ISEN 622 Project

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Problem A:

Lot-Sizing with Constant Capacity (LSC) problem

Indices:

Time period: t = 1,...,n

Parameters (given data):

 $\begin{aligned} p_t &: \text{ unit production cost in period } t \\ h_t &: \text{ unit storage cost in period } t \end{aligned}$

 d_t : demand in period t

 C_t : maximum production capacity in period t

Variables:

 x_t = number of units of product produced in period t

 s_t = number of product units carried in inventory from period t to t+1

Formulations:

$$\min \quad \sum_{t=1}^{n} p_t x_t + h_t s_t$$

s.t.

$$s_t = s_{t-1} + x_t - d_t$$
 $t = 1,..,n$

$$s_0 = 0$$

$$0 \leq x_t \leq C_t \hspace{1cm} t = 1,...,n$$

$$s_t \ge 0 \qquad \qquad t = 1,..,n$$

Problem B:

lsc.mod

```
### Model file for Lot-Sizing with Constant Capacity (LSC) problem
# Defining the production period parameter
                      # n is the production period
param n;
## Setting the time indices
set time:= {1..n};
                             # set of indices
## Define all other parameters of cost, demand and capacity
param p {time} >= 0;
                      # p is per unit production cost which should be >=0 for
all periods
                      # h is per unit holding cost which should be >=0 for
param h {time} >= 0;
all periods
param d {time} >= 0;  # d is demand in any period which should be >=0 for all
periods
param C {time} >= 0;  # production capacity in any period which should be >=0
for all periods
## Declaring the variables
var x \{t in time\} >= 0; \# x units are produced at time t which should be >= 0
and less then capacity at time t (constant in this problem)
var s {t in 0..n} >= 0; # Remaining Inventory at time period t after satisfying
the demand. It should always be positive so that backorders are not carried in
next period.
## Defining objective function. This is sum of production cost and inventory
storing cost for all period.
minimize cost : sum {t in time} (p[t] * x[t] + h[t] * s[t]);
# Defining constraint 1, production at time t is <= capacity in that period
s.t. prod {t in time} : x[t] <= C [t];
# Defining constraint 2, at t=0, inventory = 0
s.t. initial inventory : s [0] = 0;
# Defining constraint 3, inventory at time t = carry over inventory from previous
period + production in current period - demand of current period
s.t. flow constraint {t in time} : s[t] = s[t-1] + x[t] - d[t];
lsc.dat
param n := 90;
param p := 92 92 104 81 108 98 99 88 113 83
93 88 101 118 85 88 89 109 113 104
90 94 99 102 112 91 93 102 113 103
89 95 110 105 110 87 113 101 118 118
90 113 82 104 91 89 108 84 88 107
84 99 114 112 104 91 83 107 85 116
101 106 104 91 101 98 86 112 102 115
83 99 118 83 108 93 91 113 84 96
87 96 111 86 85 104 103 94 96 99;
```

```
param h :=
                  10
                        10
                             10
10
      10
            10
                                    10
                                          10
                                                10
                                                      10
10
      10
            10
                  10
                        10
                              10
                                    10
                                          10
                                                10
                                                      10
10
      10
            10
                  10
                        10
                              10
                                    10
                                          10
                                                10
                                                      10
10
     10
           10
                  10
                        10
                              10
                                    10
                                          10
                                                10
                                                      10
10
     10
           10
                  10
                        10
                              10
                                    10
                                          10
                                                10
                                                      10
10
     10
          10
                  10
                       10
                              10
                                    10
                                          10
                                                10
                                                      10
10
     10
          10
                  10
                        10
                              10
                                    10
                                          10
                                                10
                                                      1.0
10
     10
           10
                  10
                        10
                              10
                                    10
                                          10
                                                10
                                                      10
10
      10
            10
                  10
                        10
                              10
                                    10
                                          10
                                                10
                                                      10
10
      10
            10
                  10
                        10
                              10
                                    10
                                          10
                                                10
                                                      10;
param d :=
134 118 33 185 147 144 123 181 47 74
16 115 109 107 109 126 175 144 122 70
135 176 174 31 115 170 108 153 17 149
148 47 73 149 161 46 179 17 40 121
40 155 116 89 46 37 80 38 86 94
114 94 81 76 165 100 149 72 61 102
26 100 24 131 99 91 20 76 104 112
160 37 105 63 159 39 144 62 171 56
68 46 104 40 15 61 96 185 133 22;
param C :=
           180
180
    180
                  180
                        180
                              180
                                    180
                                          180
                                                180
                                                      180
180
     180
          180
                  180
                        180
                              180
                                    180
                                                180
                                                      180
                                          180
180
     180
          180
                  180
                       180
                              180
                                    180
                                          180
                                                180
                                                      180
180
     180
          180
                  180
                        180
                              180
                                    180
                                          180
                                                180
                                                      180
180
     180
          180
                  180
                        180
                              180
                                   180
                                          180
                                                180
                                                      180
180
     180
           180
                  180
                        180
                              180
                                    180
                                          180
                                                180
                                                      180
180
     180
          180
                  180
                        180
                              180
                                   180
                                          180
                                                180
                                                     180
180
     180
          180
                  180
                       180
                              180
                                   180
                                          180
                                                180
                                                     180
                                   180
180
     180
          180
                  180
                        180
                              180
                                          180
                                                180
                                                     180
180
     180
          180
                  180
                        180
                              180
                                    180
                                                180
                                                      180;
                                          180
lsc.run
# reset the ampl environment
reset;
# load the model
model lsc.mod;
# load the data
data lsc.dat;
# choose CPLEX as solver
option solver cplex;
# solving step - this would calculate the minimum cost for the problem
solve;
# display and save results in the output file
printf('The optimum total cost for lsc problem is ') >lsc.out;
display cost > lsc.out;
```

```
printf('The production units in each period are ') >lsc.out;
 display x > lsc.out;
 printf('The storage inventory in each period are ') >lsc.out;
 display s > lsc.out;
 lsc.out
 The optimum total cost for lsc problem is cost = 853945
 The production units in each period are x [*] :=
 1 134
         11 16
                  21 135
                           31 148
                                    41 180
                                              51 180
                                                       61 26
                                                                 71 180
                                                                          81
                                                                              68
 2 156
         12 180
                  22 176
                           32 120
                                     42 15
                                              52 109
                                                       62 100
                                                                 72 122
                                                                          82 150
     0
         13 151
