

# OR4030

## Projects

2021 December

Each group is required to write a report which should include the following parts.

1. State the problem;
2. Formulate the problem as an optimization model with necessary specification and explanation;
3. Explain the methodology and algorithm for solving your model;
4. Write a Matlab (or C or Python) code and run the program. Attach a copy of your code and running record;
5. Give your solution;
6. Make a short discussion or extension if necessary.

**Upload your report and source code ( one zip file including report and code )via ispace by the Due Date – 23:59 Jan 2nd, 2022 (one for each group).**

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### Project 1

A pipeline is about to be built in order to deliver natural gas. The pipeline should link location points  $A_1 \rightarrow A_2 \rightarrow \dots \rightarrow A_{15}$  as shown by the double lines in Fig. 3.1. Seven steel factories  $S_1, S_2, \dots$ , and  $S_7$  are able to provide the required pipes. The production capacity and selling price of each steel factory  $S_i$  are listed in Table 3.1, where  $K_i$  is the maximum production capacity (in km of length), and  $P_i$  is the price for 1 km (i.e. 1 unit) of pipes (the money unit used is 10,000 Yuan) for the product of factory  $S_i$ . It is requested that if pipes are bought from factory  $i$ , then at least a total of 500 km of pipes should be purchased from it (regardless of which location the pipes are purchased for).

Table 3.1: Production Capacity and Sell Price

Factory $S_i$	S1	S2	S3	S4	S5	S6	S7
Capacity $K_i$	800	800	1000	2000	2000	2000	3000
Price $P_i$	160	155	155	160	155	150	160



The pipes are shipped from factories  $S_i$  ( $i = 1, 2, \dots, 7$ ) via railway or highway to the location points  $A_j$  ( $j = 1, 2, \dots, 15$ ), where pipes are unloaded and paved towards either  $A_{j-1}$  direction or  $A_{j+1}$  direction. In Fig. 3.1, the dark solid lines represent railways and the thin lines represent highways. Their lengths (in km) are shown beside these lines. The highway transportation cost is 0.1 (money unit) per km for per unit of pipes, and the railway transportation cost is 0.065 (money unit) per km for per unit of pipes.

It is assumed that the pipes shipped to location point  $A_j$  can only be used to pave the interval between  $A_{j-1}$  and  $A_{j+1}$ , and the interval must contain  $A_j$ , that is, such pipes can be paved towards  $A_{j-1}$ , but cannot exceed  $A_{j-1}$ , or similarly, towards  $A_{j+1}$ , but cannot exceed  $A_{j+1}$ , or towards both directions. For such movement of pipes, the transportation cost is 0.1 per km for per unit of pipes, and for a moving distance shorter than 1km, the cost is counted as 1km, i.e., 0.1 per unit. For simplicity, we further assume that during the construction process, no pipes shall be wasted and hence the total amount of pipes required is equal to the length of the entire pipeline  $A_1 \rightarrow A_2 \rightarrow \dots \rightarrow A_{15}$ . Also, all required pipes are of the same size.

Consider a pipe purchasing and shipping plan so that the total cost for buying and moving pipes (from factories to location points, and between location points) can be minimized.