

Def  $G = (N, A)$ , where  $N \subseteq \{F \cup H \cup S\}$  (set of nodes)  
 $V = \{Truck, Transporter\}$

### Decision Variables

"Should a hub be built at a location  $i \in H$ ?"

$$y_i = \begin{cases} 1 & | \text{hub is built at } i \in H \\ 0 & | \text{hub is not built at } i \in H \end{cases}$$

→ possible: define  $y_i=0 \quad \forall i \notin H$

### Parameters

node-based parameters

$d_i$ : demand at node  $i \in N$ ,  $i \notin S \Rightarrow d_i = 0$

$s_i$ : supply at node  $i \in N$ ,  $i \notin F \Rightarrow s_i = 0$

$c_i^f$ : fixed cost of operating  $i \in N$ ,  $i \notin H \Rightarrow c_i^f = 0$

$c_i^h$ : handling cost per log at  $i \in N$ ,  $i \notin H \Rightarrow c_i^h = 0$

$p$ : price per log delivered (no subscript here, has to be added in the objective function!)

vehicle- and arc-based parameters: I don't think this becomes important in any of the functions

$cap_v$ : capacity of vehicle  $v \in V$ , where  $cap_{truck} > cap_{trans}$

$c_{ijv}^+$ : transport cost for vehicle  $v \in V$  per log on arc  $(i, j) \in A$

### Variables

$x_{ij}$ : number of logs transported on arc  $(i, j) \in A$

$u_{ijv}$ : decision:  $v \in V$  used on arc  $(i, j) \in A$ ,  $u_{ijv} \in \{1, 0\}$ ,  $\forall v \in V$

### Objective: maximise:

$$\sum_{j \in N^S} p \cdot x_{ij} - \left( \text{total revenue} \right)$$

(we can add  $d_i$ , but it already follows from constraints)

$$\sum_{i \in N^H} \left[ \sum_{j \in N} (c_i^h x_{ji}) \right] - \left( \text{handling cost} \right)$$

$$-\sum_{i \in N^H} y_i c_i^f - \left( \text{fixed cost for hubs} \right)$$

$$-\sum_{(i,j) \in A} \sum_{v \in V} [c_{ijv}^+ u_{ijv}] \quad (\text{transportation cost})$$

### Constraints

#### FLOW CONSERVATION CONSTRAINTS

all params  $\geq 0$

$$x_{ij} \leq \sum_{v \in V} [u_{ijv} cap_v], \quad (i, j) \in A$$

$$\sum_{i \in N^H} (1-y_i) x_{ij} = 0 \quad \left| \begin{array}{l} \text{if hub is built} \Rightarrow y_i=1 \Rightarrow \text{always fulfilled} \\ \text{if hub not built} \Rightarrow (1-y_i)=1 \Rightarrow \text{only fulfilled if } x_{ij}=0 \end{array} \right.$$

$$\sum_{i \in N^H} (1-y_i) x_{ji} = 0 \quad \left| \begin{array}{l} \text{to hub} \\ \text{hub is built} \Rightarrow \text{no constraint on } x_{ij} \\ \text{hub not built} \Rightarrow x_{ij} \end{array} \right.$$

$$\sum_{i \in N^H} [(1-y_i)(x_{ji} + x_{ij})] = 0$$

Trucks cannot reach forest-nodes:  $\sum_{i \in N^F} [u_{ij, truck} + u_{ji, truck}] = 0$