                  23 174
                           33
                               0
                                     43 180
                                              53
                                                  0
                                                       63
                                                           24
                                                                 73
                                                                          83
                                                 76
 4 180
         14
            0
                  24 31
                           34 149
                                     44 25
                                              54
                                                       64 180
                                                                 74 180
                                                                          84
                                                                              40
 5 147
         15 109
                  25 115
                                              55 165
                                                           50
                                                                 75 42
                                                                              76
                           35 161
                                     45 46
                                                       65
                                                                          85
                                                                 76 39
 6 144
         16 180
                  26 170
                           36 180
                                     46 117
                                              56 100
                                                       66
                                                           91
                                                                          86
                                                                              0
                           37
7 124
         17 180
                  27 108
                               45
                                     47
                                         0
                                              57 180
                                                       67
                                                           96
                                                                 77 180
                                                                          87 101
8 180
         18 85
                  28 170
                           38 57
                                     48 38
                                              58 41
                                                       68
                                                           0
                                                                 78 26
                                                                          88 180
9 47
         19 122
                  29 0
                           39
                                     49 180
                                              59 163
                                                       69 180
                                                                 79 180
                                                                          89 133
                               0
10 74
         20 70
                  30 149
                           40 121
                                     50
                                          0
                                              60
                                                  0
                                                       70
                                                           36
                                                                 80 47
                                                                          90 22
 The storage inventory in each period are s [*] :=
                                                                 77
                                                                     36
    0
         11
              0
                  22
                       0
                           33
                                0
                                     44
                                          0
                                              55
                                                   0
                                                       66
                                                            0
                                                                          88
                                                                               0
             65
                  23
                       0
                                0
                                     45
                                          0
                                                   0
                                                           76
                                                                 78
                                                                          89
1
     0
         12
                           34
                                              56
                                                       67
                                                                     0
                                                                               0
                                                                 79
                                                                      9
2
    38
         13 107
                  24
                       0
                           35
                                 0
                                     46
                                        80
                                              57
                                                  31
                                                       68
                                                                          90
                                                                               0
                                                            0
3
         14
                  25
                       0
                           36 134
                                     47
                                          0
                                              58
                                                   0
                                                       69
                                                           76
                                                                 80
                                                                      0
     5
              0
 4
     0
         15
             0
                  26
                       0
                           37
                                0
                                     48
                                          0
                                              59 102
                                                       70
                                                            0
                                                                 81
                                                                      0
 5
     0
         16
             54
                  27
                       0
                           38
                               40
                                     49
                                         94
                                              60
                                                   0
                                                       71
                                                           20
                                                                 82 104
 6
     0
         17
             59
                  28
                      17
                           39
                                0
                                     50
                                         0
                                              61
                                                   0
                                                       72 105
                                                                 83
                                                                      0
7
                  29
                                                       73
     1
         18
              0
                       0
                           40
                                0
                                     51
                                         66
                                              62
                                                   0
                                                           0
                                                                 84
                                                                      0
8
         19
                                     52
                                                       74 117
    0
              0
                  30
                       0
                           41 140
                                        81
                                              63
                                                  0
                                                                 85
                                                                     61
9
                                                  49
                                                       75
     0
         20
             0
                  31
                      0
                           42
                                0
                                     53
                                         0
                                              64
                                                            0
                                                                 86
                                                                      0
10
         21
                  32
                      73
                           43
                                64
                                     54
                                          0
                                              65
                                                   0
                                                       76
                                                                 87
                                                                      5
     0
              0
                                                            0
```

