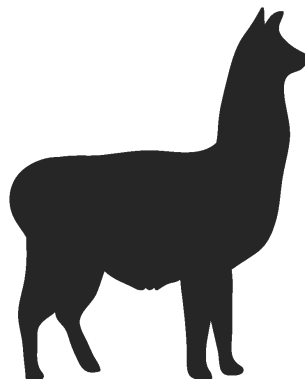# Foundations of Operation Research

Lorenzo Rossi and everyone who kindly helped!

2022/2023

Last update: 2023-06-13

no alpaca has been harmed while writing these notes

Contents

1 Introduction

1.1 Algorithm

An algorithm for a problem is a sequence of instructions that allows one to solve any of its instances. The execution time of an algorithm depends on various factors, most notably the instance and the computer.

Properties

- An algorithm is **exact** if it provides an optimal solution for every instance.
  - otherwise is **heuristic**
- A **greedy algorithm** constructs a feasible solution iteratively, by making at each step a *locally optimal* choice, without reconsidering previous choices
  - for most *discrete optimization problems*, greedy type algorithms yield a feasible solution with no guarantee of optimality

1.2 Dynamic Programming

Proposed by *Richard Bellman* in 1950, **dynamic programming** *(or DP)* is a method for solving optimization problems, composed of a sequence of decisions, by solving a set of recursive equations.
DP is applicable to any sequential decision problem, for which the optimality property is satisfied; as such, it has a wide range of applications, including scheduling, transportation, and assignment problems.

1.3 Complexity of algorithms

In order to analyze an algorithm, it's necessary to consider its complexity as a function of the size of the instance *(the size of the input)*, independently of the computer; the complexity is defined as the number of elementary operations by assuming that each elementary operation takes a constant time.
Since it's hard to determine the exact number of elementary operations, an additional assumption is made: only the asymptotic number of elementary operations in the worst case (for the worst instances) is considered. The complexity evaluation is then performed by looking for the function $f(n)$ that best approximates the upper bound on the number of elementary operations n for the worst instances.

1.3.1 Big-O notation

A function f if order of g, written $f(n) = \mathcal{O}(g(n))$ if exists a constant $c > 0$ and a constant $n_0 > 0$ such that $f(n) \leq c \cdot g(n)$ for all $n \geq n_0$.
An illustration of the big-O notation is shown in Figure 1.
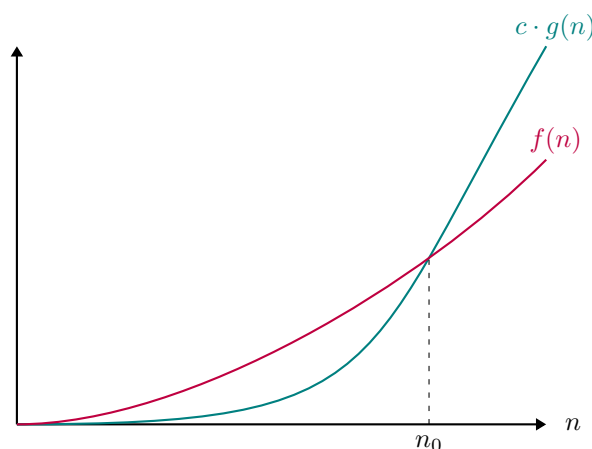
Figure 1: Big-O notation

1.4 Complexity classes

Two classes of algorithms are considered, according to their worst-case order of complexity:

- **Polynomial**: $\mathcal{O}\left(n^d\right)$ for a constant $d > 0, d \in \mathbb{R}$
- **Exponential**: $\mathcal{O}\left(d^n\right)$ for a constant $d > 0, d \in \mathbb{R}$

Algorithms with a high-order Polynomial complexity are not considered efficient; a comparison of the two classes, assuming that $1\,\mu s$ is needed for each elementary operation, is shown in Table 1.

n	n^2	2^n
1	$1\,\mu s$	$1\,\mu s$
5	$25\,\mu s$	$32\,\mu s$
10	$100\,\mu s$	$1.024\,ms$
20	$400\,\mu s$	$\approx 1.04\,s$
30	$900\,\mu s$	$\approx 18\,m$
40	$1.6\,ms$	$\approx 13\,d$
50	$2.5\,ms$	$\approx 36\,y$
100	$10\,ms$	$\approx 4.017 \cdot 10^{16}\,y$
1000	$1\,s$	$\approx 3.395 \cdot 10^{287}\,y$

Table 1: Complexity classes

2 Graph and Network Optimization

Many **decision-making problems** can be formulated in terms of graphs and networks, such as:

- **transportation** and **distribution** problems
- **network design** problems
- **location** problem
- timetable **scheduling**
- . . .

