

# TRANSPORTATION PROBLEM



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# Content

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**Introduction**



**Streamlined Simplex Method**



**Excercises**



# Basic of the transportation method

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- Original applications of the linear programming (LP) method
- Basic problem
  - a company manufactures products at  $m$  source location ( $a_i$ ,  $i = 1, \dots, m$ )
  - demand for the product is distributed among  $n$  different absorption locations ( $b_j$ ,  $j = 1, \dots, n$ )
- Objective: deliver products from source locations to absorption locations at minimum cost
  - $c_{ij}$ : delivery cost of one unit from source location  $i$  to absorption location  $j$
  - $c_{ij}x_{ij}$ : delivery cost of  $x_{ij}$  units from source location  $i$  to absorption location  $j$

# Linear Programming Method

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$$\min Z = \sum_{i=1}^m \sum_{j=1}^n c_{ij} x_{ij}$$

$$\sum_{j=1}^n x_{ij} = a_i \quad \forall i$$

$$\sum_{i=1}^m x_{ij} = b_j \quad \forall j$$

$$\sum_{i=1}^m a_i = \sum_{j=1}^n b_j \quad \text{and } a_i \geq 0, b_j \geq 0$$



# Integer Values

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- The Linear Programming cannot guarantee integer results
- However there is a theorem about the integer results
- **Integer solutions property:** For transportation problems where every  $a_i$  and  $b_j$  have an integer value, all the basic variables (allocations) in *every* basic feasible (BF) solution (including an optimal one) also have *integer* values.



# Content

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**Introduction**



**Streamlined Simplex Method**



**Excercises**



# **Content – Streamlined Simplex Method**

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**Introduction**



**Finding the Initial Solution**



**Distribution Method**



# Streamlined Simplex Method

- Set up of the tabular form
- Real life examples  
 $\sum_{i=1}^m a_i = \sum_{j=1}^n b_j$ 
  - not always fulfilled
  - dummy supply or destination has needed to introduce
- There are two steps
  - Finding the initial solution
  - Distribution method

j i \ j	1	2	...	j	...	n	
1	$c_{11}$	$c_{12}$	...	$c_{1j}$	...	$c_{1n}$	$a_1$
2	$c_{21}$	$c_{22}$	...	$c_{2j}$	...	$c_{2n}$	$a_2$
...	...	...	...	...	...	...	...
i	$c_{i1}$	$c_{i2}$	...	$c_{ij}$	...	$c_{in}$	$a_i$
...	...	...	...	...	...	...	...
m	$c_{m1}$	$c_{m2}$	...	$c_{mj}$	...	$c_{mn}$	$a_m$
	$b_1$	$b_2$	...	$b_j$	...	$b_n$	

# Example problem

$c_{ij}$	1	2	3	4	5	
1	6	3	5	2	7	200
2	3	7	4	4	1	80
3	5	2	3	1	6	130
4	3	5	2	3	2	90
	30	210	60	80	120	

# Content – Streamlined Simplex Method

Introduction



Finding the Initial Solution



Distribution Method



# Finding the initial solution

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- The goal is not to calculate the best solution, but to calculate an initial solution
- Methods
  - Northwest corner route
  - Minimum Costs Method (Dantzig Method)
  - Vogel Initial Programming Method (The Biggest Difference Method)

# Northwest Corner Method

- The maximum possible flow is need to be programmed on the top left corner (cell 11)
  - If  $b_1 > a_1$  cell 21 is need to be chosen
  - If  $b_1 < a_1$  cell 12 is need to be chosen

$x_{ij}$	1	2	3	4	5	
1	30	170	0	0	0	200
2	0	40	40	0	0	80
3	0	0	20	80	30	130
4	0	0	0	0	90	90
	30	210	60	80	120	

$$30 * 6 + 170 * 3 + 40 * 7 + 40 * 4 + 20 * 3 + 80 * 1 + 30 * 6 + 90 * 2 = 1630$$



