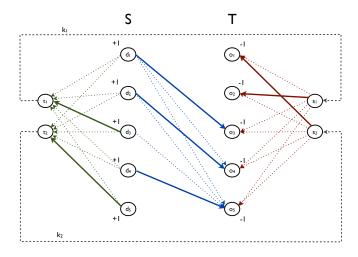
s.t.
$$\sum_{ij \in A} x_{ij} - \sum_{ij \in A} x_{ji} = b_i \qquad \forall i \in N$$
 (20)

$$x_{t^h s^h} \le k_h \qquad \forall h \in D \qquad (21)$$

$$x_{ij} \leq 1 \qquad \forall ij \in A \setminus \{\{t^h, s^h\}, \forall h \in D\} \qquad (22)$$

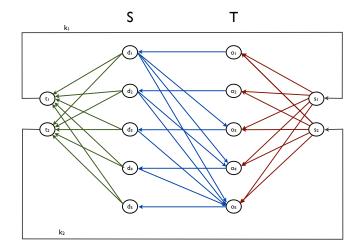
$$x_{ij} \ge 0 \qquad \forall ij \in A \qquad (23)$$

Does each vehicle return to the origin depot?



Min Cost Flow: ILP formulation

- $N = S \cup T \cup \{\{s^h, t^h\} \mid h \in D\}$
- $A = \bigcup_{h \in D} \{A_1 \cup \{(s^h, o_i), (o_i, d_i), (d_i, t^h) \mid i \in V\} \cup \{(t^h, s^h)\}\}$



- $N = S \cup T \cup \{\{s^h, t^h\} \mid h \in D\}$
- $A = \bigcup_{h \in D} \{A_1 \cup \{(s^h, o_i), (o_i, d_i), (d_i, t^h) \mid i \in V\} \cup \{(t^h, s^h)\}\}$

(MDVS) min
$$\sum_{h \in D} \sum_{ij \in A} c_{ij}^h x_{ij}^h$$
 (24)

s.t.
$$\sum_{h \in D} \sum_{ij \in A} x_{ij}^h = 1 \qquad \forall i \in S$$
 (25)

$$\sum_{ij\in A} x_{ij}^h - \sum_{ij\in A} x_{ji}^h = 0 \qquad \forall i\in N, \forall h\in D \quad (26)$$

$$x_{ts}^h \le k_h \qquad \forall h \in D \tag{27}$$

$$x_{ij}^h \in \{0,1\}$$
 $\forall h \in D, \forall ij \in A \setminus \{s^h, t^h\}$ (28)

Min Cost Flow: LP relaxation

•
$$N = S \cup T \cup \{\{s^h, t^h\} \mid h \in D\}$$

•
$$A = \bigcup_{h \in D} \{A_1 \cup \{(s^h, o_i), (o_i, d_i), (d_i, t^h) \mid i \in V\} \cup \{(t^h, s^h)\}\}$$

$$\begin{aligned} & \min \quad \sum_{h \in D} \sum_{ij \in A} c^h_{ij} x^h_{ij} \\ & \text{s.t.} \quad \sum_{h \in D} \sum_{ij \in A} x^h_{ij} = 1 \qquad \forall i \in S \\ & \sum_{ij \in A} x^h_{ij} - \sum_{ji \in A} x^h_{ji} = 0 \qquad \forall i \in N, \forall h \in D \\ & x^h_{ts} \le k_h \qquad \forall h \in D \\ & 0 \le x^h_{ij} \le 1 \qquad \forall h \in D, \forall ij \in A \setminus \{s^h, t^h\} \end{aligned}$$

Lagrangian Relaxation

We keep the integrality constraint, but we relax the assignment constraint:

$$z_{LB} = \Phi(\lambda) = \min \sum_{h \in D} \sum_{ij \in A} c_{ij}^h x_{ij}^h - \sum_{i \in S} \lambda_i \left(\sum_{h \in D} \sum_{ij \in A} x_{ij}^h - 1 \right)$$
(29)

s.t.
$$\sum_{ij\in A} x_{ij}^h - \sum_{ji\in A} x_{ji}^h = 0 \qquad \forall i \in N, \forall h \in D \quad (30)$$

$$x_{ts}^h \le k_h \tag{31}$$

$$x_{ii}^h \in \{0, 1\} \qquad \forall ij \in A \tag{32}$$

Lagrangian Relaxation

$$\Phi(\lambda) = \sum_{i \in S} \lambda_i + \min \sum_{h \in D} \left(\sum_{ij \in A} (c_{ij}^h - \lambda_i) x_{ij}^h \right)$$
s.t.
$$\sum_{ij \in A} x_{ij}^h - \sum_{ji \in A} x_{ji}^h = 0 \quad \forall i \in N, \forall h \in D$$

$$x_{ts}^h \le k_h$$

$$x_{ij}^h \in \{0, 1\} \quad \forall ij \in A \setminus \{(t^h, s^h)\}$$

We get |D| independent subproblems that can be solved using any Min Cost Flow algorithms.