Problem C:

1. The following command gives the version of CPLEX software being used. option cplex_options 'version';

We have used CPLEX 12.7.1.0.

2. Computer Specifications:

Processor: Intel(R) Core™ i7-6700HQ CPU @ 2.60 GHz

RAM: 16 GB RAM

Operating System: 64-bit, x-64 based processor

3. The following command was used to get the input time, solve time, and output time to solve LSC. option cplex options 'timing 4';

Output :-Times (ticks): Input = 0.00516224 Solve = 0.468305 Output = 0.0011158

Total time is 0.47458304 ticks.

When the command - option cplex_options 'timing 1'; is used, time output is obtained in seconds. But time taken for processing is very small to be detected in seconds unit. Hence, we calculated time in terms of ticks.

Output in Seconds:

Times (seconds):

Input = 0

Solve = 0

Output = 0

- **4.** Optimal objective function value for LSC is 853945.
- **5.** C is defined as a parameter with its value equal to 180. Production is defined as a constraint which is less than or equal to C. Thus, by carrying out sensitivity analysis on production in time t; the range of parameter *C*, for which optimal solution remains optimal can be found out. The following commands were used:

```
reset;
model lsc.mod;
data lsc.dat;
option solver cplex;
option presolve 0;
option cplex options 'sensitivity';
solve;
ampl: display prod.up;
prod.up [*] :=
        14 1e+20
                           40 1e+20
1 1e+20
                   27 1e+20
                                      53 1e+20
                                                66 1e+20
                                                          79
2 1e+20 15 1e+20 28 1e+20 41 195
                                      54 1e+20
                                               67 1e+20
                                                         80 1e+20
3 1e+20 16 265 29 1e+20 42 1e+20 55 1e+20 68 1e+20 81 1e+20
4 185 17 265 30 1e+20 43 205 56 1e+20 69 216 82 1e+20
5 1e+20 18 1e+20 31 1e+20 44 1e+20 57 221 70 1e+20 83 1e+20
```

```
6 1e+20
           19 1e+20
                      32 1e+20
                               45 1e+20
                                           58 1e+20
                                                     71
                                                          302
                                                                84 1e+20
                                                     72 1e+20
  7 1e+20
           20 1e+20
                      33 1e+20
                               46 1e+20
                                         59 1e+20
                                                                85 1e+20
    181
           21 1e+20
                      34 1e+20
                                47 1e+20
                                           60 1e+20
                                                     73 1e+20
                                                                86 1e+20
                      35 1e+20
                                48 1e+20
  9 1e+20
           22 1e+20
                                                     74
                                                                87 1e+20
                                           61 1e+20
                                                          222
                      36
           23 1e+20
                           225
                                49
                                                     75 1e+20
                                                               88 185
 10 1e+20
                                     180
                                           62 1e+20
                                                     76 1e+20
 11 1e+20
           24 1e+20
                      37 1e+20
                                50 1e+20
                                           63 1e+20
                                                               89 1e+20
 12
      331
           25 1e+20
                      38 1e+20
                                51
                                     289 64
                                                230
                                                     77
                                                          206
                                                                90 1e+20
 13 1e+20
           26 1e+20
                     39 1e+20
                               52 1e+20 65 1e+20
                                                     78 1e+20
 ampl: display prod.down;
 prod.down [*] :=
 1 134
        11 16
                 21 135
                          31 148
                                   41 40
                                           51 114
                                                    61 26
                                                            71 160
                                                                     81 68
 2 156
         12 151
                 22 176
                          32 120
                                   42 15
                                           52 109
                                                    62 100
                                                            72 122
                                                                     82 150
 3
    0
         13 151
                 23 174
                          33 0
                                   43 116
                                           53
                                               0
                                                    63 24
                                                            73
                                                                0
                                                                     83
                                                                         Ω
                                      25
                                           54 76
                                                            74
 4 156
         14 0
                 24 31
                          34 149
                                   44
                                                    64 131
                                                               63
                                                                     84
