

SCENARIO

The Osbourne Concrete Company has plants in three locations and is currently working on three major construction projects, each located at a different site. The shipping cost per truckload of concrete, daily plant capacities, and daily project requirements are provided in the table below.

Determine the least-cost way for Osbourne Concrete to meet their requirements.

	Project A	Project B	Project C	Capacity
Plant 1	10	4	9	80
Plant 2	12	6	8	40
Plant 3	8	9	5	30
Requirements	50	40	60	

T. TEMPLATE

1010	Projects						
	Data table:	Project A	Project B	Project C	Capacity		
locations	Plant 1	10	4	9	80		
	Plant 2	12	6	8	40		
	Plant 3	8	9	5	30		
	Requirements	50	40	60			

	Shipment table:	Project A	Project B	Project C	Capacity
ations	Plant 1 Plant 2 Plant 3	40	40	0	80
	Plant 2	0	0	40	40
ool	Plant 3	10	0	20	30
	Requirements	50	40	60	

Total Shipment cost (Min): \$1,060

QUESTIONS

- 1. How many truckloads of concrete should Plant 1 ship to each project? **Answer:** 40 truckloads to Project A, 40 truckloads to Project B, and no shipment to Project C.
- 2. How many truckloads of concrete should Plant 2 ship to each project? **Answer:** No shipment to Project A, no shipment to Project B, and 40 truckloads to Project C.
- 3. How many truckloads of concrete should Plant 3 ship to each project? **Answer:** 10 truckloads to Project A, no shipment to Project B, and 20 truckloads to Project C.
- 4. What is the total minimal shipping cost?

Answer: \$1060

SUMMARY

This project was set up with one of the transportation problem templates. The Solver Add-in was used to show that the minimal shipping cost for the concrete is \$1060. This minimum cost was achieved with the following plan:

- 1. Send 40 truckloads of concrete from Plant 1 to Project A and send 40 truckloads from Plant 1 to Project B. Nothing goes from Plant 1 to Project C.
- 2. Send 40 truckloads of concrete from Plant 2 to Project C. Nothing goes from Plant 2 to either of the other projects.
- 3. Send 10 truckloads of concrete from Plant 3 to Project A and send 20 truckloads from Plant 3 to Project C. Nothing goes from Plant 3 to Project B.