2.1 Graphs

A **graph** is a pair $G = (N, E)$ with:

- N a set of **nodes** or **vertices**
- $E \subseteq N \times N$ a set of **edges** or arcs connecting them pairwise

  - A **directed** graph is a graph in which set set E is composed by ordered pairs of distinct nodes
    - $\rightarrow$ an edge connecting nodes i and j is represented by $\{i, j\}$
    - $\rightarrow$ the flow is permitted only in the direction of the arrow *(from i to j)*
    - $\rightarrow$ i is the head of the arc and j is the tail
  - A **undirected** graph is a graph in which set set E is composed by unordered pairs of distinct nodes
    - $\rightarrow$ an edge connecting nodes i and j is represented by (i, j)
    - $\rightarrow$ since all edges are undirected, (i, j) is equivalent to (j, i)

Properties

- Two **nodes** i and j are **adjacent** if they are connected by an edge (i, j) or $\{i, j\}$
- An **edge** e is **incident** in a node v if v is an **endpoint** of e

  - **undirected** graphs: the degree of a node is the number of incident edges
  - **directed** graphs: the in-degree *(out-degree)* of a node is the number of arcs that have it as successor *(predecessor)*

- A **path** from $i \in N$ to $j \in N$ is a sequence of edges in a undirected graph

$$p = \langle \{v_1, v_2\}, \{v_2, v_3\}, \ldots, \{v_{k-1}, v_k\} \rangle$$

  connecting nodes $v_1, \ldots, v_k$, with $\{v_i, v_{i+1} \in E\}$ for $i = 1, \ldots, k-1$
- A **directed path** $i \in N$ to $j \in N$ is a sequence of arcs in a directed graph

$$p = \langle (v_1, v_2), (v_2, v_3), \ldots, (v_{k-1}, v_k) \rangle$$

  connecting nodes, with $(v_i, v_{i+1} \in E)$ for $i = 1, \ldots, k-1$
- A **cycle** is a path

$$\langle v_1, v_2, \ldots, v_1 \rangle$$

  where the first and last nodes are the same
- A **directed cycle** is path

$$\langle \{v_1, v_2\}, \{v_2, v_3\}, \ldots, \{v_{k-1}, v_k\}, \{v_k, v_1\} \rangle$$

  where the first and the last nodes are the same
- Nodes u and v are **connected** if exists a path connecting them
- A graph (N, E) is **connected** if u, v are connecting $\forall\, u, v \in N$

  - A graph (N, E) is **strongly connected** if u, v are connected by a **directed** path $\forall\, u, v \in N$

- A graph is **bipartite** if there is a partition $N = N_1 \cup N_2$, $N_1 \cap N_2 = \emptyset$ such that $\forall\, (u, v) \in E, u \in N_1$ and $v \in N_2$
- A graph is **complete** if $E = \{\{v_i, v_j\} \,|\, v_i, v_j \in N \land i \leq j\}$

- Given a directed graph $G = (N, A)$ and $S \subseteq N$, the **outgoing cut** induced by S is the set of arcs:

$$\delta^+(S) = \{(u,v) \in A \mid u \in S \wedge v \in N \setminus S\}$$

the **incoming cut** induced by S is the set of arcs:

$$\delta^-(S) = \{(u,v) \in A \mid v \in S \wedge u \in N \setminus S\}$$

- A graph with n **nodes** has at most $m = \dfrac{n(n-1)}{2}$ **edges**
- A **directed** graph with n **nodes** has at most $m = n(n-1)$ **arcs**
    - a graph is **dense** if $m \approx n^2$
    - a graph is **sparse** if $m \ll n$
- The adjacency list $A(i)$ of a node i is the set of arcs emanating from that node

$$A(i) = \{j \in N \mid (i,j) \in A\}$$

Some examples are shown in Figure 2.