                                                                         40
 5 147
         15 109
                 25 115
                          35 161
                                   45 46
                                           55 165
                                                    65 50
                                                            75
                                                                42
                                                                     85
                                                                         76
 6 144
         16 126
                 26 170
                          36 46
                                   46 117
                                           56 100
                                                    66 91
                                                            76
                                                               39
                                                                     86
                                                                        0
 7 124
        17 121
                27 108
                          37 45
                                  47
                                          57 149
                                                    67 96
                                                            77 144
                                                                     87 101
                                      0
 8 124
        18 85 28 170
                          38 57
                                  48 38 58 41
                                                    68 0
                                                            78 26
                                                                     88 101
 9 47
        19 122 29 0
                          39 0
                                  49 38
                                           59 163
                                                    69 104
                                                           79 171
                                                                     89 133
10 74
         20 70
                30 149
                          40 121
                                  50
                                      0 60
                                               0
                                                    70 36
                                                           80 47
                                                                     90 22
 ampl: display prod.current;
 prod.current [*] :=
                                                            71 180
 1 180
        11 180
                21 180
                        31 180
                                  41 180
                                           51 180
                                                   61 180
                                                                    81 180
                 22 180
                                  42 180
2 180
        12 180
                        32 180
                                           52 180
                                                   62 180
                                                            72 180
                                                                    82 180
3 180
        13 180
                23 180
                        33 180
                                  43 180
                                           53 180
                                                   63 180
                                                            73 180
                                                                    83 180
4 180
        14 180
                24 180
                         34 180
                                  44 180
                                          54 180
                                                   64 180
                                                            74 180
                                                                    84 180
5 180
        15 180
                 25 180
                         35 180
                                  45 180
                                           55 180
                                                   65 180
                                                            75 180
                                                                    85 180
 6 180
        16 180
                26 180
                         36 180
                                  46 180
                                           56 180
                                                  66 180
                                                            76 180
                                                                    86 180
7 180
        17 180
                27 180 37 180
                                  47 180
                                          57 180 67 180
                                                            77 180
                                                                    87 180
8 180
        18 180
                28 180 38 180
                                  48 180
                                          58 180 68 180
                                                            78 180
                                                                    88 180
        19 180
                29 180 39 180
                                  49 180
                                          59 180 69 180
                                                            79 180
9 180
                                                                    89 180
               30 180 40 180
                                  50 180
                                          60 180 70 180
10 180
        20 180
                                                            80 180
                                                                    90 180
     ;
```

6. Following command is used to set time equal to half the total run time reported in part 3.

```
option solver cplex;
option cplex_options 'dettimelim= 0.23728752';
model lsc.mod;
data lsc.dat;
solve;
display cost;

CPLEX 12.7.1.0: unrecoverable failure: CPLEX error # 25.62 dual simplex iterations (0 in phase I)
cost = 511203

optimal objective function cost = 511203
```

