

# OTA PROJECT

## GROUP:

19

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## PROJECT PROBLEM:

Contract Awards -

Award contracts to suppliers who have bid certain prices to supply products to facilities in several states - allow for bids specifying a minimum size for each state.

## SUBMITTED TO:

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# OBJECTIVE - 1

## QUESTION:

The health department of India (HDI) wants to send some health supplies for helping people fight the crisis of coronavirus (COVID 19) till some vaccine is discovered. The supplies include masks and hand sanitizers. It needs to be sent to 3 states which include Rajasthan, Delhi, and Bangalore in hope that it will reach the underprivileged people and help them fight against the pandemic. Three manufacturers have placed certain bids to supply these supplies. HDI needs to minimize the cost so that the underprivileged people can afford it.

The following tables are for the same.

MANUFACTURERS	RAJASTHAN		DELHI		BANGALORE	
	Sanitizer	Mask	Sanitizer	Mask	Sanitizer	Mask
Manufacturer - 1	150	90	165	96	155	95
Manufacturer - 2	145	98	155	104	150	92
Manufacturer - 3	155	75	145	70	148	80

*This table shows prices( in Rupee) offered by manufacturers for different states*

MANUFACTURERS	LIMIT	
	Masks	Sanitizer
Manufacturer - 1	125000	90000
Manufacturer - 2	125000	80000
Manufacturer - 3	125000	70000

*This table shows the stock of supplies with the manufacturers*

	RAJASTHAN		DELHI		BANGALORE	
	Masks	Sanitizer	Masks	Sanitizer	Masks	Sanitizer
Contract (Single Unit)	1000	800	700	550	1200	1050
TOTAL REQUIRED	100000	60000	70000	35000	120000	85000

*This table shows the required number of supplies of each state and quantity of supplies in a single contract*

## SOLUTION:

### FORMULATION:

For the formulation of the above problem, we need to define some notations that are given below:-

Notations	Definition
M1R	Contracts awarded to manufacture 1 in Rajasthan
M2R	Contracts awarded to manufacture 2 in Rajasthan
M3R	Contracts awarded to manufacture 3 in Rajasthan
M1D	Contracts awarded to manufacture 1 in Delhi
M2D	Contracts awarded to manufacture 2 in Delhi
M3D	Contracts awarded to manufacture 3 in Delhi
M1B	Contracts awarded to manufacture 1 in Bangalore
M2B	Contracts awarded to manufacture 2 in Bangalore
M3B	Contracts awarded to manufacture 3 in Bangalore

## OBJECTIVE FUNCTION:

HDI needs to minimize the cost for the underprivileged people.

### Minimize:

$$Z = 210000*M1R + 214000*M2R + 199000*M3R + 157950*M1D + 158050*M2D + 128750*M3D + 276750*M1B + 267900*M2B + 251400*M3B$$

### Subject to Constraints:

- $1000*M1R + 700*M1D + 1200*M1B \leq 125000$

Total supply of masks by manufacturer-1 cannot exceed 125000

- $800*M1R + 550*M1D + 1050*M1B \leq 90000$

Total supply of sanitizers by manufacturer-1 cannot exceed 90000

- $1000*M2R + 700*M2D + 1200*M2B \leq 125000$

Total supply of masks by manufacturer-2 cannot exceed 125000

- $800*M2R + 550*M2D + 1050*M2B \leq 80000$

Total supply of sanitizers by manufacturer-2 cannot exceed 80000

- $1000*M3R + 700*M3D + 1200*M3B \leq 125000$

Total supply of masks by manufacturer-3 cannot exceed 125000

- $800*M3R + 550*M3D + 1050*M3B \leq 70000$

Total supply of sanitizers by manufacturer-3 cannot exceed 70000

- $1000*M1R + 1000*M2R + 1000*M3R \geq 100000$

Total masks supply in Rajasthan is at least 100000

- $800*M1R + 800*M2R + 800*M3R \geq 60000$

Total sanitizers supply in Rajasthan is at least 60000

- $700 \cdot M1D + 700 \cdot M2D + 700 \cdot M3D \geq 70000$

Total masks supply in Delhi is at least 70000

- $550 \cdot M1D + 550 \cdot M2D + 550 \cdot M3D \geq 35000$

Total sanitizers supply in Delhi is at least 35000

- $1200 \cdot M1B + 1200 \cdot M2B + 1200 \cdot M3B \geq 120000$

Total masks supply in Bangalore is at least 120000

- $1050 \cdot M1B + 1050 \cdot M2B + 1050 \cdot M3B \geq 85000$

Total sanitizers supply in Bangalore is at least 85000

- $M1R, M2R, M3R, M1D, M2D, M3D, M1B, M2B, M3B \geq 0$

**Method Used:** Integer Linear Programming

**Reason:** Here we used INTEGER LINEAR PROGRAMMING because the number of contracts awarded to a particular manufacturer should be an integer value.