# Northwest Corner Method

$x_{ij}$	1	2	3	4	5	
1	0	0	0	0	0	200
2	0	0	0	0	0	80
3	0	0	0	0	0	130
4	0	0	0	0	0	90
	30	210	60	80	120	

# Northwest Corner Method

$x_{ij}$	1	2	3	4	5	
1	30	0	0	0	0	170
2	0	0	0	0	0	80
3	0	0	0	0	0	130
4	0	0	0	0	0	90
	0	210	60	80	120	

# Northwest Corner Method

$x_{ij}$	1	2	3	4	5	
1	30	170	0	0	0	0
2	0	0	0	0	0	80
3	0	0	0	0	0	130
4	0	0	0	0	0	90
	0	40	60	80	120	

# Northwest Corner Method

$x_{ij}$	1	2	3	4	5	
1	30	170	0	0	0	0
2	0	40	0	0	0	40
3	0	0	0	0	0	130
4	0	0	0	0	0	90
	0	0	60	80	120	

# Northwest Corner Method

$x_{ij}$	1	2	3	4	5	
1	30	170	0	0	0	0
2	0	40	40	0	0	0
3	0	0	0	0	0	130
4	0	0	0	0	0	90
	0	0	20	80	120	

# Northwest Corner Method

$x_{ij}$	1	2	3	4	5	
1	30	170	0	0	0	0
2	0	40	40	0	0	0
3	0	0	20	0	0	110
4	0	0	0	0	0	90
	0	0	0	80	120	

# Northwest Corner Method

$x_{ij}$	1	2	3	4	5	
1	30	170	0	0	0	0
2	0	40	40	0	0	0
3	0	0	20	80	0	30
4	0	0	0	0	0	90
	0	0	0	0	120	

# Northwest Corner Method

$x_{ij}$	1	2	3	4	5	
1	30	170	0	0	0	0
2	0	40	40	0	0	0
3	0	0	20	80	30	0
4	0	0	0	0	0	90
	0	0	0	0	90	

# Northwest Corner Method

$x_{ij}$	1	2	3	4	5	
1	30	170	0	0	0	0
2	0	40	40	0	0	0
3	0	0	20	80	30	0
4	0	0	0	0	90	0
	0	0	0	0	0	

# Minimum Costs Method (Dantzig Method)

- Task: program the maximum possible flows on source-absorption location relations, where costs are minimal
- The order:
  - Red
  - Orange
  - Green
  - Purple

$x_{ij}$	1	2	3	4	5	
1	30	160	0	0	10	40 0
2	0	0	0	0	80	0
3	0	50	0	80	0	50 0
4	0	0	60	0	30	0
	0	160 0	0	0	40 10	

$$30 * 6 + 160 * 3 + 10 * 7 + 80 * 1 + 50 * 2 + 80 * 1 + 60 * 2 + 30 * 2 = 1170$$



# Minimum Costs Method (Dantzig Method)

$x_{ij}$	1	2	3	4	5	
1	$0^6$	$0^3$	$0^5$	$0^2$	$0^7$	200
2	$0^3$	$0^7$	$0^4$	$0^4$	$0^1$	80
3	$0^5$	$0^2$	$0^3$	$0^1$	$0^6$	130
4	$0^3$	$0^5$	$0^2$	$0^3$	$0^2$	90
	30	210	60	80	120	

# Minimum Costs Method (Dantzig Method)

$x_{ij}$	1	2	3	4	5	
1	$0^6$	$0^3$	$0^5$	$0^2$	$0^7$	200
2	$0^3$	$0^7$	$0^4$	$0^4$	$80^1$	0
3	$0^5$	$0^2$	$0^3$	$80^1$	$0^6$	50
4	$0^3$	$0^5$	$0^2$	$0^3$	$0^2$	90
	30	210	60	0	40	

# Minimum Costs Method (Dantzig Method)

$x_{ij}$	1	2	3	4	5	
1	$0^6$	$0^3$	$0^5$	$0^2$	$0^7$	200
2	$0^3$	$0^7$	$0^4$	$0^4$	$80^1$	0
3	$0^5$	$50^2$	$0^3$	$80^1$	$0^6$	0
4	$0^3$	$0^5$	$60^2$	$0^3$	$30^2$	0
	30	160	0	0	10	

