More on Indivisibilities

Bruce A. McCarl

Specialist in Applied Optimization

Regents Professor of Agricultural Economics,

Texas A& M University

Principal, McCarl and Associates

bruceamccarl@cox-internet.com

agecon.tamu.edu/faculty/mccarl

979-693-5694

979-845-1706

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Common formulations

Knapsack Problem

The knapsack problem, also known as the capital budgeting or cargo loading problem, is a famous IP formulation.

The knapsack context refers to a hiker selecting the most valuable items to carry, subject to a weight or capacity limit. Partial items are not allowed, thus choices are depicted by zero‑one variables.

The general problem formulation assuming only one of each item is available is



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Common formulations -- Knapsack Problem

Suppose an individual is preparing to move. Assume a truck is available that can hold at most 250 cubic feet of items. Suppose there are 10 items which can be taken and that their names, volumes and values are

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| **Table 16.1. Items for the Knapsack Example** |
| Variable | Item Name | Item Volume(Cubic feet) | Item Value($) |
| X1 | Bed and mattress | 70 | 17 |
| X2 | TV set | 10 | 5 |
| X3 | Turntable and records | 20 | 22 |
| X4 | Armchairs | 20 | 12 |
| X5 | Air conditioner | 15 | 25 |
| X6 | Garden tools and fencing | 5 | 1 |
| X7 | Furniture | 120 | 15 |
| X8 | Books | 5 | 21 |
| X9 | Cooking utensils | 20 | 5 |
| X10 | Appliances | 20 | 20 |

More on Indivisibilities Common formulations -- Knapsack Problem



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|  **obj=128** |
| Variable | Value | Reduced Cost |
| X1 | 1 | 17 |
| X2 | 1 | 5 |
| X3 | 1 | 22 |
| X4 | 1 | 12 |
| X5 | 1 | 25 |
| X6 | 1 | 1 |
| X7 | 0 | 15 |
| X8 | 1 | 21 |
| X9 | 1 | 5 |
| X10 | 1 | 20 |
| Constraint | Activity | Shadow Price |
| Space | 185 | 0 |

Handling Indivisibilities

Warehouse Location

McCarl and Spreen Chapter 16

Warehouse location problems involve location of warehouses within a transportation system so as to minimize overall costs. Basic decision involves tradeoffs between fixed warehouse construction costs and transportation costs.

More on Indivisibilities

Supply

point

1

Supply

point

2

Supply

point

i

Demand

Point

1

Demand

Point

2

Demand

Point

j

Warehouse

1

Warehouse

2

Warehouse

k

xik

ykj

zij

vk

Common formulations

Warehouse Location (warehous.gms)



Merges Fixed Charge - Capacity and Transportation

Problem with transshipments.-- We consider moving goods from supply i to demand j or from i to warehouse k and then on to demand j.

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| **Table 16.6. Formulation of the Warehouse Location Example Problem** |
| VA | VB | VC | X1A | X1B | X1C | X2A | X2B  | X2C | YA1 | YA2 | YB1 | YB2 | YC1 | YC2 | Z11 | Z12 | Z21 | Z22 | RHS |
| 50 | 60 | 68 | 1 | 2 | 8 | 6 | 3 | 1 | 4 | 6 | 3 | 4 | 5 | 3 | 4 | 8 | 7 | 6 | Min |
|  |  |  | 1 | 1 | 1 |  |  |  |  |  |  |  |  |  | 1 |  | 1 |  |  | 75 |
|  |  |  |  |  |  | 1 | 1 | 1 |  |  |  |  |  |  |  | 1 |  | 1 |  | 50 |
|  |  |  |  |  |  |  |  |  | 1 |  | 1 |  | 1 |  | 1 | 1 |  |  |  | 50 |
|  |  |  |  |  |  |  |  |  |  | 1 |  | 1 |  | 1 |  |  | 1 | 1 |  | 75 |
|  |  |  | -1 |  |  | -1 |  |  | 1 | 1 |  |  |  |  |  |  |  |  |  | 0 |
|  |  |  |  | -1 |  |  | -1 |  |  |  | 1 | 1 |  |  |  |  |  |  |  | 0 |
|  |  |  |  |  | -1 |  |  | -1 |  |  |  |  | 1 | 1 |  |  |  |  |  | 0 |
| -9999 |  |  |  |  |  |  |  |  | 1 | 1 |  |  |  |  |  |  |  |  |  | 0 |
|  | -60 |  |  |  |  |  |  |  |  |  | 1 | 1 |  |  |  |  |  |  |  | 0 |
|  |  | -70 |  |  |  |  |  |  |  |  |  |  | 1 | 1 |  |  |  |  |  | 0 |
| 1 | 1 | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 1 |
| VA, | VB |  VC |  |  |  |  |  |  |  |  |  |  |  |  |  |  | ε (0,1)  |
|  |  |  |  |  |  | xik, |  |  |  |  |  |  | Ykj, |  |  Zij |  |   0  |