## RESULT:

$$Z = 210000 \cdot M1R + 214000 \cdot M2R + 199000 \cdot M3R + 157950 \cdot M1D + 158050 \cdot M2D + 128750 \cdot M3D + 276750 \cdot M1B + 267900 \cdot M2B + 251400 \cdot M3B$$

$$M1R = 100, M2R = 0, M3R = 0,$$

$$M1D = 1, M2D = 8, M3D = 91,$$

$$M1B = 9, M2B = 72, M3B = 19$$

$$\min Z = 210000 \cdot 100 + 214000 \cdot 0 + 199000 \cdot 0 + 157950 \cdot 1 + 158050 \cdot 8 + 128750 \cdot 91 + 276750 \cdot 9 + 267900 \cdot 72 + 251400 \cdot 19$$

$$\min Z = 60694750$$

The minimum cost of the sale is **Rs. 6,06,94,750**

# MATLAB CODE:

```

>> f = [210000 214000 199000 157950 158050 128750 276750 267900 251400];
>>
>> A = [1000 0 0 700 0 0 1200 0 0
        800 0 0 550 0 0 1050 0 0
        0 1000 0 0 700 0 0 1200 0
        0 800 0 0 550 0 0 1050 0
        0 0 1000 0 0 700 0 0 1200
        0 0 800 0 0 550 0 0 1050
        -1000 -1000 -1000 0 0 0 0 0 0
        -800 -800 -800 0 0 0 0 0 0
        0 0 -700 -700 -700 0 0 0
        0 0 -550 -550 -550 0 0 0
        0 0 0 0 -1200 -1200 -1200
        0 0 0 0 -1050 -1050 -1050];
>>
>> b = [125000 90000 125000 80000 125900 70000 -100000 -60000 -70000 -35000 -120000 -85000];
>>
>> intcon = [1 2 3 4 5 6 7 8 9];
>>
>> Aeq = []
Aeq =
[]
>> beq = [];
>>
>> lb = [ 0 0 0 0 0 0 0 0 0];
>>
>> ub = [];
>>
>> [X,Z] = intlinprog(f,intcon,A,b,Aeq,beq,lb,ub)

```

```

>> [X,Z] = intlinprog(f,intcon,A,b,Aeq,beq,lb,ub)
LP:
Optimal objective value is 6.051626e+07.

Cut Generation:
Applied 5 Gomory cuts.
Lower bound is 6.068060e+07.

Heuristics:
Found 1 solution using diving.
Upper bound is 6.069475e+07.
Relative gap is 0.02%.

Branch and Bound:

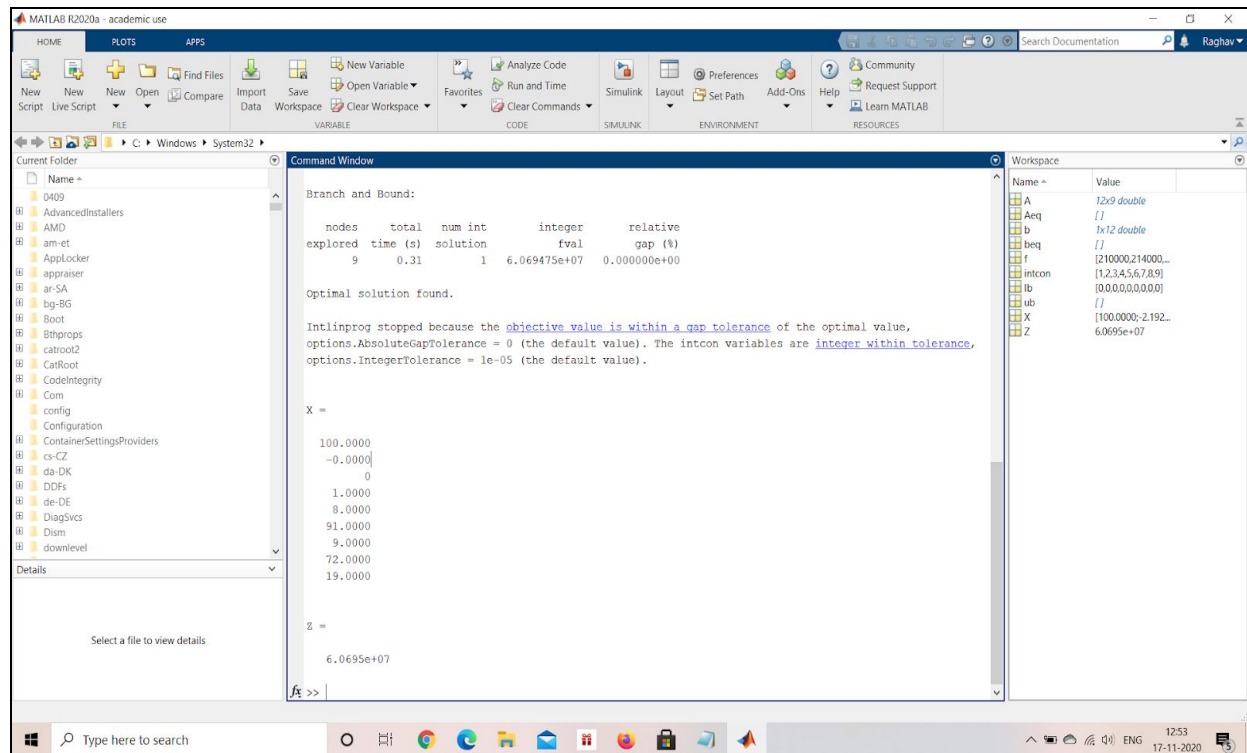
nodes   total   num int   integer   relative
explored time (s) solution   fval      gap (%)
          9    0.31      1    6.069475e+07  0.000000e+00

Optimal solution found.

Intlinprog stopped because the objective value is within a gap tolerance of the optimal value,
options.AbsoluteGapTolerance = 0 (the default value). The intcon variables are integer within tolerance,
options.IntegerTolerance = 1e-05 (the default value).

X =
100.0000
-0.0000
0
1.0000
8.0000
91.0000