2.1.1 Graphs representation

Graphs are represented by:

- Adjacency **matrix A** of size $n \times n$ if the graph is **dense**

$$a_{ij} = \begin{cases} 1 & \text{if } (i,j) \in A \\ a_{i_j} & \text{otherwise} \end{cases}$$

- Adjacency **list A** of size n if the graph is **sparse**

The same representation can be used for both directed and undirected graphs; the adjacency matrix for an undirected graph is **symmetric**.

An example of a graph representation is shown in Figure 3.

2.1.2 Graph reachability problem

> **Problem 2.1** (Graph reachability). Given a directed graph $G = (N, A)$ and a node $s \in N$, the **graph reachability problem** consists in finding all nodes reachable from s.

Goal

→ *Input*: graph $G = (N, A)$, described via successor lists, and a node $s \in N$
→ *Output*: subset $M \subseteq N$ of nodes of G reachable from s

The goal is reached by an *efficient* algorithm to solve the problem, with the following properties:

- a **queue** Q of nodes not yet processed is kept by the algorithm
- the queue uses a FIFO policy
- the nodes exploration is performed in a **breadth-first** manner

Algorithm   The algorithm pseudocode is shown in Code 1.
The algorithm stops when $\delta^+(M) = \emptyset$ *(when the outgoing cut of the set of nodes M is empty)*; $\delta^-(M)$ is the set of arcs with head node in M and tail in $N \setminus M$.

(a) Undirected graph

(b) Directed graph

Connected graph, nodes 2 and 5 are connected
(c) $\langle\{2,3\},\{3,4\},\{4,5\}\rangle$ is a path

Not strongly connected graph
(d) $\langle\{3,5\},\{5,4\},\{4,2\},\{2,3\},\{3,4\}\rangle$ is a directed path

Cycle
(e) $\langle\{2,3\},\{3,5\},\{5,4\},\{4,2\}\rangle$ is a cycle

Circuit
(f) $\langle(2,3),(3,4),(4,2)\rangle$ is a circuit

Bipartite graph
(g) $N_1=\{1,2,3\}, N_2=\{4,5\}$

Complete graph
(h) $N=\{1,2,3,4\}$

(i) incoming (δ^+) and outgoing (δ^-) cuts of two sets of nodes *(purple and blue)*
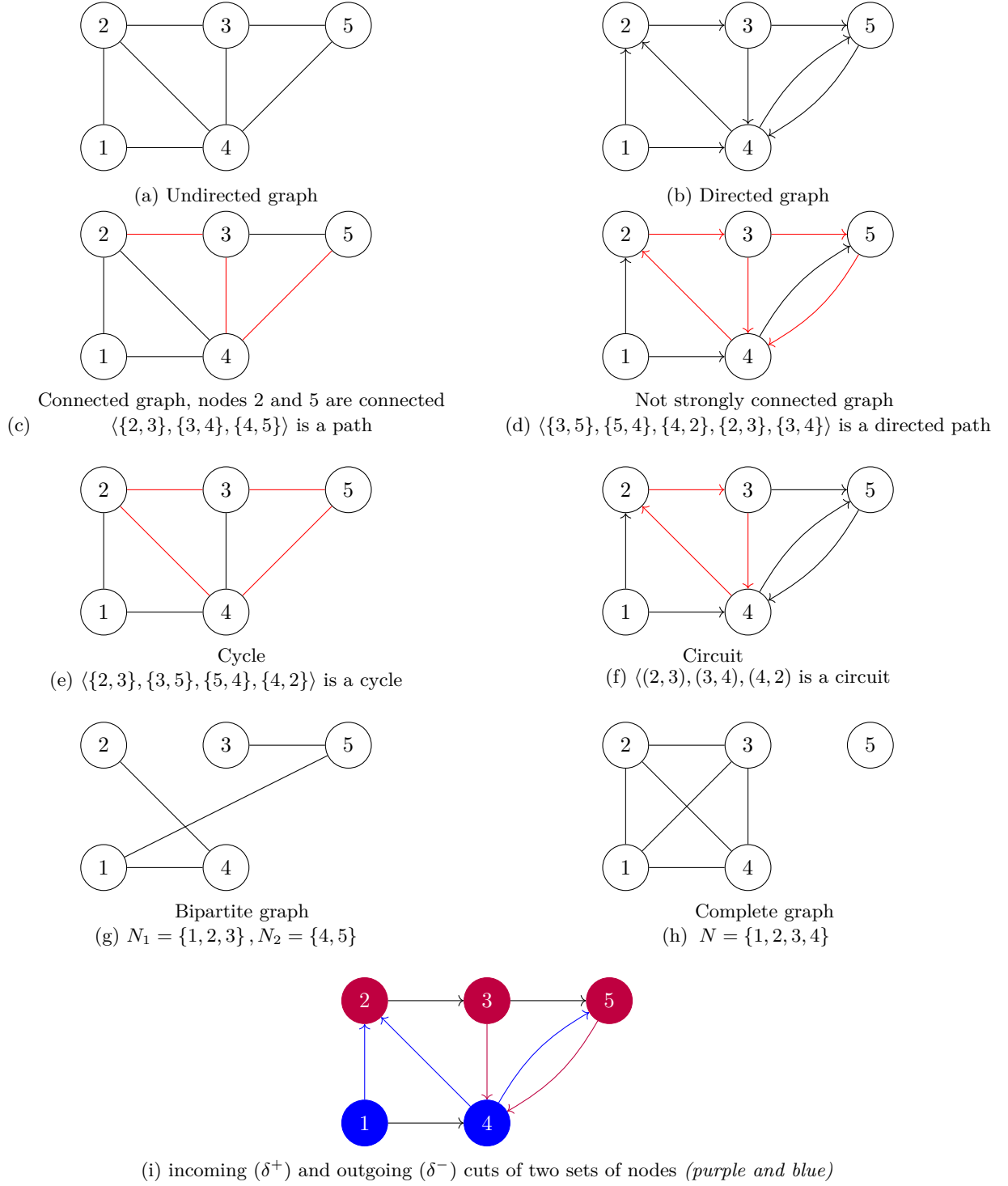
Figure 2: Examples of graphs
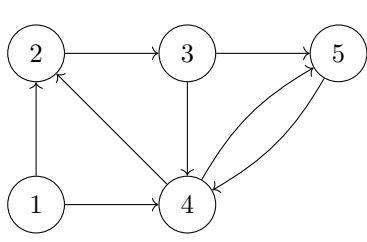
| (a) Graph | (b) Adjacency matrix | (c) Adjacency list |