# Minimum Costs Method (Dantzig Method)

$x_{ij}$	1	2	3	4	5	
1	$0^6$	$160^3$	$0^5$	$0^2$	$0^7$	40
2	$0^3$	$0^7$	$0^4$	$0^4$	$80^1$	0
3	$0^5$	$50^2$	$0^3$	$80^1$	$0^6$	0
4	$0^3$	$0^5$	$60^2$	$0^3$	$30^2$	0
	30	0	0	0	10	

# Minimum Costs Method (Dantzig Method)

$x_{ij}$	1	2	3	4	5	
1	$0^6$	$160^3$	$0^5$	$0^2$	$0^7$	40
2	$0^3$	$0^7$	$0^4$	$0^4$	$80^1$	0
3	$0^5$	$50^2$	$0^3$	$80^1$	$0^6$	0
4	$0^3$	$0^5$	$60^2$	$0^3$	$30^2$	0
	30	0	0	0	10	

# Minimum Costs Method (Dantzig Method)

$x_{ij}$	1	2	3	4	5	
1	$0^6$	$160^3$	$0^5$	$0^2$	$0^7$	40
2	$0^3$	$0^7$	$0^4$	$0^4$	$80^1$	0
3	$0^5$	$50^2$	$0^3$	$80^1$	$0^6$	0
4	$0^3$	$0^5$	$60^2$	$0^3$	$30^2$	0
	30	0	0	0	10	

# Minimum Costs Method (Dantzig Method)

$x_{ij}$	1	2	3	4	5	
1	$30^6$	$160^3$	$0^5$	$0^2$	$10^7$	0
2	$0^3$	$0^7$	$0^4$	$0^4$	$80^1$	0
3	$0^5$	$50^2$	$0^3$	$80^1$	$0^6$	0
4	$0^3$	$0^5$	$60^2$	$0^3$	$30^2$	0
	0	0	0	0	0	

# Vogel Initial Programming Method

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- Differency parameter: difference between costs ( $c_{ij}$ ) of components having the smallest and the-second-smallest unit cost remained in that row or column
- Define the row or column which can be characterized by the highest differency parameter and then from the selected row/column choose the elements, which have the smallest unit costs

$$200 * 3 + 80 * 1 + 10 * 2 + 40 * 3 + 80 * 1 + 30 * 3 + 20 * 2 + 40 * 2 = 1110$$



# Vogel Initial Programming Method

$x_{ij}$	1	2	3	4	5	$a_i$	
1	$0^6$	$0^3$	$0^5$	$0^2$	$0^7$	200	1
2	$0^3$	$0^7$	$0^4$	$0^4$	$0^1$	80	2
3	$0^5$	$0^2$	$0^3$	$0^1$	$0^6$	130	1
4	$0^3$	$0^5$	$0^2$	$0^3$	$0^2$	90	0
$b_j$	30	210	60	80	120		
	0	1	1	1	1		

# Vogel Initial Programming Method

$x_{ij}$	1	2	3	4	5	$a_i$	
1	$0^6$	$0^3$	$0^5$	$0^2$	$0^7$	200	1
2	$-^3$	$-^7$	$-^4$	$-^4$	$80^1$	0	-
3	$0^5$	$0^2$	$0^3$	$0^1$	$0^6$	130	1
4	$0^3$	$0^5$	$0^2$	$0^3$	$0^2$	90	0
$b_j$	30	210	60	80	40		
	2	1	1	1	4		

# Vogel Initial Programming Method

$x_{ij}$	1	2	3	4	5		
1	$0^6$	$0^3$	$0^5$	$0^2$	- <sup>7</sup>	200	1
2	- <sup>3</sup>	- <sup>7</sup>	- <sup>4</sup>	- <sup>4</sup>	$80^1$	0	-
3	$0^5$	$0^2$	$0^3$	$0^1$	- <sup>6</sup>	130	1
4	$0^3$	$0^5$	$0^2$	$0^3$	$40^2$	50	1
	30	210	60	80	0		
	2	1	1	1	-		