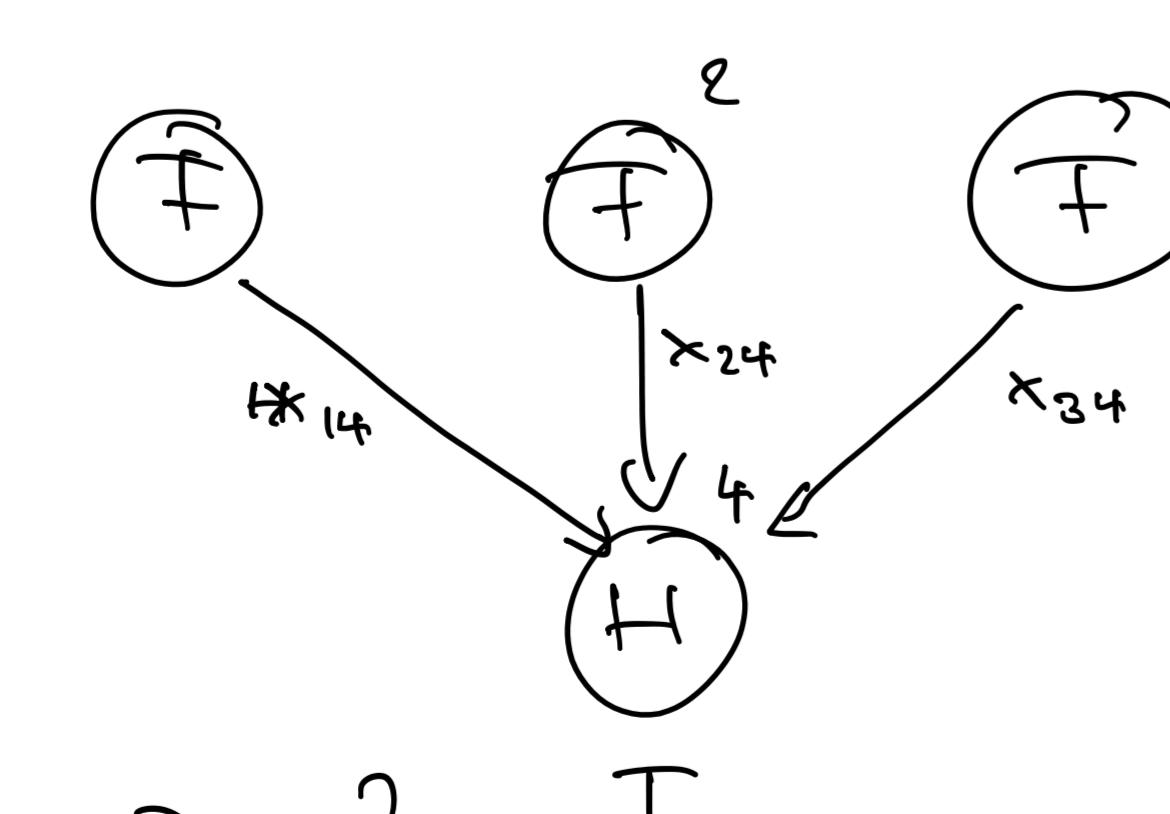
Logs cannot be transported between two hubs of the same type:

$$x_{ij} = 0 \quad \text{if } i \text{ and } j \text{ are in the same set}$$

### EXTENSIONS

additional parameter:  $p_i$ : number of forest areas a hub location  $i \in N^H$  can take logs from

$$\text{constraint: } \sum_{j \in N^F} I_{\{x_{ij} > 0\}} \leq p_i, \quad \forall i \in N^H$$