```



- $f$  = Coefficient of Variables in Objective function (Matrix of 1 x 9)
- $A$  = Coefficient of Variables of Constraints (Matrix of 12 x 9)
- $b$  = Limits of Constraints (Matrix of 1 x 12)
- $Aeq$  = Coefficient of Variables of Constraints having equality sign (Null matrix)
- $beq$  = Limits of Constraints having equality sign (Null matrix)
- $intcon$  = Variables having integer values (Here all variables should be an integer)
- $lb$  = Lower Bound of all Variables (All have 0 lower bounds)
- $ub$  = Upper Bound of all Variables (All have infinity)
- $X$  = Values of Variables at Optimal Solution
- $Z$  = Value of Objective function at Optimal Solution

## OBJECTIVE - 2

### QUESTION:

Now the Transport department of India (TDI) wants to transport the awarded contracts of manufacturers from their respective warehouses to their corresponding states. Two transporters have placed certain bids to transport these supplies. TDI needs to minimize the cost.

The following tables are for the same.

Transporter	RAJASTHAN	DELHI	BANGALORE
Transporter 1	390	550	445
Transporter 2	400	490	450

*This table shows prices( in Rupee) offered by transporters for different states*

Transporter	LIMIT
Transporter 1	150
Transporter 2	150

*This table shows the limit of contracts transported by each transporter*



## SOLUTION:

### FORMULATION:

For the formulation of the above problem, we need to define some notations that are given below:-

Notations	Definition
T1R	No. of contracts transported by transporter 1 in Rajasthan
T2R	No. of contracts transported by transporter 2 in Rajasthan
T1D	No. of contracts transported by transporter 1 in Delhi
T2D	No. of contracts transported by transporter 2 in Delhi
T1B	No. of contracts transported by transporter 1 in Bangalore
T2B	No. of contracts transported by transporter 2 in Bangalore

## OBJECTIVE FUNCTION:

TDI needs to minimize the cost.

### Minimize:

$$Z = 390 \cdot T1R + 400 \cdot T2R + 550 \cdot T1D + 490 \cdot T2D + 445 \cdot T1B + 450 \cdot T2B$$

### Subject to Constraints:

- $T1R + T2R = M1R + M2R + M3R$

No. of transported contracts must be equal to no. of awarded contracts

- $T1D + T2D = M1D + M2D + M3D$

No. of transported contracts must be equal to no. of awarded contracts

- $T1B + T2B = M1B + M2B + M3B$

No. of transported contracts must be equal to no. of awarded contracts

- $T1R + T1D + T1B \leq 150$

Total contracts transported by transporter-1 cannot exceed 150

- $T2R + T2D + T2B \leq 150$

Total contracts transported by transporter-2 cannot exceed 150

- $T1R, T2R, T1D, T2D, T1B, T2B \geq 0$

**Method Used:** Integer Linear Programming

**Reason:** Here we used INTEGER LINEAR PROGRAMMING because the number of contracts transported by a particular transporter should be an integer value.