# Vogel Initial Programming Method

$x_{ij}$	1	2	3	4	5	$a_i$	
1	- <sup>6</sup>	0 <sup>3</sup>	0 <sup>5</sup>	0 <sup>2</sup>	- <sup>7</sup>	200	1
2	- <sup>3</sup>	- <sup>7</sup>	- <sup>4</sup>	- <sup>4</sup>	80 <sup>1</sup>	0	-
3	- <sup>5</sup>	0 <sup>2</sup>	0 <sup>3</sup>	0 <sup>1</sup>	- <sup>6</sup>	130	1
4	30 <sup>3</sup>	0 <sup>5</sup>	0 <sup>2</sup>	0 <sup>3</sup>	40 <sup>2</sup>	20	1
$b_j$	0	210	60	80	0		
	-	1	1	1	-		

# Vogel Initial Programming Method

$x_{ij}$	1	2	3	4	5		
1	- <sup>6</sup>	0 <sup>3</sup>	0 <sup>5</sup>	- <sup>2</sup>	- <sup>7</sup>	200	2
2	- <sup>3</sup>	- <sup>7</sup>	- <sup>4</sup>	- <sup>4</sup>	80 <sup>1</sup>	0	-
3	- <sup>5</sup>	0 <sup>2</sup>	0 <sup>3</sup>	80 <sup>1</sup>	- <sup>6</sup>	50	1
4	30 <sup>3</sup>	0 <sup>5</sup>	0 <sup>2</sup>	- <sup>3</sup>	40 <sup>2</sup>	20	3
	0	210	60	0	0		
	-	1	1	-	-		

# Vogel Initial Programming Method

$x_{ij}$	1	2	3	4	5		
1	-6	$0^3$	$0^5$	-2	-7	200	2
2	-3	-7	-4	-4	$80^1$	0	-
3	-5	$0^2$	$0^3$	$80^1$	-6	50	1
4	$30^3$	-5	$20^2$	-3	$40^2$	0	-
	0	210	40	0	0		
	-	1	2	-	-		