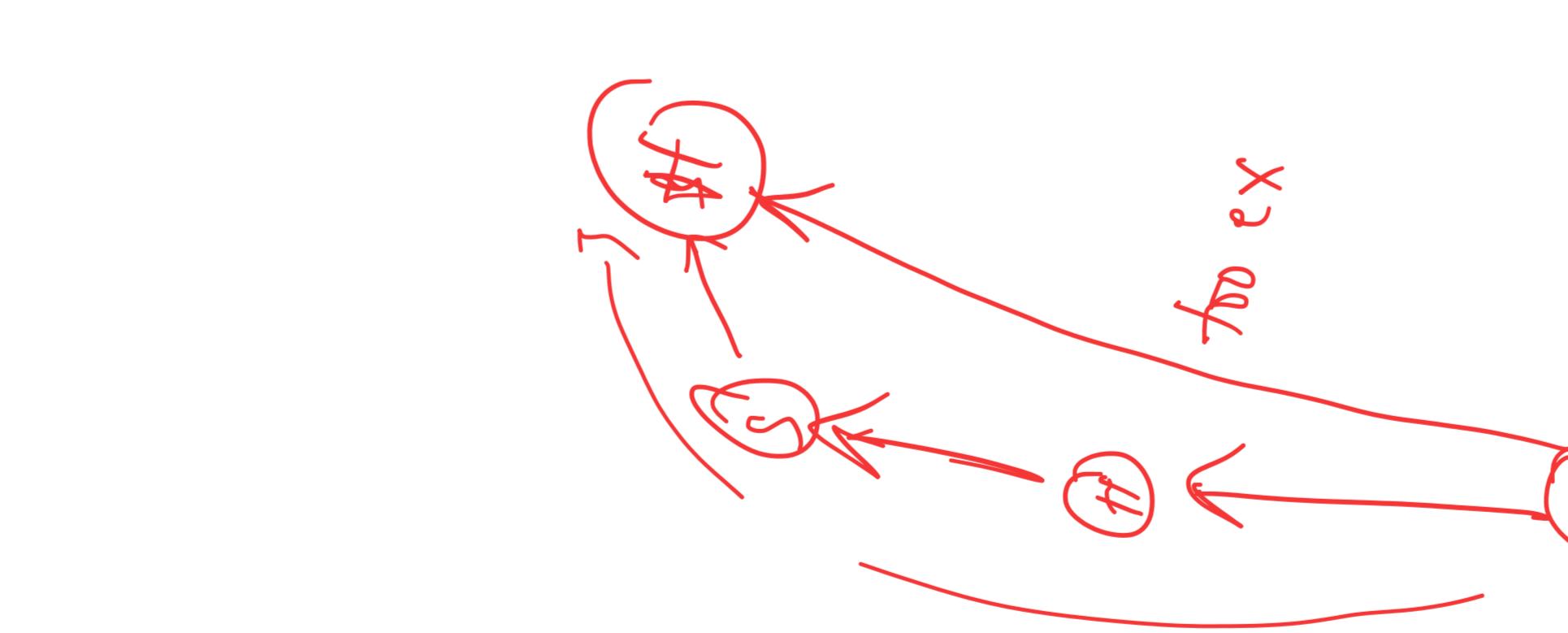
$$p_4 = 2 \quad I_{\{x_{14} > 0\}}$$

	$x_{14}$	$x_{24}$	$x_{34}$	$\sum$	?	$\rightarrow ? \leq 2$
10	0	0	10	10	1	✓
0	0	1	0	1	✓	✓
7	1	1	9	9	3	✗
100	4	100	204	204	3	✗
0	5	100	105	105	2	✓

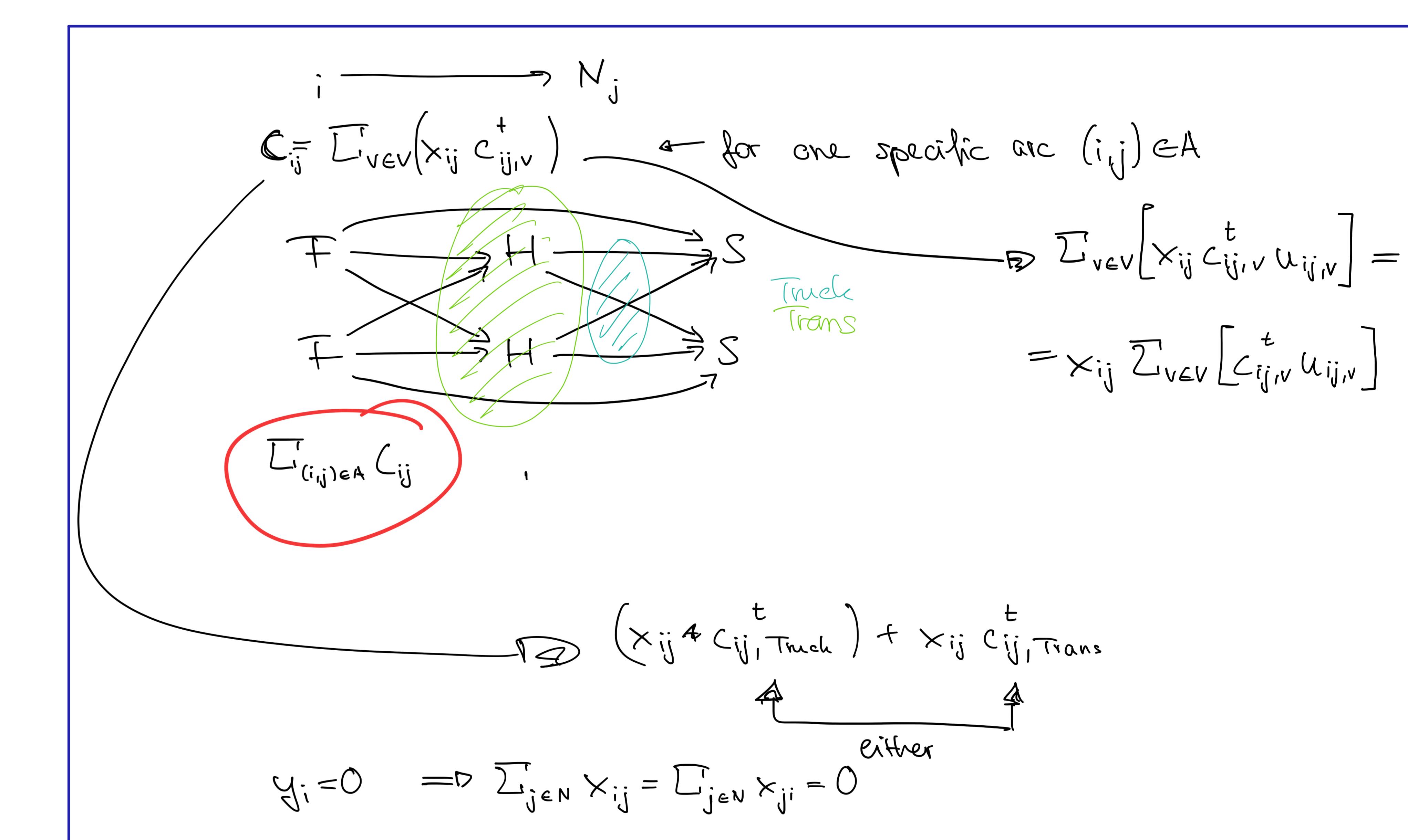
$$I_{\{x_{14} > 0\}} \quad I_{\{x_{24} > 0\}} \quad I_{\{x_{34} > 0\}} \quad \sum_i = ?$$