Problem D:

Lot-Sizing with Capacity Module (LSCM) problem

Indices:

Time period: t = 1,...,n

Parameters (given data):

pt: unit production cost in period t

ht: unit storage cost in period t

 d_t : demand in period t

 C_t : maximum production capacity in period t

ft: cost of installing unit production module in period t

Variables:

x_t: number of units of product produced in period t

s_t: number of product units carried in inventory from period t to t+1

y_t: number of modules installed in period t

Formulations:

$$\min \quad \sum_{t=1}^{n} p_t x_t + h_t s_t + f_t y_t$$

s.t.

$$\begin{split} s_t &= s_{t\text{-}1} + x_t - d_t & t = 1,..,n \\ s_0 &= 0 & \\ y_t &\geq 0, & y_t = \text{an integer } (0,\,1, \end{split}$$

$$\begin{array}{ll} y_t \geq 0, & y_t = \text{an integer } (0,\,1,\,2,\,3..) \\ 0 \leq x_t \leq y_t C_t & t = 1,...,n \\ s_t \geq 0 & t = 1,...,n \end{array}$$

Problem E:

lscm.mod ### Model file for Lot-Sizing with Capacity modules (LSCM) problem # Defining the production period parameter param n; # n is the production period ## Setting the time indices **set** time:= {1..n}; # set of indices ## Define all other parameters of cost, demand, capacity and module installation cost # p is per unit production cost (>=0 for any periods) param p {time} >= 0; param h {time} >= 0; # h is per unit holding cost (>=0 for any periods) param d {time} >= 0; # d is demand in any period (>=0 for any periods) param C {time} >= 0; # production capacity in any period (>=0 for any periods) param f {time} >= 0; # module installation cost (given as 5000) ## Declaring the variables var y {t in 1..n} integer>= 0; # no. of modules installed at each time period (this should be an integer value) var x {t in time} >= 0; # x units are produced at time t which should be >= 0 and less then capacity at time t var s {t in 0..n} >= 0; # Remaining Inventory at time period t after satisfying the demand. ## Defining objective function. This is sum of production cost, inventory storing cost and module installation cost for all period. **minimize** cost : **sum** {t **in** time} (f[t] * y[t] + p[t] * x[t] + h[t] * s[t]); # Defining constraint 1 on production units. this should be lesser than or equal to number of modules*capacity of each module **s.t.** production constraint {t in time} : $x[t] \le y[t] *C[t]$; # Defining constraint 2, at t=0, inventory = 0 **s.t.** initial inventory : s[0] = 0; # Defining constraint 3, inventory at time t = carry over inventory from previous period + production in current period - demand of current period **s.t.** flow constraint {t in time} : s[t] = s[t-1] + x[t] - d[t]; lscm.dat param n := 90; param p := 92 92 104 81 108 98 99 88 113 83 93 88 101 118 85 88 89 109 113 104 90 94 99 102 112 91 93 102 113 103 89 95 110 105 110 87 113 101 118 118 90 113 82 104 91 89 108 84 88 107 84 99 114 112 104 91 83 107 85 116 101 106 104 91 101 98 86 112 102 115 83 99 118 83 108 93 91 113 84 96

p	aram	h :=								
1	0	10	10	10	10	10	10	10	10	10
1	0	10	10	10	10	10	10	10	10	10
1	0	10	10	10	10	10	10	10	10	10
1	0	10	10	10	10	10	10	10	10	10
1	0	10	10	10	10	10	10	10	10	10
1	0	10	10	10	10	10	10	10	10	10
1	0	10	10	10	10	10	10	10	10	10
1	0	10	10	10	10	10	10	10	10	10
1	0	10	10	10	10	10	10	10	10	10
1	0	10	10	10	10	10	10	10	10	10;

param d :=

134 118 33 185 147 144 123 181 47 74
16 115 109 107 109 126 175 144 122 70
135 176 174 31 115 170 108 153 17 149
148 47 73 149 161 46 179 17 40 121
40 155 116 89 46 37 80 38 86 94
114 94 81 76 165 100 149 72 61 102
26 100 24 131 99 91 20 76 104 112
160 37 105 63 159 39 144 62 171 56
68 46 104 40 15 61 96 185 133 22;