## RESULT:

$$Z = 390 \cdot T1R + 400 \cdot T2R + 550 \cdot T1D + 490 \cdot T2D + 445 \cdot T1B + 450 \cdot T2B$$

$$T1R = 100, T2R = 0,$$

$$T1D = 0, T2D = 100,$$

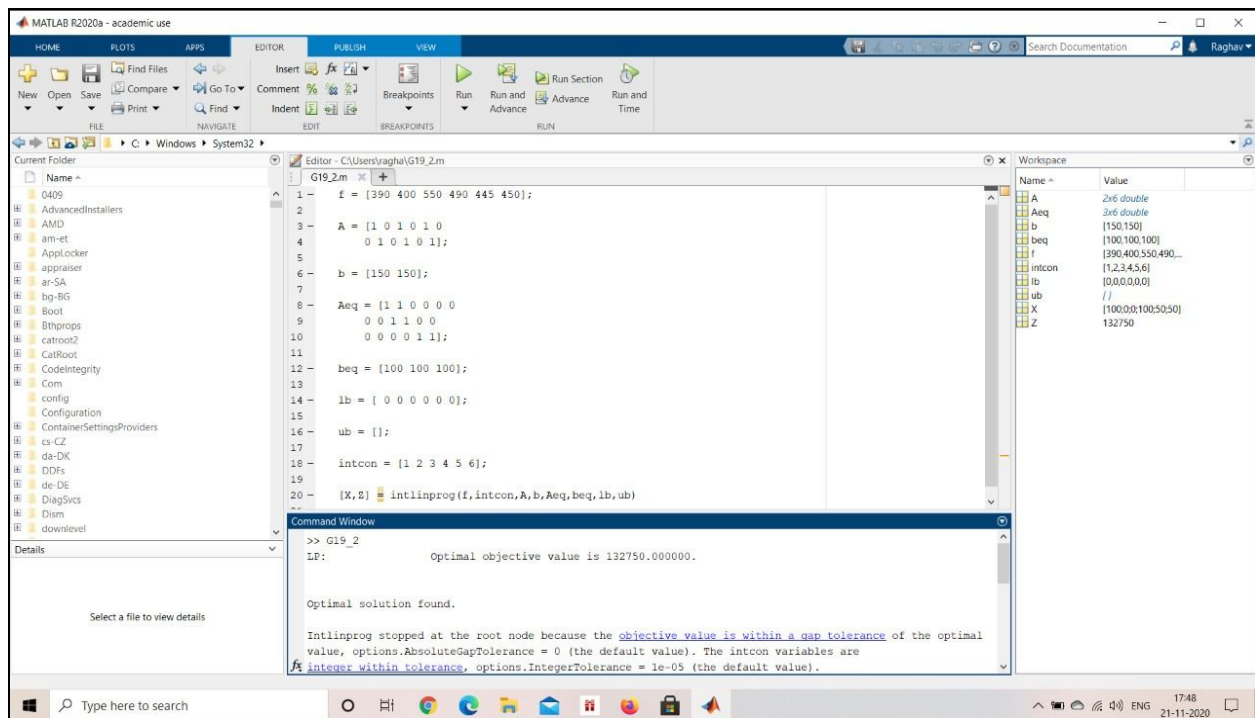
$$T1B = 50, T2B = 50$$

$$\min Z = 390 \cdot 100 + 400 \cdot 0 + 550 \cdot 0 + 490 \cdot 100 + 445 \cdot 50 + 450 \cdot 50$$

$$\min Z = 132750$$

The minimum cost of the sale is **Rs. 1,32,750**

## MATLAB CODE:



The screenshot displays the MATLAB R2020a environment. The Editor window shows a script named 'G19\_2.m' with the following code:

```
1 f = [390 400 550 490 445 450];
2
3 A = [1 0 1 0 1 0
4       0 1 0 1 0 1];
5
6 b = [150 150];
7
8 Aeq = [1 1 0 0 0 0
9         0 0 1 1 0 0
10        0 0 0 0 1 1];
11
12 beq = [100 100 100];
13
14 lb = [ 0 0 0 0 0 0];
15
16 ub = [];
17
18 intcon = [1 2 3 4 5 6];
19
20 [X,Z] = intlinprog(f,intcon,A,b,Aeq,beq,lb,ub)
```