Remark: $\Phi(\lambda)$ yields a lower bound for each value of λ ...

Lagrangian Relaxation

$$\Phi_h(\lambda) = \min \quad \sum_{ij \in A} (c_{ij}^h - \lambda_i) x_{ij}^h \tag{33}$$

s.t.
$$\sum_{ij\in A} x_{ij}^h - \sum_{ji\in A} x_{ji}^h = 0 \qquad \forall i \in N$$
 (34)

$$x_{ts}^h \le k_h \tag{35}$$

$$\mathbf{x}_{ij}^h \in \{0, 1\} \qquad \forall ij \in A \setminus \{(t^h, s^h)\} \tag{36}$$

We get |D| independent subproblems that can be solved using any Min Cost Flow algorithms.

Brangian redaxation

$$\Phi_h(\lambda) = \min \quad \sum_{ij \in A} (c_{ij}^h - \lambda_i) x_{ij}^h \tag{37}$$

s.t.
$$\sum_{ij\in A} x_{ij}^h - \sum_{ij\in A} x_{ji}^h = 0 \qquad \forall i \in \mathbb{N}$$
 (38)

$$x_{ts}^h \le k_h \tag{39}$$

$$0 \le x_{ij}^h \le 1 \qquad \forall ij \in A \tag{40}$$

Min Cost Flow problems are Totally Unimodular

10-13. Subgradient Optimization

Among all vector λ , we look for the vector that solves:

$$\max_{\lambda} \Phi(\lambda) = \sum_{i \in S} \lambda_i + \max_{\lambda} \sum_{h \in D} \Phi_h(\lambda)$$

Since $\Phi(\lambda)$ is a concave piecewise linear function, this optimization problem can be solved with a subgradient algorithm.

Core idea:

$$\lambda^{k+1} \leftarrow \lambda^k + T g$$

where

Introduction

- T is a scalar (step size)
- g is a search direction (subgradient)

Multidepot VS

MD-VS: Subgradient Optimization

Algorithm 1: Subgradient

```
\lambda_i^0 \leftarrow 0 (init multipliers);
```

foreach $k = 1, \dots, maxiter$ **do**

foreach $h \in D$ do

Solve $\Phi_h(\lambda)$ and get \bar{x}_{ii}^h and z_{IB}^h ;

Compute $z_{LB} = \sum_{i \in S} \lambda_i + \sum_{h \in D} z_{LB}^h$;

If $z_{LB} > z_{LB}^*$ then $z_{LB}^* \leftarrow z_{LB}$;

If \bar{x}_{ii}^h is feasible for (24)–(28) update z_{UB} ;

If $z_{IB}^* = z_{UB}$: **stop** z_{UB} is the optimal solution;

Update subgradients $g_i = 1 - \sum_{h \in D} \sum_{i \in A} \bar{x}_{ii}^h$ for all $i \in S$;

Update step size $T = \frac{f(z_{UB} - z_{LB})}{\sum_{i \in S} g_i^2}$;

Update multipliers $\lambda_i^{k+1} = \lambda_i^k + T g_i$ for all $i \in S$;

MD-VS: Lagrangian-based Heuristic

Once we solve $\max_{\lambda} \Phi(\lambda)$, we consider:

- $Q_1 = \{i \mid \sum_{h \in D} \sum_{ij \in A} \bar{x}_{ij}^h > 1\}$ (trips overassigned) We empty Q_1 (easy)
- $Q_2 = \{i \mid \sum_{h \in D} \sum_{ij \in A} \bar{x}_{ij}^h = 0\}$ (trips unassigned) We try to empty Q_2 (capacity constraint must still hold!)

If we are not able to empty Q_2 , we solve a **Minimum Fleet Size** problem with the trips in Q_2 and assign greedly the resulting vehicle duties to the *free* depots.

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MD-VS: Disjoint Path Cover Formulation

Yet Another Formulation and Yet Another Graph!

Consider the multigraph G = (N, A) where:

- *N* has a vertex for each trip v_i with i = 1..n, and a pair of vertices s_h and t_h for each depot h (in total n + 2|D| vertices)
- there is a pair of arcs (s_h, v_i) and (v_i, t_h) for each trip and each depot
- there is an arc $(v_i, v_j)^h$ for each pair of compatible trips and each depot (i.e. |D| parellel arcs)

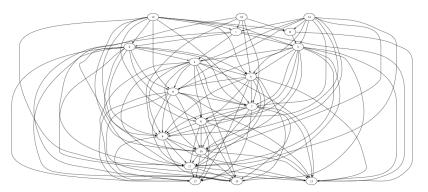
A path from s_h to t_h corresponds to a feasible vehicle duty assigned to a vehicle housed in depot h.