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| **Table 16.7. Solution Results for the Warehouse Location Example** Obj = 623 |
| Variable | Value | Reduced Cost | Equation | Slack | Shadow Price |
| VA | 0 | 0 | 1 | 0 | -3.00 |
| VB | 0 | 2 | 2 | 0 | 0 |
| VC | 1 | 0 | 3 | 0 | 7.00 |
| X1A | 0 | 0 | 4 | 0 | 5.00 |
| X1B | 0 | 2.00 | 5 | 0 | -4 |
| X1C | 0 | 10.00 | 6 | 0 | -3.00 |
| X2A | 0 | 2 | 7 | 0 | -1.00 |
| X2B | 0 | 0 | 8 | 0 | -0.05 |
| X2C | 70 | 0 | 9 | 0 | -1.00 |
| YA1 | 0 | 1.052 | 10 | 0 | -1.00 |
| YA2 | 0 | 5.052 | 11 | 0 | -2 |
| YB1 | 0 | 0 |  |  |  |
| YB2 | 0 | 3.00 |  |  |  |
| YC1 | 20 | 0 |  |  |  |
| YC2 | 50 | 0 |  |  |  |
| Z11 | 50 | 0 |  |  |  |
| Z12 | 0 | 6.00 |  |  |  |
| Z21 | 5 | 0 |  |  |  |
| Z22 | 0 | 1.00 |  |  |  |

More on Indivisibilities

Common formulations

Warehouse Location In GAMS (warehous.gms)

 BINARY VARIABLES

 BUILD(WAREHOUSE) WAREHOUSE CONSTRUCTION VARIABLES

 POSITIVE VARIABLES

 SHIPSupWar(SUPPLYL,WAREHOUSE) AMOUNT SHIPPED TO WAREHOUSE

 SHIPWarMkt(WAREHOUSE,MARKET) AMOUNT SHIPPED FROM WAREHOUSE

 SHIPSupMkt(SUPPLYL,MARKET) AMOUNT SHIPPED DIRECT TO DEMAND;

 VARIABLES

 TCOST TOTAL COST OF SHIPPING OVER ALL ROUTES;

 EQUATIONS

 TCOSTEQ TOTAL COST ACCOUNTING EQUATION

 SUPPLYEQ(SUPPLYL) LIMIT ON SUPPLY AVAILABLE AT A SUPPLY POINT

 DEMANDEQ(MARKET) MINIMUM REQUIREMENT AT A DEMAND MARKET

 BALANCE(WAREHOUSE) WAREHOUSE SUPPLY DEMAND BALANCE

 CAPACITY(WAREHOUSE) WAREHOUSE CAPACITY

 CONFIGURE ONLY ONE WAREHOUSE;

 TCoSTEQ.. TCOST =E= SUM(WAREHOUSE,

 DATAWar(WAREHOUSE,"COST")/DATAWar(WAREHOUSE,"LIFE")\*BUILD(WAREHOUSE))

 +SUM((SUPPLYL,MARKET) ,SHIPSupMkt(SUPPLYL,MARKET)\*COSTSupMkt(SUPPLYL,MARKET))

 +SUM((SUPPLYL,WAREHOUSE),SHIPSupWar(SUPPLYL,WAREHOUSE)\*COSTSupWar(SUPPLYL,WAREHOUSE))

 +SUM((WAREHOUSE,MARKET) ,SHIPWarMkt(WAREHOUSE,MARKET) \*COSTWarMkt(WAREHOUSE,MARKET));