$$\rightarrow \sum_{j \in N^F} I_{\{x_{ij} > 0\}} \quad \forall i \in N^H$$

$$\rightarrow \sum_{j \in N^F} I_{\{x_{ij} > 0\}} \leq p_i, \quad \forall i \in N^H$$

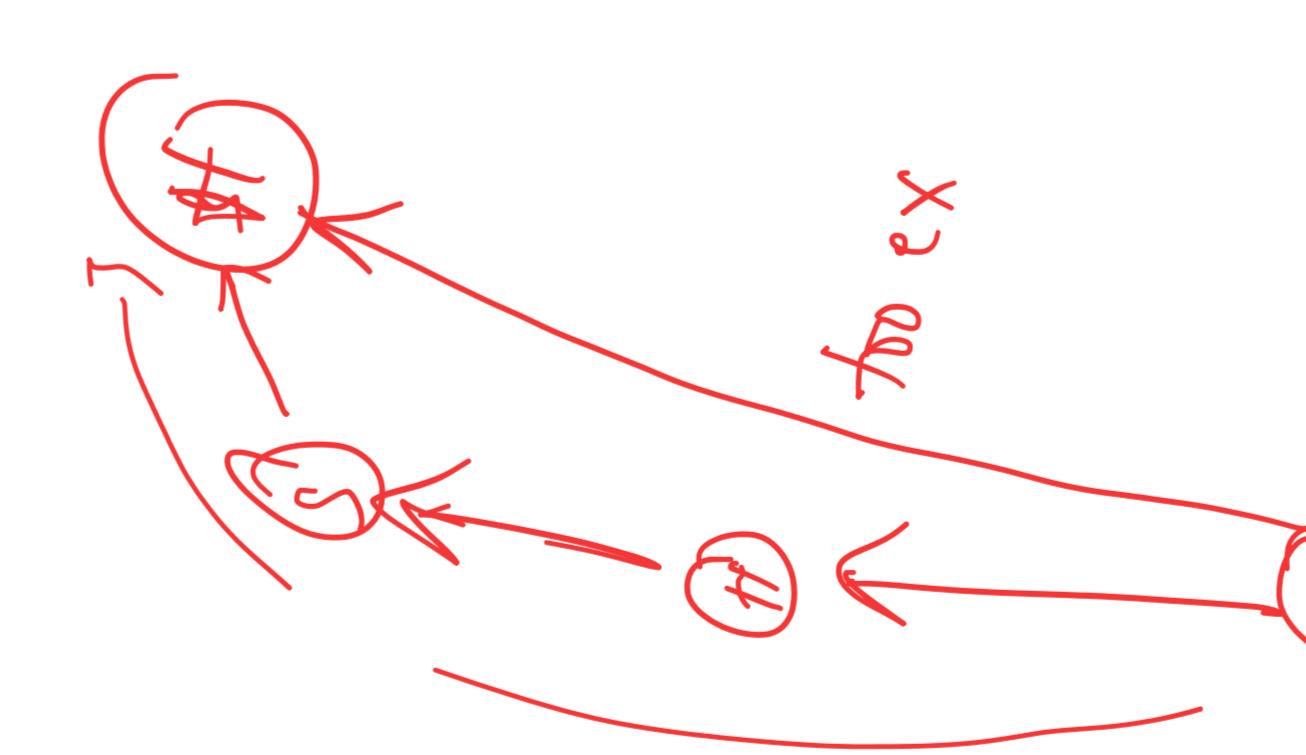


Are these arcs allowed?



$$y_i=0 \Rightarrow \sum_{j \in N^F} x_{ij} = \sum_{j \in N^F} x_{ji} = 0$$

either



Are these arcs allowed?