Figure 3: Graph representation

```
Q := {s}
M := {}
while Q is not empty do
  u := node ∈ Q
  Q := Q \ {u}
  M := M ∪ {u}
  for (u, v) ∈ δ⁺(u) do
    if v ∉ M and v ∉ Q then
      Q := Q ∪ {v}
    end
  end
end
```

Code 1: Graph reachability

2.1.2.1 Complexity analysis

At each iteration of the **while** loop:

1. A node u is **removed** from the queue Q and **added** to the set M
2. For all nodes v directly reachable from u and not already in M or Q, v is added to Q

Since each node u is inserted in Q at most once and each arch (u, v) is considered at most once, the overall complexity is:

$$\mathcal{O}(n + m) \quad n = |N|, \ m = |A|$$

For dense graphs, this value converges to $\mathcal{O}(n^2)$.

2.2 Subgraphs and Trees

Let $G = (N, E)$ be a graph. Then:

- $G^T = (N', E')$ is a **subgraph** of G if $N' \subseteq N$ and $E' \subseteq E$
- A **tree** $G_T = (N', T)$ of G is a connected, acyclic, subgraph of G
- $G_T = (N', T)$ is a **spanning tree** of G if it contains all the nodes $(N' = N)$
- The **leaves** of a tree are the nodes with degree 1

A representation of these concepts is shown in Figure 4.