 SUPPLYEQ(SUPPLYL).. SUM(MARKET, SHIPSupMkt(SUPPLYL, MARKET))

 + SUM(WAREHOUSE,SHIPSupWar(SUPPLYL,WAREHOUSE))

 =L= SUPPLY(SUPPLYL);

 DEMANDEQ(MARKET).. SUM(SUPPLYL, SHIPSupMkt(SUPPLYL, MARKET))

 + SUM(WAREHOUSE, SHIPWarMkt(WAREHOUSE, MARKET))

 =G= DEMAND(MARKET);

 BALANCE(WAREHOUSE).. SUM(MARKET, SHIPWarMkt(WAREHOUSE, MARKET))

 ‑ SUM(SUPPLYL,SHIPSupWar(SUPPLYL,WAREHOUSE)) =L= 0;

 CAPACITY(WAREHOUSE).. SUM(MARKET, SHIPWarMkt(WAREHOUSE, MARKET))

 ‑BUILD(WAREHOUSE)\*DATAWar(WAREHOUSE,"CAPACITY") =L= 0 ;

 CONFIGURE.. SUM(WAREHOUSE,BUILD(WAREHOUSE)) =L= 1;

More on Indivisibilities

Common formulations -- Decreasing Cost deccost.gms

The basic problem in matrix form is



where

Z is the quantity of input used,

f(Z) total cost of Z and exhibits diminishing marginal cost (per unit cost falls as more purchased);

e is the sale price for a unit of output (Y);

Gm is the quantity of output produced per unit of production activity Xm;

Am is amount of resource used per unit of Xm; and

Him is the number of units of the ith fixed resource which is used per unit of Xm.

Objective function maximizes total revenue (eY) less total costs (f(Z)). First constraint balances products sold (Y) with production ( GmXm). Second balances input usage ( AmXm) with supply (Z). Third balances resource usage ( HimXm) with exogenous supply (bi).

More on Indivisibilities

Common formulations -- Decreasing Cost deccost.gms

This problem may be reformulated as an IP problem by following an approximation point approach.



The variables are Y and Xm, as above, but the Z variable has been replaced with two sets of variables: Rk and Dk. The variables Rk which are the number of units purchased at cost f '(Zk\*); Zk\* are a set of approximation points for Z where Z0\* = 0; where f '(Zk\*) is the first derivative of the f(Z) function evaluated at the approximation point Zk\*. While simultaneously the data for Dk is a zero-one indicator variable indicating whether the kth step has been fully used.

More on Indivisibilities

Common formulations -- Decreasing Cost deccost.gms



Suppose we approximate Z at 2, 4, 6, 8 and 10. The formulation becomes



More on Indivisibilities

Common formulations -- Decreasing Cost deccost.gms

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| **Table 16.11. Solution to the Decreasing Costs Example** |
|  | Objective function = 29.50 |  |  |  |
| Variable | Value | Reduced Cost | Equation | Slack | Shadow Price |
| Y | 10 | 0 | Y balance | 0 | 4.0 |
| X | 5 | 6.5 | Z balance | 0 | 1.5 |
| R1 | 2 | 0 | R1D1 | 0 | 0 |
| R2 | 2 | 0 | R2D2 | 0 | 0 |
| R3 | 1 | 0 | R3D3 | 1 | 0 |
| R4 | 0 | 0 | R4D4 | 0 | 0.5 |
| R5 | 0 | 0 | R5D5 | 0 | 1.0 |
| D1 | 1 | 0 | R1D2 | 0 | 1.0 |
| D2 | 1 | -2 | R2D3 | 0 | 0.5 |
| D3 | 1 | -1 | R3D4 | 1 | 0 |
| D4 | 0 | 1 | R4D5 | 0 | 0 |
| D5 | 0 | 2 |  |  |  |