Given 3 depots and 12 trips:

| ID | Da | A | Inizio | Fine |
|----|----------|----------|--------|-------|
| 0 | NETTPO | RMANAG | 04:30 | 06:20 |
| 1 | NETTPO | RMLAUREN | 04:40 | 06:20 |
| 2 | RMLAUREN | NETTPO | 06:20 | 08:15 |
| 3 | APRILI | LATINA | 07:25 | 08:05 |
| 4 | ANZICO | NETTPO | 13:00 | 13:40 |
| 5 | NETTPO | ANZIO | 14:00 | 14:25 |
| 6 | ANZIO | NETTPO | 14:30 | 14:50 |
| 7 | NETTPO | ANZIO | 14:50 | 15:20 |
| 8 | ANZIO | NETTPO | 15:30 | 16:00 |
| 9 | NETTPO | ANZIO | 16:00 | 16:20 |
| 10 | ANZIO | NETTPO | 16:30 | 16:55 |
| 11 | NETTPO | ANZIO | 17:30 | 18:00 |

Example

Given 3 depots and 12 trips:



MD-VS: Multicommodity Formulation

$$\min \quad \sum_{ij \in A} \sum_{h \in} c_{ij}^h x_{ij}^h \tag{41}$$

s.t.
$$\sum_{h \in D} \sum_{ij \in A} x_{ij}^h = 1 \qquad \forall i \in V$$
 (42)

$$\sum_{i \in A} x_{ji}^h - \sum_{i \in A} x_{ij}^h = 0 \qquad \forall h \in D, i \in V$$
 (43)

$$\sum_{i \in V} x_{s_h, j}^h \le k_h \qquad \forall h \in D \qquad (44)$$

$$x_{ii}^h \in \{0, 1\} \qquad \qquad \forall (i, j) \in A, h \in D. \tag{45}$$

Drawback: still huge number of variables and constraints!

Given the set of every path \mathcal{P} , let $a_{ip}=1$ iff trip i is covered by p, and let b_p^h iff path p starts (and ends) at depot h

Set Partitioning formulation:

$$\min \quad \sum_{p \in \mathcal{P}} c_p \lambda_p \tag{46}$$

s.t.
$$\sum_{p \in \mathcal{P}} a_{ip} \lambda_p = 1$$
 $\forall i \in V$ (47)

$$\sum_{p\in\mathcal{P}}b_p^h\lambda_p\leq k_h \qquad \forall h\in D \qquad (48)$$

$$\lambda_p \in \{0,1\}$$
 $\forall p \in \mathcal{P}.$ (49)

This is solved by Column Generation!

MD-VS: Column Generation and Pricing Subproblem

Start with $\bar{\mathcal{P}} \subset \mathcal{P}$ and generate new paths on demand

$$\min \sum_{p \in \bar{\mathcal{P}}} c_p \lambda_p \tag{50}$$

dual multipliers
$$\alpha_i \leftarrow \sum_{\bar{z}} a_{ip} \lambda_p = 1 \quad \forall i \in V \quad (51)$$

dual multipliers
$$\beta_h \leftarrow \sum_{p \in \bar{\mathcal{P}}} b_p^h \lambda_p \le k_h \quad \forall h \in D$$
 (52)

$$\lambda_p \geq 0 \qquad \forall p \in \bar{\mathcal{P}}.$$
 (53)

Given α_i^* and β_h^* , set the reduced cost on the arcs

•
$$\bar{c}_{ij}^h = c_{ij}^h - \alpha_i$$
 for $i = 1..n$

•
$$\bar{c}_{ii}^h = c_{ii}^h - \beta_h$$
 for $i = t_h$, $h \in D$

(recall:
$$c_p^h = \sum_{ij \in A} c_{ij}^h$$
)

MD-VS: Pricing Subproblem

Introduction

The pricing subproblem is a shortest path problem:

$$z_{rc} = \min \sum_{ij \in A} \sum_{h \in D} \bar{c}_{ij}^h x_{ij}^h \tag{54}$$

s.t.
$$\sum_{h \in D} \sum_{(s_h, i) \in A} x_{s_h, i}^h = 1$$
 (55)

$$\sum_{ij\in A} x_{ji}^h - \sum_{ij\in A} x_{ij}^h = 0 \qquad \forall h \in D, i \in V \qquad (56)$$

$$0 \le x_{ij}^h \le 1 \qquad \forall (i,j) \in A, h \in D. \tag{57}$$

which is **separable** by depot

If a path $p \notin \bar{\mathcal{P}}$ with $z_{rc} < 0$ exists, then:

$$\bar{\mathcal{P}} \leftarrow \{p\} \cup \bar{\mathcal{P}}$$

Problem (50)–(53) is solved anew, and the algorithm iterates

MD-VS: Column Generation

Introduction

One drawback of column generation is that becomes less efficient as the average number of trips per path increases.

In real life instances there is not a take-all winner algorithm