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(a) Graph G

(b) Subgraph G' of G (c) Subgraph G'' of G and a tree   (d) Subgraph G'' of G and a tree
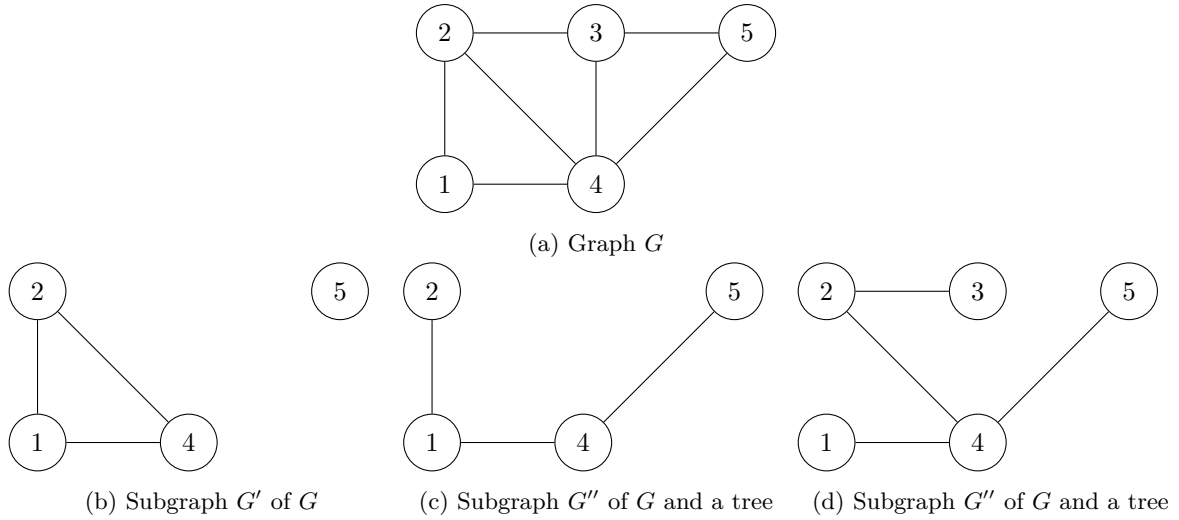
Figure 4: Subgraphs and trees

2.3 Properties of trees

Property 2.1 (Number of edges)**.** Every tree with n nodes has $n-1$ edges.

Proof.

- **Base case**: the claim holds for $n = 1$ *(a tree with a single node has no edges)*
- **Inductive steps**: show that the claim is valid for any tree with $n + 1$ nodes
  - let T_1 be a tree with $n+1$ and recall with any tree with $n \geq 2$ nodes has at least 2 leaves
  - by deleting one of the leaves and its incident edge, a tree T_2 with n nodes is obtained
  - by induction hypothesis, T_2 has $n-1$ edges; therefore, T_1 has $n-1+1 = n$ edges

$\square$

Property 2.2. Any pair of nodes in a tree is connected via a unique path. Otherwise, the tree would contain a cycle.

Property 2.3. By adding a new edge to a tree, a new unique cycle is created. This cycle consists of the path created in Property 2.2 and the new edge.

Property 2.4. Let $G_T = (N, T)$ be a spanning tree of $G = (N, E)$. Consider an edge $e \notin T$ and the unique cycle C of $T \cup \{e\}$. For each edge $f \in C \setminus \{e\}$, the subgraph $T \cup \{e\} \setminus \{f\}$ is a spanning tree of G.

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(a) Graph G_T, edge f is red, edge e is blue

(b) $T \cup \{e\} \setminus \{f\}$
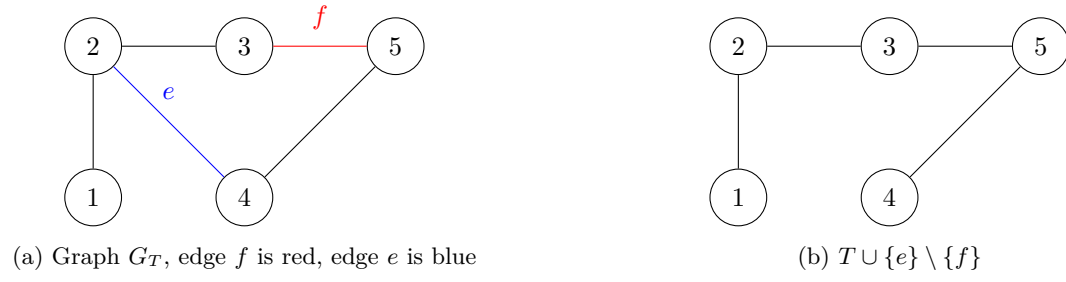
Figure 5: Exchange property

Property 2.5. Let F be a partial tree *(spanning nodes in $S \subseteq N$)* contained in an optimal spanning tree of $G = (N, E)$. Consider $e = \{u, v\} \in \delta(S)$ of minimum cost, then there exists a minimum cost spanning tree of G containing e.