More on Indivisibilities

Common formulations -- Decreasing Cost deccost.gms

Suppose cost of shipping decreases as volume shipped increases. A formulation is

sets volumelevs /Low,Medium,High/

sets volterms /

 Cost cost per unit shipped

 MinimumQ minimum volume that must be shipped to get this rate

 MaximumQ maximum volume that gets this rate/

table volumedata(volterms,volumelevs) data on cost and min shipping

 Low Medium High

Cost 5 4 2.5

MinimumQ 0 10 100

MaximumQ 9 99 1000

scalar productioncost /3/

 salesprice /4/

variable profit total objective function

binary variables volumeuse(volumelevs) volume level used

variables production level of production

 amount(volumelevs) shipped at this volume level

 sales amount sold

equations obj objective function

 balanceprod product balance

 balancesales balance of shipped products

 minlimitship(volumelevs) lower limits on shipping

 maxlimitship(volumelevs) upper limits on shipping

 mutexclusiv can only use one volume level ;

obj.. productioncost\*production

 +sum(volumelevs,amount(volumelevs)\*volumedata("cost",volumelevs))

 +sales\*salesprice =e= profit;

balanceprod.. sum(volumelevs,amount(volumelevs))=l=production;

balancesales.. sales=l=sum(volumelevs,amount(volumelevs));

minlimitship(volumelevs).. amount(volumelevs)

 =g=volumedata("minimumq",volumelevs)\*volumeuse(volumelevs);

maxlimitship(volumelevs).. amount(volumelevs)=l=

volumedata("maximumq",volumelevs)\*volumeuse(volumelevs);

mutexclusiv.. sum(volumelevs,volumeuse(volumelevs))=l=1;

production.up=95;

model deccost /all/

solve deccost using mip maximizing profit;

Solution second integer variable is chosen

1-5 cars cost $5 per car

6-50 cars cost $4 per car

51 to 100 more cars cost $3 per car

**Min 5x1 +4x2 +3x3**

 **X1 +x2 +x3 = 11**

 **X1 - 5D1 < 0**

**X2 - 50D2 < 0**

**X3 -100D3 < 0**

**X2 - 6D2 > 0**

**X3 - 51D3 > 0**

**D1 +D2 +D3 < 1**

**D1 ,D2, D3 is (0,1)**

Handling Indivisibilities

Machinery Selection

McCarl and Spreen Chapter 16

The machinery selection problem is a common investment problem. In this problem one maximizes profits, trading off the annual costs of machinery purchase with the extra profits obtained by having that machinery. A general formulation of this problem is



The decision variables are

Yk, the integer number of units of the kth type machinery purchased;

Xjm, the quantity of the jth activity produced using the mth machinery alternative.

The parameters of the model are:

Fk, the annualized fixed cost of the kth machinery type;

Capik, the annual capacity of the kth machinery type to supply the ith resource;

Grk, usage of rth machinery restriction when purchasing the kth machinery type;

Cjm, the per unit net profit of Xjm;

Aijkm, per unit use by Xjm of ith cap. resource supplied by purchasing machine k;

Dnjm, the per unit usage of fixed resources of the nth type by Xjm;

bn, the endowment of the nth resource in the year being modeled; and

er, the endowment of the rth machinery restriction.

