

min
$$\sum_{k} C_{ik} \chi_{ik} | P_k + \sum_{k} \gamma_{kj} y_{kj} | P_k + \sum_{i,j} M_k P_k$$

s.t.

$$\sum_{k} \chi_{ik} (P_k) + \sum_{j} Z_{i,j} \leq S_i, \text{ for all } i$$

$$\sum_{k} y_{kj} (P_k) + \sum_{k} Z_{i,j} \geq d_j, \text{ for all } j$$

$$\sum_{k} P_k \leq I$$

$$\sum_{k} \chi_{ik} (P_k) \leq e_k, \text{ for all } k$$

$$\sum_{i} \chi_{ik} (P_k) \geq \sum_{j} y_{kj} (P_k)$$

$$\chi_{ik}, y_{kj}, z_{i,j} \geq 0$$

$$P_k \in (0,1)$$

 c_{ik} : the cost per unit transportation of products from supply point i to warehouse k

 $r_{kj}\!\!:$ the cost per unit transportation of products from warehouse k to demand location j

 w_{ij} : the cost per unit transportation of products from supply point i to demand location j

 x_{ik} : the decision of how many units of products to be transported from supply location i to warehouse k

 y_{kj} : the decision of how many units of products to be transported from warehouse k to demand location j

 z_{ij} : the decision of how many units of products to be transported from supply point i to demand location j

ek: the annual capacity of products that warehouse k can store

m_k: warehouse 1-year cost

P_k: rent the warehouse or not (0 or 1)

Answer(by gurobi):

x₁₁: 0

x₁₂: 0

x₁₃: 0

x₂₁: 0

x₂₂: 0

x₂₃: 70

y₁₁: 0

y₁₂: 0

y₂₁: 0

y₂₂: 0

y₃₁: 20

y₃₂: 50

z₁₁: 50

z₁₂: 0

z₂₁: 5

z₂₂: 0

p₁: 0

p₂: 0

p₃: 1

Obj: 623