The Command Window shows the output of the optimization:

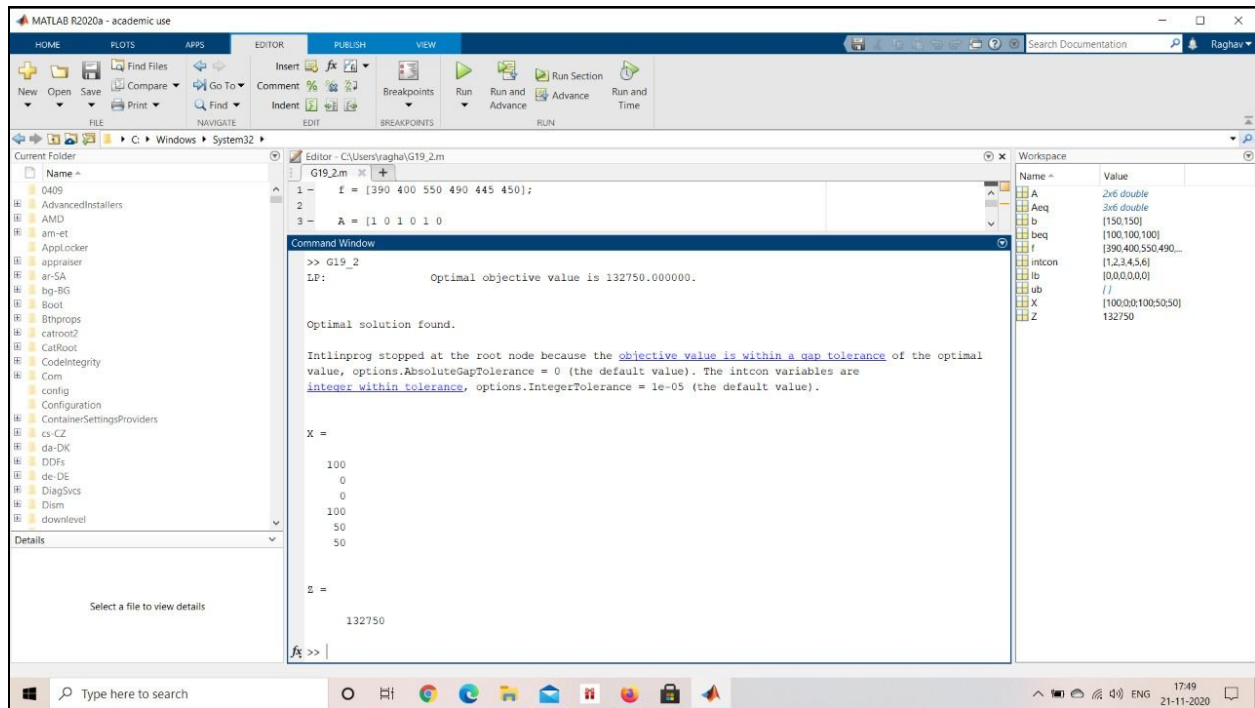
```
>> G19_2
LP:      Optimal objective value is 132750.000000.

Optimal solution found.

Intlinprog stopped at the root node because the objective value is within a gap tolerance of the optimal value, options.AbsoluteGapTolerance = 0 (the default value). The intcon variables are
1 integers within tolerance, options.IntegerTolerance = 1e-05 (the default value).
```

The Workspace window shows the following variables:

Name	Value
A	2x6 double
Aeq	3x6 double
b	[150,150]
beq	[100,100,100]
f	[390,400,550,490,445,450]
intcon	[1,2,3,4,5,6]
lb	[0,0,0,0,0,0]
ub	[]
X	[100,0,0,100,50,50]
Z	132750



- $f$  = Coefficient of Variables in Objective function (Matrix of 1 x 6)
- $A$  = Coefficient of Variables of Constraints (Matrix of 5 x 6 )
- $b$  = Limits of Constraints (Matrix of 1 x 5 )
- $Aeq$  = Coefficient of Variables of Constraints having equality sign (Null matrix)
- $beq$  = Limits of Constraints having equality sign (Null matrix)
- $intcon$  = Variables having integer values ( Here all variables should be an integer)
- $lb$  = Lower Bound of all Variables ( All have 0 lower bounds)
- $ub$  = Upper Bound of all Variables (All have infinity )
- $X$  = Values of Variables at Optimal Solution
- $Z$  = Value of Objective function at Optimal Solution