Handling Indivisibilities Machinery Selection

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|  |  |  |  |  |  |  |  |  |  |  |  | Machinery Use Continuous Variables |  |
|  |  |  |  |  |  |  |  |  |  |  |  | Plow with Tractor 1 | Plow with Tractor 2 | Plant Disc 8 | Harvest with | Crop Sales | InputPur-chases |  |
|  |  | Machinery Acquisition Integer Variables | and Plow 1 | and Plow 2 | and Plow 1 | ans Plow 2 | Tractor 1 | Tractor 2 | Tractor 1 | Tractor 2 |  |
|  | Tractor | Plow | Planter | Disc | Harvester |  |  | in Period | in Period | Planter | Planter | Harvester | Harvester |  |
|  |  | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 |  |
| Objectives (max) | -5000 | -9000 | -1000 | -1200 | -2000 | -2100 | -1000 | -1200 | -10000 | -12000 | -2.4 | -2.4 | -1.2 | -1.2 | -1.2 | -1.2 | -0.6 | -0.6 | -1.46 | -1.22 | -0.73 | -0.61 | -9.33 | -8.35 | -9.33 | -8.25 | 2.5 | -110 |  |
| Tractor 1Capacityin Period | 1 | -160 |  |  |  |  |  |  |  |  |  | .2 |  | .1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | ≤0 |
| 2 | -180 |  |  |  |  |  |  |  |  |  |  | .2 |  | .1 |  |  |  |  | .1 | .0833 |  |  |  |  |  |  |  |  | ≤0 |
| 3 | -200 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | .33 | .25 |  |  |  |  | ≤0 |
| Tractor 2Capacityin Period | 1 |  | -160 |  |  |  |  |  |  |  |  |  |  |  |  | .1 |  | .05 |  |  |  |  |  |  |  |  |  |  |  | ≤0 |
| 2 |  | -180 |  |  |  |  |  |  |  |  |  |  |  |  |  | .1 |  | .05 |  |  | .05 | .04167 |  |  |  |  |  |  | ≤0 |
| 3 |  | -200 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | .33 | .25 |  |  | ≤0 |
| Plow 1 Capacity in Period | 1 |  |  | -160 |  |  |  |  |  |  |  | .2 |  |  |  | .1 |  |  |  |  |  |  |  |  |  |  |  |  |  | ≤0 |
| 2 |  |  | -180 |  |  |  |  |  |  |  |  | .2 |  |  |  | .1 |  |  |  |  |  |  |  |  |  |  |  |  | ≤0 |
| Plow 2 Capacity in Period | 1 |  |  |  | -160 |  |  |  |  |  |  |  |  | .1 |  |  |  | .05 |  |  |  |  |  |  |  |  |  |  |  | ≤0 |
| 2 |  |  |  | -180 |  |  |  |  |  |  |  |  |  | .1 |  |  |  | .05 |  |  |  |  |  |  |  |  |  |  | ≤0 |
| Capacity of Planter | 1 |  |  |  |  | -180 |  |  |  |  |  |  |  |  |  |  |  |  |  | .1 |  | 0.05 |  |  |  |  |  |  |  | ≤0 |
| 2 |  |  |  |  |  | -180 |  |  |  |  |  |  |  |  |  |  |  |  |  | 0.0833 |  | .0417 |  |  |  |  |  |  | ≤0 |
| Capacity of Disc | 1 |  |  |  |  |  |  | -180 |  |  |  |  |  |  |  |  |  |  |  | .1 |  | 0.05 |  |  |  |  |  |  |  | ≤0 |
| 2 |  |  |  |  |  |  |  | -180 |  |  |  |  |  |  |  |  |  |  |  | 0.0833 |  | .0417 |  |  |  |  |  |  | ≤0 |
| Capacity of Har- vester | 1 |  |  |  |  |  |  |  |  | -200 |  |  |  |  |  |  |  |  |  |  |  |  |  | .33 |  | .33 |  |  |  | ≤0 |
| 2 |  |  |  |  |  |  |  |  |  | -200 |  |  |  |  |  |  |  |  |  |  |  |  |  | .25 |  | .25 |  |  | ≤0 |
| LaborAvailablein Period | 1 |  |  |  |  |  |  |  |  |  |  | .24 |  | .12 |  | .12 |  | .06 |  |  |  |  |  |  |  |  |  |  |  | ≤200 |
| 2 |  |  |  |  |  |  |  |  |  |  |  | .24 |  | .12 |  | .12 |  | .06 | .12 | .11 | .06 | .055 |  |  |  |  |  |  | ≤210 |
| 3 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | .5 | .375 | .5 | .375 |  |  | ≤250 |
| Plow-Plant Sequencing |  |  |  |  |  |  |  |  |  |  | -1 | -1 | -1 | -1 | -1 | -1 | -1 | -1 | 1 | 1 | 1 | 1 |  |  |  |  |  |  | ≤0 |
| Plant-Harvest Sequencing |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | -1 | -1 | -1 | -1 | 1 | 1 | 1 | 1 |  |  | ≤0 |
| Land Available |  |  |  |  |  |  |  |  |  |  | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |  |  |  |  |  |  |  |  |  |  | ≤600 |
| Planters Discs |  |  |  |  | 1 | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | ≤1 |
|  |  |  |  |  |  | 1 | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | ≤1 |
| Link Disc-Planter  |  |  |  |  | -1 |  | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | ≤0 |
|  |  |  |  |  | -1 |  | 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | ≤0 |
| Yield Balance |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | -140 | -140 | -140 | -140 | 1 |  | ≤0 |
| Input Balance |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 1 | 1 | 1 | 1 |  |  |  |  |  | -1 | ≤0 |