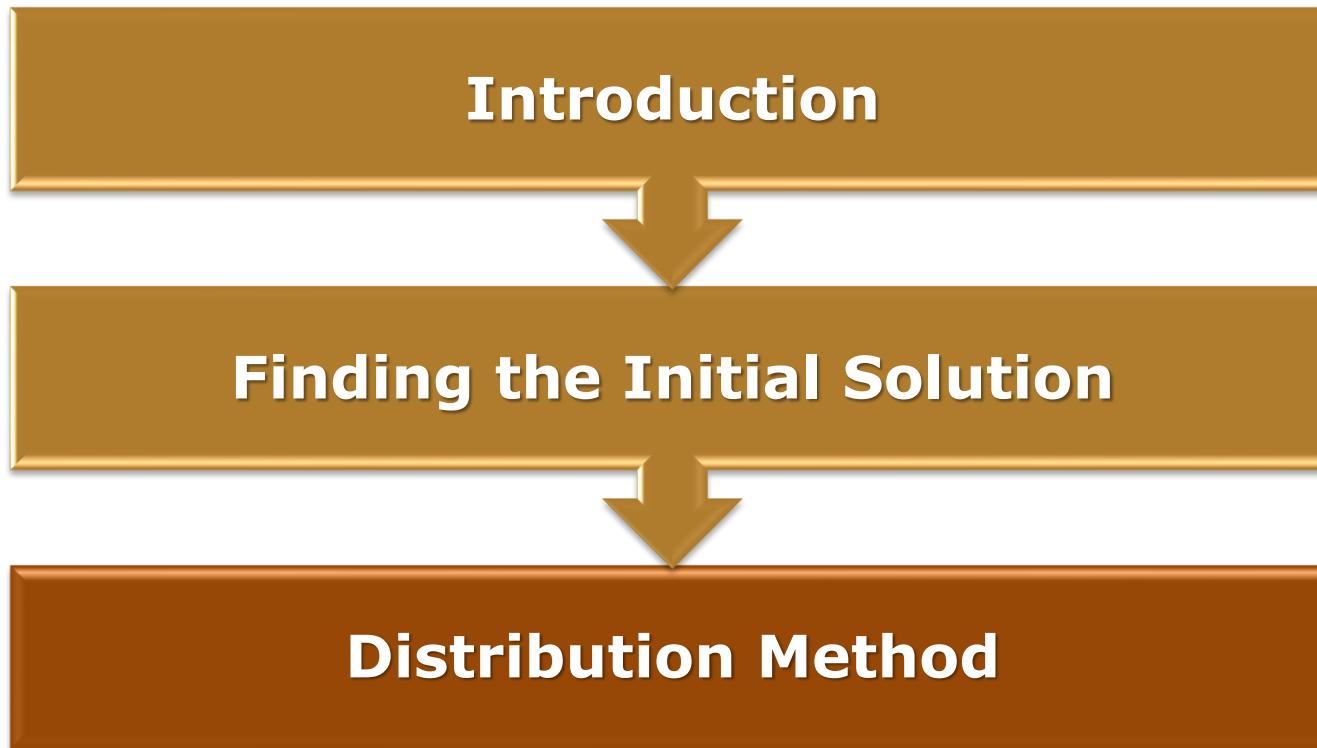
# Vogel Initial Programming Method

$x_{ij}$	1	2	3	4	5		
1	-6	$200^3$	-5	-2	-7	0	-
2	-3	-7	-4	-4	$80^1$	0	-
3	-5	$0^2$	$0^3$	$80^1$	-6	50	
4	$30^3$	-5	$20^2$	-3	$40^2$	0	-
	0	10	40	0	0		
	-			-	-		

# Vogel Initial Programming Method

$x_{ij}$	1	2	3	4	5	$a_i$	
1	-6	$200^3$	-5	-2	-7	0	-
2	-3	-7	-4	-4	$80^1$	0	-
3	-5	$10^2$	$40^3$	$80^1$	-6	0	-
4	$30^3$	-5	$20^2$	-3	$40^2$	0	-
$b_j$	0	0	0	0	0		
	-	-	-	-	-		

# Content – Streamlined Simplex Method



# Potential System

$$p_{ij} = c_{ij} - v_j + u_i$$

- $p_{ij}$  parameters for the tied elements, are always 0
- Have to choose one row or column arbitrary
- The order:
  - Red
  - Orange
  - Green
- In our example the solution of the Dantzig method is used

$x_{ij}$	1	2	3	4	5	$u_i$
1	$30^6$	$160^3$	$0^5$	$0^2$	$10^7$	0
2	$0^3$	$0^7$	$0^4$	$0^4$	$80^1$	6
3	$0^5$	$50^2$	$0^3$	$80^1$	$0^6$	1
4	$0^3$	$0^5$	$60^2$	$0^3$	$30^2$	5
v <sub>j</sub>	6	3	7	2	7	

# Potential System

$$p_{ij} = c_{ij} - v_j + u_i$$

- The numbers: amount of expected change of the sum ( $Z$ ) value
- Choose the lowest element which is below 0
- If the lowest element is 0, or positive, then the sum will not decrease

	1	2	3	4	5	u <sub>i</sub>
1			-2 <sup>5</sup>	0 <sup>2</sup>		0
2	3 <sup>3</sup>	10 <sup>7</sup>	3 <sup>4</sup>	8 <sup>4</sup>		6
3	0 <sup>5</sup>		-3 <sup>3</sup>		0 <sup>6</sup>	1
4	2 <sup>3</sup>	7 <sup>5</sup>		6 <sup>3</sup>		5
v <sub>j</sub>	6	3	7	2	7	

# Polygon on the matrix

- A polygon is need to set up on the matrix
- A corner is on the chosen element (now 33)
- Other corners on tied elements
- Sign the corners by ,+' and ,-' alternately
- Start with ,+' and the chosen element