Proof. By contradiction, assume $T^* \subseteq E$ is a minimum cost spanning tree with $F \subseteq T^*$ and $e \notin T^*$. Adding an edge e to T^* creates the cycle C. Let $f \in \delta(S) \cap C$:

- If $c_e = c_f$, then $T^* \cup \{e\} \setminus \{f\}$ is a minimum cost spanning tree of G as it has the same cost as T^*
- If $c_e < c_f$, then $c(T^* \cup \{e\} \setminus \{f\}) < c(T^*)$, hence T^* is not optimal

$\square$

2.4 Optimal cost spanning tree

Spanning trees have a number of applications, including:

- **network** design
- **IP network** protocols
- **compact memory** storage

Model an undirected graph $G = (N, E)$, $n = |N|$, $m = |E|$ and a cost function $c : E \rightarrow \mathbb{R}$, that assigns a cost to each edge, with $e = \{u, v\} \in E$.

Required properties

1. Each **pair of nodes** must be in a **path**

   $\Rightarrow$ the output must be a **connected subgraph** containing all the nodes N of G

2. The **subgraph** must have **no cycles**

   $\Rightarrow$ the output must be a **tree**

Problem 2.2 (Problem definition)**.** Given an undirected graph $G = (N, E)$ and a cost function $c : E \rightarrow \mathbb{R}$, find a spanning tree $G_T(N, T)$ of G of minimum, total cost.
The objective is finding:

$$\min_{T \in X} \sum_{e \in T} c_e \qquad X = \text{ set of all spanning trees of } G$$

Theorem 2.1. *A complete graph with n nodes ($n \geq 1$) has n^{n-2} spanning trees.*

Property 2.6. Every spanning tree of a connected n-node graph has $n - 1$ edges.

2.4.1 Prim's algorithm

Idea: iteratively build a spanning tree.

Method

1. Start from initial tree (S, T) with $S = \{u\}, S \subseteq N$ and $T = \emptyset$
2. At each step, add to the current partial tree (S, T) an edge of minimum cost among those which connect a node in S to a node in $N \setminus S$

Goal

$\rightarrow$ *Input*: connected graph $G = (N, E)$ with edge costs.
$\rightarrow$ *Output*: subset $T \subseteq N$ of edges of G such that $G_T = (N, T)$ is a minimum cost spanning tree of G.

Complexity if all edges are scanned at each iteration, the complexity order is $\mathcal{O}(nm)$

Algorithm the pseudocode of the algorithm is shown in Code 2. Prim's algorithm is **greedy**: at each step, a minimum cost edge is selected among those in the cut $\delta(S)$ induced by the current set of nodes S.

```
S := {u}
T := {}
while |T| < n - 1 do
    {u, v} := edge ∈ δ(S) with minimum cost // u ∈ S, v ∈ N \ S
    S := S ∪ {v}
    T := T ∪ {{u, v}}
end
```

Code 2: Prim's algorithm

2.4.1.1 Correcteness of Prim's algorithm

> **Proposition 2.1.** Prim's algorithm is exact.

The exactness does not depend on the choice of the first node nor on the selected edge of minimum cost $\delta(S)$. Each selected edge is part of the optimal solution as it belongs to a minimum spanning tree.
The optimality condition allows verifying whether a spanning tree T is optimal or not; it suffices to check that each $e \in E \setminus T$ is not a cost-decreasing edge.

2.4.1.2 Implementation in quadratic time

Prim's algorithm can be implemented in quadratic time, i.e. $\mathcal{O}\left(n^2\right)$.
Data structure

- k number of edges selected so far
- Subset $S \subseteq N$ of nodes incident to the selected edges
- Subset $T \subseteq E$ of selected edges
- $C_j = \begin{cases} \min\{c_{ij} \mid i \in S\} & j \notin S \\ +\infty & \text{otherwise} \end{cases}$
- $closest_j = \begin{cases} \arg\min\{c_{ij} \mid i \in S\} & j \notin S \\ \text{predecessor of } j \text{ in the minimum spanning tree} & j \in S \end{cases}$

An example of a step is shown in Figure 6.
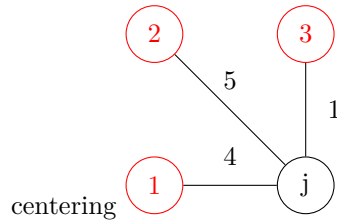
Figure 6: Data structure
nodes $1, 2, 3 \in S$, node $j \notin S$
$closest_j = 3 \quad c_{closest_j j} = 1$

The spanning tree is built by selecting the node j with minimum cost C_j and adding the edge $\{j, closest_j\}$ to the spanning tree.