Handling Indivisibilities Machinery Selection

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| **Table 16.17. Solution for the Machinery Selection Problem**obj = 116,100 |  |  |  |  |
| Variable | Value | Reduced Cost |  | Equation | Slack | Shadow Price |
| Buy Tractor 1 | 1 | -5,000 |  | Tractor 1 capacity in Period 1 | 100 | 0 |
| Buy Tractor 2 | 0 | 0 |  | Tractor 1 capacity in Period 2 | 130 | 0 |
| Buy Plow 1 | 0 | 0 |  | Tractor 1 capacity in Period 3 | 50 | 0 |
| Buy Plow 2 | 1 | -1,200 |  | Tractor 2 capacity in Period 1 | 0 | 12 |
| Buy Planter 1 | 0 | 0 |  | Tractor 2 capactiy in Period 2 | 0 | 14.6 |
| Buy Planter 2 | 1 | -3300 |  | Tractor 2 capacity in Period 3 | 0 | 22.26 |
| Buy Disc 1 | 0 | 0 |  | Plow 1 capacity in Period 1 | 0 | 6.25 |
| Buy Disc 2 | 1 | 0 |  | Plow 1 capacity in Period 2 | 0 | 0 |
| Buy Harvester 1 | 0 | 0 |  | Plow 2 capacity in Period 1 | 100 | 0 |
| Buy Harvestor 2 | 1 | 0 |  | Plow 2 capacity in Period 2 | 180 | 0 |
| Plow with Tractor 1 and Plow 1 in Period 1 | 0 | -2.45 |  | Planter 1 capacity | 0 | 0 |
| Plow with Tractor 1 and Plow 1 in Period 2 | 0 | -1.20 |  | Planter 2 capacity | 130 | 0 |
| Plow with Tractor 1 and Plow 2 in Period 1 | 600 | 0 |  | Disc 1 | 0 | 0 |
| Plow with Tractor 1 and Plow 2 in Period 2 | 0 | 0 |  | Disc 2 | 130 | 0 |
| Plow with Tractor 2 and Plow 1 in Period 1 | 0 | -1.825 |  | Harvester 1 | 0 | 50 |
| Plow with Tractor 2 and Plow 1 in Period 2 | 0 | -1.46 |  | Harvester 2 | 50 | 0 |
| Plow with Tractor 2 and Plow 2 in Period 1 | 0 | 0 |  | Labor available in Period 1 | 128 | 0 |
| Plow with Tractor 2 and Plow 2 in Period 2 | 0 | 0.13 |  | Labor available in Period 2 | 144 | 0 |
| Plant with Tractor 1 and Planter 1 | 0 | -1.91 |  | Labor available in Period 3 | 25 | 0 |
| Plant with Tractor 1 and Planter 2 | 600 | 0 |  | Plow Plant | 0 | 230.533 |
| Plant with Tractor 2 and Planter 1 | 0 | -1.077 |  | Plant Harvester | 0 | 341.75 |
| Plant with Tractor 2 and Planter 2 | 0 | 0 |  | Land | 0 | 229.333 |
| Harvest with Tractor 1 and Harvester 1 | 0 | -17.75 |  | One Planter | 0 | 0 |
| Harvest with Tractor 1 and Harvester 2  | 600 | 0 |  | One Disc | 0 | 0 |
| Harvest with Tractor 2 and Harvester 1 | 0 | -25.17 |  | Planter 1 to Disc 1 | 0 | 0 |
| Harvest with Tractor 2 and Harvester 2 | 0 | -5.565 |  | Planter 2 to Disc 2 | 0 | 0 |
| Sell Crop | 84,000 | 0 |  | Yield Balance | 0 | 2.5 |
| Purchase Inputs | 600 | 0 |  | Input Balance | 0 | 110 |

More on Indivisibilities

Practical Side of Solving

Sounds good but integer problems can be hard to solve due to search nature of solution process

Three approaches can help

1. Reformulate

 a. to better tie integer variables together

1. to better tie integer and continuous variables

 together

1. to eliminate “unnecessary” cases of integer

 variables

2. Use MIP solver features through options and GAMS

3. Start with a good solution

I have more faith in first strategy but sometimes latter two help

Also these solves are generally slower so one must be patient

More on Indivisibilities

Practical Side of Solving

Tie integer variables better together

Often model formulations contain interrelated variables which the formulation and economics tie together. For example in LPs which choose plant size and hire labor one could count on the solution to hire enough people.