$x_{ij}$	1	2	3	4	5
1	30	+160			-10
2					80
3		-50	+	80	
4			-60		30 +

# Current optimum

- The minimum of the ,-' signed elements is need to be chosen
- Then this amount is need to add to the ,+' signed elements and extract from the ,-' signed ones
- The decrease of the Z is the multiplication of the chosen potential number, and the chosen amount

$x_{ij}$	1	2	3	4	5
1	30	170			
2					80
3		40	10	80	
4			50		40

$$30 * 6 + 170 * 3 + 80 * 1 + 40 * 2 + 20 * 3 + 80 * 1 + 50 * 2 + 40 * 2 = 1140$$



# Potential System

- The order:
  - Red
  - Orange
  - Green
  - Purple
  - Blue
  - Brown

$x_{ij}$	1	2	3	4	5	$u_i$
1	$30^6$	$170^3$	$0^5$	$0^2$	$0^7$	0
2	$0^3$	$0^7$	$0^4$	$0^4$	$80^1$	3
3	$0^5$	$40^2$	$10^3$	$80^1$	$0^6$	1
4	$0^3$	$0^5$	$50^2$	$0^3$	$40^2$	2
$v_j$	6	3	4	2	4	

# Potential System

$p_{ij}$	1	2	3	4	5	$u_i$
$v_j$	6	3	4	2	4	
1			$1^5$	$0^2$	$3^7$	0
2	$0^3$	$7^7$	$3^4$	$5^4$		3
3	$0^5$				$3^6$	1
4	$-1^3$	$4^5$		$3^3$		2

# Polygon on the matrix

$x_{ij}$	1	2	3	4	5
1	-30	170 <sup>+</sup>			
2					80
3		40	10 <sup>+</sup>	80	
4	+ -		50 -		40

# Current optimum

$x_{ij}$	1	2	3	4	5
1		200			
2					80
3		10	40	80	
4	30		20		40

# Potential System

- The order:
  - Red
  - Orange
  - Green
  - Purple
  - Blue
  - Brown

$x_{ij}$	1	2	3	4	5	$u_i$
1	$0^6$	$200^3$	$0^5$	$0^2$	$0^7$	0
2	$0^3$	$0^7$	$0^4$	$0^4$	$80^1$	3
3	$0^5$	$10^2$	$40^3$	$80^1$	$0^6$	1
4	$30^3$	$0^5$	$20^2$	$0^3$	$40^2$	2
$v_j$	5	3	4	2	4	

# Potential System

$p_{ij}$	1	2	3	4	5	$u_i$
$v_j$	5	3	4	2	4	
1	$1^6$	X	$1^5$	$0^2$	$3^7$	0
2	$1^3$	$7^7$	$3^4$	$5^4$	X	3
3	$1^5$	X	X	X	$3^6$	1
4	X	$4^5$	X	$3^3$	X	2

# Optimal solution

$x_{ij}$	1	2	3	4	5
1		200			
2					80
3		10	40	80	
4	30		20		40

# Content

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**Introduction**



**Streamlined Simplex Method**



**Excercises**



# Excercises – Practical Methods

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- Dummy supply or destination has needed to introduce
  - Analyse the column and row summarises
  - Introduce the supply OR destination what is needed
  - The dummy supply or destination is an artificial location, which means that the needs are not fulfilled
- When a  $ij$  route is not feasible
  - In the matrix usually signed by M
  - In Solver a special condition is needed



# Excercises – Solver

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- Conditions
  - Row summarisies need to be equal
  - Column summarisies need to be equal
  - Nonnegativity cretiria
  - Special criteria for infeasible routes
    - Nonnegativity:  $x_{ij} \geq 0 \forall i, j$
    - Special criteria:  $x_{ij} \leq 0$  for infeasible routes
    - If  $x_{ij} \geq 0$  and  $x_{ij} \leq 0$ , then  $x_{ij} = 0$  for infeasible routes



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