param	C :=								
180	180	180	180	180	180	180	180	180	180
180	180	180	180	180	180	180	180	180	180
180	180	180	180	180	180	180	180	180	180
180	180	180	180	180	180	180	180	180	180
180	180	180	180	180	180	180	180	180	180
180	180	180	180	180	180	180	180	180	180
180	180	180	180	180	180	180	180	180	180
180	180	180	180	180	180	180	180	180	180
180	180	180	180	180	180	180	180	180	180
180	180	180	180	180	180	180	180	180	180;

param f :=

1 5	5000	13 5	5000	25 5	5000	37 5	5000	49 !	5000	61 5	5000	73 !	5000	
2	5000	14	5000	26	5000	38	5000	50	5000	62	5000	74	5000	
3	5000	15	5000	27	5000	39	5000	51	5000	63	5000	75	5000	
4	5000	16	5000	28	5000	40	5000	52	5000	64	5000	76	5000	
5	5000	17	5000	29	5000	41	5000	53	5000	65	5000	77	5000	
6	5000	18	5000	30	5000	42	5000	54	5000	66	5000	78	5000	
7	5000	19	5000	31	5000	43	5000	55	5000	67	5000	79	5000	
8	5000	20	5000	32	5000	44	5000	56	5000	68	5000	80	5000	
9	5000	21	5000	33	5000	45	5000	57	5000	69	5000	81	5000	
10	5000	22	5000	34	5000	46	5000	58	5000	70	5000	82	5000	
11	5000	23	5000	35	5000	47	5000	59	5000	71	5000	83	5000	
12	5000	24	5000	36	5000	48	5000	60	5000	72	5000	84	5000	

```
lscm.run
```

```
# reset the ampl environment
 reset;
 # load the model
 model lscm.mod;
 # load the data
 data lscm.dat;
 # choose CPLEX as solver
 option solver cplex;
 #option cplex options "timing 4";
 # solving step
 solve;
 # display and save results in the output file
 printf('The optimum total cost for lscm problem is ') >lscm.out;
 display cost > lscm.out;
 printf('The number of modules installed in each period are ') >lscm.out;
 display y > lscm.out;
 printf('The production units in each period are ') >lscm.out;
 display x > lscm.out;
 printf('The storage inventory in each period are ') >lscm.out;
 display s > lscm.out;
 lscm.out
 The optimum total cost for lscm problem is cost = 1134640
 The number of modules installed in each period are y [*] :=
              19 0
                      28 1
                             37 0
                                    46 1
                                           55 1
                                                         73 0
  1 1
        10 0
                                                  64 2
        11 0
  2 1
               20 0
                      29 0
                             38 1
                                    47 0
                                           56 1
                                                  65 0
                                                         74 2
                                                                83 0
                                           57 1
  3 0
        12 2
               21 1
                     30 1
                             39 0
                                    48 0
                                                  66 0
                                                         75 0
                                                                84 0
              22 1
                      31 1
  4 2
        13 0
                             40 0
                                    49 1
                                           58 0
                                                  67 1
                                                         76 0
                                                                85 1
                                           59 1
  5 0
        14 0
              23 1
                      32 0
                             41 1
                                    50 0
                                                 68 0
                                                         77 1
        15 1
                     33 0
                             42 0
                                                         78 0
  6 1
             24 1
                                   51 2
                                           60 0
                                                 69 1
                                                                87 0
  7 0
       16 1
              25 0
                     34 1
                             43 2
                                   52 0
                                           61 0
                                                 70 0
                                                         79 2
                                                                88 1
  8 2
        17 2
             26 1
                      35 1
                             44 0
                                   53 0
                                           62 1
                                                  71 2
                                                         80 0
                                                                89 1
  9 0
        18 0
             27 1
                      36 1
                             45 0
                                   54 0
                                           63 0
                                                  72 0
                                                         81 0
                                                                90 0
 The production units in each period are x [*] :=
                21 135
                         31 180
                                   41 180
                                           51 360
                                                              71 302
                                                                       81
1 164
       11 0
                                                     61
                                                          0
                                                                            \cap
2 180
                22 176
                                            52
                                                     62 124
       12 357
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                             0
                                   42
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                                                              72
                                                                  0
                                                                       82 180
       13
                23 174
                         33
                                   43 251
                                            53
                                                     63
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   0
            0
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4 360
                24 146
                         34 180
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       14
            0
                                   44
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                                                     64 321
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       15 180
                25
                          35 180
                                            55 165
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   0
                    0
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                                                                       85 177
6 180
       16 180
                26 170
                          36 180
                                   46 160
                                            56 150
                                                     66
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7
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       17 360
                27 163
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8 318
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```

9	0	19	0	29	0	39	0	49	180	59	180	69	180	79	305	89	155
10	0	20	0	30	180	40	0	50	0	60	0	70	0	80	0	90	0
;																	
т	'he s	torao	re in	wento	ry in	630	h ne	riod	are	s [*]	:=						
		_			-		_						0	77	C O	0.0	0
0	0	11	0	22	0	33	8	44	46	55	0	66	0	77	62	88	0
1	30	12	242	23	0	34	39	45	0	56	50	67	112	78	0	89	22
2	92	13	133	24	115	35	58	46	123	57	81	68	36	79	134	90	0
3	59	14	26	25	0	36	192	47	43	58	9	69	112	80	78		
4	234	15	97	26	0	37	13	48	5	59	128	70	0	81	10		
5	87	16	151	27	55	38	176	49	99	60	26	71	142	82	144		
6	123	17	336	28	82	39	136	50	5	61	0	72	105	83	40		
7	0	18	192	29	65	40	15	51	251	62	24	73	0	84	0		
8	137	19	70	30	96	41	155	52	157	63	0	74	224	85	162		
9	90	20	0	31	128	42	0	53	76	64	190	75	65	86	101		
10	16	21	0	32	81	43	135	54	0	65	91	76	26	87	5		
;																	

Problem F:

Part -1