However in the MIP world if one has 2 sets of integer variables one for plant size and one for labor force, I would recommend tying them together with constraints requiring the large plant to have a large labor force or that hiring certain sizes of labor force requires certain plant sizes

Consider a trash-recycling problem I was called about. A formulation was set up to choose the size of a recycling effort including size of truck fleet, ferrous metals separator, glass separator, unsorted trash compactor etc. The MIP was very slow and the solutions were not good enough. I suggested including constraints so that a given number of tons of truck capacity implied a minimum size for the materials separator etc. (BUYCOM(size)-BUYTRK(SIZE)=0; ). In turn the formulation yielded improved solutions faster

Why does this work? This eliminates irrelevant cases and shrinks the number of solutions that need to be searched.

More on Indivisibilities

Practical Side of Solving

Tie integer and LP variables better together

Often model formulations require that the integer variables take on certain values so that the continuous part of the problem is feasible. For example in a warehouse location a given volume of goods may need to go through some warehouse somewhere in order that the problem be feasible.

In such cases I would recommend that one require that the capacity of the warehouses built be subjected to a lower bound constraint so that the capacity constructed exceed the volume required.

In a problem I was solving for locating grain handling facilities I discovered that new facilities were needed for about 1/3 of the crop. By requiring a minimum volume of such facilities I cut required solution time by more than 75%.

Why did this work. Again I eliminated irrelevant cases and shrank the number of solutions which needed to be searched

More on Indivisibilities

Practical Side of Solving

Tie integer and LP variables better together

Better tying things together also works in terms of tying the integer variables to the continuous variables. For example it is common in formulations to have constraints such as the following



where the Y’s are continuous, M is a capacity and d a zer one indicator or facility construction variable.

In such cases computational experiments have found that solution of the problem with the addition of the two constraints below yields faster solutions.



Why does this work. Provides a more direct link between the individual variables and the integer variable not just an aggregate link. Also provides better signals when looking for variable on which to branch. Note the better solver may reformulate for this automatically but see if it works.

More on Indivisibilities

Practical Side of Solving

Limit Feasible region in terms of Integer Solution Space

In integer programming one should endeavor to add as many constraints as possible to limit the feasible solution space to the relevant solution space. Lets look at some reasons and approaches

Consider a problem with N zero one variables. In such a case there are 2N possible solutions. But suppose we know no more than 1 of the integer variables will be employed. If we enter a constraint requiring the sum of these N variables to be less than or equal to one, then the number of possible solution falls to N+1 (one for all zeros plus N possibilities in which each of the integer variables equal one).

So impose what ever problem knowledge you can on the situation to limit the feasible integer space as this greatly reduces the size of the branch and bound search tree.

One can also go further with this topic by solving related problems which can be used to formulate constraints which limit the feasible space as we discuss on following pages

More on Indivisibilities

Practical Side of Solving

Limit Feasible region in terms of Integer Solution Space

Insight from the RMIP

Yet another strategy that can be used to narrow the feasible integer space is to examine the LP solution and see if some insight about minimum and maximum values of integer variables can be gleaned.

Consider a machinery selection problem (a simple version of which is in machsel.gms). One can set up a MIP but solve it as an RMIP which treats the integer variables as if they were continuous. In turn one might observe the values of the machinery purchase variables and use those values to formulate maximum and minimum limits for classes of variables.

In one case I did that and solved a model where the variables for purchase of tractors came out to be 3.4 and 4.1. In turn I added constraints to the model that the integer variables be greater than or equal to 2 and less than or equal to 6 . In a small model this reduced solution time by 90% and in the resultant large model we were in fact able to solve it and otherwise never would have

Again we reduced the number of possible solutions that needed to be considered in the search tree

More on Indivisibilities

Practical Side of Solving

Limit Feasible region in terms of Integer Solution Space

Insight from Auxiliary models

One may be able to gain insight about a problem by solving problems which are subsets and gain insight into overall problem feasible region restrictions.

