A previously unpopulated large area is developing fast, due to rezoning. The area is divided into several districts $d \in D$. The township plans to build new firehouses in some of these districts (one or more). How to locate these so that we minimize the total cost?

We know for each district how much it would cost there to build a firehouse and operate it for several years, B_d , $d \in D$. We also know the travel time $t_{d,e}$ between any pair of these districts $d, e \in D$, and based on these distances we estimated the cost $c_{d,e}$ of a fire event in district e if trucks were sent from d, for all $d, e \in D$, on average. (Clearly, arriving later cost more, since fire can do more damage; these are estimates based on many years of experience in other similar areas.) We also know the expected number m_d of fires (on average) in district $d \in D$. We can assume that if there is a fire in a district we send fire trucks from the nearest location. This must be wired in for 911 calls!



SETS:

Districts D.

PARAMETERS

- Fixed costs of building B_d , $d \in D$.
- Expected number of fires m_d , $d \in D$.
- Travel times $t_{d,e}, d, e \in D$.
- Estimated extra damage in district $e \in D$ if fire truck is sent from district $d \in D$: $c_{d,e}$.

- Binary x_d indicating whether we build or not a firehouse in district $d \in D$.
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CONSTRAINTS:

• Cannot send fire truck if no firehouse is built:

$$y_{d,e} \le x_d$$
 for all $d, e \in D$.

All fires are extinguished:

$$\sum_{d \in D} y_{d,e} = 1 \quad \text{for all } e \in D.$$

$$x_f + y_{d,e} \le 1$$
 for all $d, e, f \in D$ s.t. $t_{f,e} < t_{d,e}$.



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OBJECTIVE:

$$\min \sum_{d \in D} B_d * x_d + \sum_{d,e \in D} c_{d,e} * m_e * y_{d,e}$$

VARIABLE TYPES:

$$x_d \in \{0,1\}$$
 for all $d \in D$,
 $y_{d,e} \in \{0,1\}$ for all $d, e \in D$

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