```
LSCM run time —

Times (seconds):

Input = 0

Solve = 4.65625

Output = 0

Total time = 4.65625
```

LSC run time

Total time = 0.47458304 ticks which is equal to 0.000000004745 seconds

LSCM problem takes much larger time to solve compared to LSC problem.

Part -2

Lsc problem for part F has additional term of 5000 in the objective function from previous problem.

- Optimal objective function value for LSCM = 1134640 units
- Optimal objective function value for LSC plus 5000n = 1303945 units
- Theoretically the value of LSCM is smaller than LSC with installation cost model.

This is because in LSCM, only 53 modules of production units are installed to meet the required demand in the stipulated time period. Whereas, in the LSC model, there are 90 modules installed in time n = 90 unit, since, for each cycle, it was required to install one production module.

By allowing to have various number of modules installed in the system, the LSCM became more flexible, and the system produced better optimal solution. It is possible to have no production module for a time period and cater demand from the inventory stored. Although this increase the inventory carrying cost from 19,090 units in LSC model to 66,480 units in LSCM, the module installation cost reduced from 450,000 units to 265,000 units in LSCM, resulting in a lower optimal value. Also, higher inventory carrying opportunity allowed the LSCM to produce product during the period when the unit production costs are lower, reducing the production cost from 834,855 units in LSC model to 803,160 units in LSCM, which also helps in generating better optimal value.

Scripts for this problem -

lsc F.mod

```
## Define all other parameters of cost, demand and capacity
param p {time} >= 0; # p is per unit production cost which should be
>=0 for all periods
param h {time} >= 0; # h is per unit holding cost which should be >=0
for all periods
param d {time} >= 0; # d is demand in any period which should be >=0
for all periods
param C {time} >= 0; # production capacity in any period which should
be >=0 for all periods
## Declaring the variables
var \times \{t in time\} >= 0, <= C [t]; # x units are produced at time t
which should be >= 0 and less then capacity at time t (constant in this
problem)
var s {t in 0..n} >= 0; # Remaining Inventory at time period t after
satisfying the demand. It should always be positive so that backorders
are not carried in next period.
## Defining objective function. This is sum of production cost and
inventory storing cost for all period.
minimize cost : sum {t in time} (p[t] * x[t] + h[t] * s[t] + 5000);
# Defining constraint 1, at t=0, inventory = 0
s.t. initial inventory : s [0] = 0;
# Defining constraint 2, inventory at time t = carry over inventory from
previous period + production in current period - demand of current period
s.t. flow constraint {t in time} : s[t] = s[t-1] + x[t] - d[t];
lsc F.run
# reset the ampl environment
reset;
# load the model
model lsc F.mod;
# load the data
data lsc.dat;
# choose CPLEX as solver
option solver cplex;
# solving step - this would calculate the minimum cost for the problem
solve;
# display and save results in the output file
printf('The optimum total cost for lsc problem with installation cost is ')
>1sc F.out;
display cost > lsc F.out;
```