Recently I did a model which was designed to locate personnel at a number of facilities. These facilities were spread across the nation and the question was do we locate a person at this place or serve this place from a nearby location or hire temporaries. This involved a large MIP with hundreds of integer location variables and over a million continuous variables meeting demands at the service locations (since the problem service aspect involved a monthly dimension). Initial attempts to solve the whole problem showed the solvers were very slow and probably would not converge. So we employed a strategy involving regional solutions. In particular we solved for the number of people in a reduced service area like a 200 mile radius around San Francisco and did this for 15 or so service sub areas. The resultant solutions revealed a set of possible repair man locations which could be dropped (those in inner part of city radii which were not used) and also provided upper and lower bounds on the number of people to be hired. It also provided a feasible starting solution and an initial bound.

More on Indivisibilities

Practical Side of Solving

GAMS Options

While I advocate one try to solve integer problems faster by tightening the formulation, one can also employ GAMS and solver features to try to speed up solution processes.

Within GAMS there are two parameters that can be set

 modelname.cheat=k; requires that subsequent solutions have an objective function which is at least k units (an absolute amount) better then the current solution (works in OSL and CPLEX)

 option optcr=k; allows the solver to stop when the theoretical best possible integer solution is within k percent of the current best found integer solution. There is also the command option optca=k2; where k2 is an absolute amount.

Both of these options cause the solvers to give a solution which can be suboptimal falling only within the criteria specified of the best possible optimal solution. However they reduce search time substantially and often the optimal solution is found or is much closer to the solution found than the bound.

More on Indivisibilities

Practical Side of Solving

 Solver Options

Solver options can also be used

CPLEX permits one to use an options file (cplex.opt) which

impose a trial solution specified for the integer variable levels as a starting solution (mipstart)

impose priorities for variables to deal with first (mipordind). Note modelname.prioropt also permits management of this)

alter the way problems are selected from the branch and bound tree (varsel,nodelsel)

manage the memory use for the branch and bound tree

These and many other options are discussed in the CPLEX solver manual

OSL also permits options to be used which alter branch and bound strategies ( particularly strategy 48 and bbpreproc )

More on Indivisibilities

Risk and Integer

Modelers may wish to impose integer restrictions on nonlinear formulations which for example treat risk.

GAMS contains the DICOPT and SBB solvers which permit this. They tie together other solvers For example SBB can use CPLEX to solve IP sub problems and CONOPT to solve nonlinear problems.

For example suppose we impose restrictions in our portfolio problem that a minimum of 10 shares be bought if any and that we buy integer numbers of shares (INTEV.gms)

 Integer VARIABLES INVEST(STOCKS) MONEY INVESTED IN EACH STOCK

 binary variables mininv(stocks) at least 10 shares bought

 VARIABLE OBJ NUMBER TO BE MAXIMIZED ;

 EQUATIONS OBJJ OBJECTIVE FUNCTION

 INVESTAV INVESTMENT FUNDS AVAILABLE

 minstock(stocks) at least 10 units to be bought

 maxstock(stocks) Set up indicator variable ;

 OBJJ.. OBJ =E= SUM(STOCKS, MEAN(STOCKS) \* INVEST(STOCKS))

 ‑ RAP\*(SUM(STOCK, SUM(STOCKS,

 INVEST(STOCK)\* COVAR(STOCK,STOCKS) \* INVEST(STOCKS))));

 INVESTAV.. SUM(STOCKS, PRICES(STOCKS) \* INVEST(STOCKS)) =L= FUNDS;

 minstock(stocks).. invest(stocks) =g= 10\*mininv(stocks);

 maxstock(stocks).. invest(stocks)=l=1000\*mininv(stocks);

 MODEL EVPORTFOL /ALL/ ;

 SOLVE EVPORTFOL USING MINLP MAXIMIZING OBJ ;

When using DICOPT and SBB it is very important to tighten the link between continuous and integer variables