```
printf('The production units in each period are ') >lsc F.out;
display x > lsc F.out;
printf('The storage inventory in each period are ') >lsc F.out;
display s > lsc F.out;
lsc.dat
param n := 90;
param p := 92 92 104 81 108 98 99 88 113 83
93 88 101 118 85 88 89 109 113 104
90 94 99 102 112 91 93 102 113 103
89 95 110 105 110 87 113 101 118 118
90 113 82 104 91 89 108 84 88 107
84 99 114 112 104 91 83 107 85 116
101 106 104 91 101 98 86 112 102 115
83 99 118 83 108 93 91 113 84 96
87 96 111 86 85 104 103 94 96 99;
param h :=
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      10
            10
                   10
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                                                   10
                                                         10;
param d :=
134 118 33 185 147 144 123 181 47 74
16 115 109 107 109 126 175 144 122 70
135 176 174 31 115 170 108 153 17 149
148 47 73 149 161 46 179 17 40 121
40 155 116 89 46 37 80 38 86 94
114 94 81 76 165 100 149 72 61 102
26 100 24 131 99 91 20 76 104 112
160 37 105 63 159 39 144 62 171 56
68 46 104 40 15 61 96 185 133 22;
param C :=
180
      180
            180
                   180
                         180
                               180
                                      180
                                            180
                                                   180
                                                         180
180
      180
            180
                   180
                         180
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                                      180
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                                                   180
                                                         180;
```

lsc F.out

The optimum total cost for lsc problem with installation cost is cost = 1303940

	The r	orodu	ction	uni	ts in	eac	h pe:	riod	are :	۲ [*]	:=						
	134	11	16		135		148		180		180	61	26	71	180	81	68
2	156	12	180	22	176	32	120	42	15	52	109	62	100	72	122	82	150
3	0	13	151	23	174	33	0	43	180	53	0	63	24	73	0	83	0
4	180	14	0	24	31	34	149	44	25	54	76	64	180	74	180	84	40
5	147	15	109	25	115	35	161	45	46	55	165	65	50	75	42	85	76
6	144	16	180	26	170	36	180	46	117	56	100	66	91	76	39	86	0
7	124	17	180	27	108	37	45	47	0	57	180	67	96	77	180	87	101
8	180	18	85	28	170	38	57	48	38	58	41	68	0	78	26	88	180
9	47	19	122	29	0	39	0	49	180	59	163	69	180	79	180	89	133
10	74	20	70	30	149	40	121	50	0	60	0	70	36	80	47	90	22
;																	
	The s	stora	ae in	vent	ory i	n ea	ch ne	eriod	are	s [*	1 :=						
0	0	11	0	22	0	33	011 [0	44	0	55	. 0	66	0	77	36	88	0
1	0	12	65	23	0	34	0	45	0	56	0	67	76	78	0	89	0
2	38	13	107	24	0	35	0	46	80	57	31	68	0	79	9	90	0
3	5	14	0	25	0	36	134	47	0	58	0	69	76	80	0		
4	0	15	0	26	0	37	0	48	0	59	102	70	0	81	0		
5	0	16	54	27	0	38	40	49	94	60	0	71	20	82	104		
6	0	17	59	28	17	39	0	50	0	61	0	72	105	83	0		
7	1	18	0	29	0	40	0	51	66	62	0	73	0	84	0		
8	0	19	0	30	0	41	140	52	81	63	0	74	117	85	61		
9	0	20	0	31	0	42	0	53	0	64	49	75	0	86	0		
10	0	21	0	32	73	43	64	54	0	65	0	76	0	87	5		
	0	$\angle \perp$	U	52	13	40	04	94	U	00	U	7 0	U	0 /	J		