The code for this algorithm is shown in Code 3.

```
T := {}
S := {u}
// initialization
for j ∉ N \ S do
  if {u, j} ∈ E then
    C_j := c_{u, j}
  else
    C_j := +\infty
  end
  closest_j := u
end
for k := 1 to n − 1 do
  min := +∞ // selection of min cost edge
  for j := 1, ..., n do
    if j ∉ S and C_j < min then
      min := C_j
      v := j
    end
  end
  S := S ∪ {v} // extend S
  T := T ∪ {{v, closest_v}} // extend T
  for j := 1 to n do
    if j ∉ S and c_vj < C_j then
      C_j := c_vj
      closest_j := v
    end
  end
end
```

Code 3: Prim's algorithm in quadratic time

```
F := {}
S := {e_1, ..., e_m}, e ∈ E, sorted by cost in non-decreasing order
i := 1
while |F| < n - 1 do
  if the two endpoints of e_i are in different trees then
    F := F ∪ {e_i}
    merge the two trees containing the two endpoints
  end
  i := i + 1
end
```

Code 4: Kruskal's algorithm

The complexity of this algorithm is $\mathcal{O}\left(n^2\right)$. For sparse graphs, where $m \ll \dfrac{n(n-1)}{2}$, a more efficient implementation ($\mathcal{O}\left(m \log\left(n\right)\right)$) *(using priority queues)* is possible.

2.4.2 Kruskal's algorithm

Kruskal's algorithm has the same goal of Prim's algorithm but with a different approach; like the latter, is greedy.

Method

1. create a **forest** F where each vertex is a separate tree
2. create a **set** S containing all the edges in the graph
3. while S is **non empty** and F is not spanning:
   (a) **remove an edge** with minimum cost from S
   (b) if the removed edge connects two different trees then **add it to the forest** F, combining two trees into a single tree

At the termination of the algorithm, the forest forms a minimum-spanning forest of the graph. If the graph is connected, the forest has a single component and forms a minimum-spanning tree.

Complexity the complexity of the algorithm is $\mathcal{O}\left(E \log\left(E\right)\right)$ with E the number of edges in the graph.

Algorithm Kruskal's algorithm is implemented in Code 4.

2.4.3 Optimality condition of a spanning tree

Given a spanning tree T, an edge $e \notin T$ is **cost decreasing** if when added to T, it creates a cycle C with $C \subseteq T \cup \{e\}$ and $\exists f \in C \setminus \{e\}$ such that $c_e < c_f$.

> **Theorem 2.2.** *A tree T is of minimum total cost if and only if no cost-decreasing edge exists.*

$\Rightarrow$ If a **cost decreasing edge exists**, then T is **not of minimum total cost**

$\Leftarrow$ If **no cost decreasing edge exists**, then T is **of minimum total cost**

- let T^* be a minimum cost spanning tree of graph G, found via by Prim's algorithm
- it can be verified that T^* can be iteratively *(changing one edge at a time)* transformed into T without changing the total cost
- thus, T is also optimal

$\square$

2.5   Optimal paths

Optimal *(shortest, longest, ...)* paths have a wide range of applications, including:

- **Google Maps**, **GPS** navigators
- Planning and management of **transportation**, **electrical**, and **telecommunication networks**
- **Problem** planning

Problem 2.3 (Problem definition)**.** Given a directed graph $G = (N, A)$ with a cost $c_{ij} \in \mathbb{R}$ associated to each arc $(i, j) \in A$, and two nodes s and t, determine a minimum cost *(shortest)* path from s to t.

- Each **value** $c_{i,j}$ represents the **cost** *(or length, travel time, ...)* of arc $(i, j) \in A$
- Node s is the **origin** *(or source)*, node t is the **destination** *(or sink)*

Property 2.7. A path $\langle (i_1, i_2), (i_2, i_3), \ldots, (i_{k-1}, i_k) \rangle$ is **simple** if no node is visited more than once

Property 2.8. If $c_{ij} \geq 0$ for all $(i, j) \in A$, there is at least one shortest path that is simple.

2.5.1   Dijkstra's algorithm

Idea: consider the nodes in increasing order of length *(cost)* of the shortest path from s to any one of the other nodes.

Method

- To each **node** $j \in N$, a **label** L_j is associated

  $\Rightarrow$ at the end of the algorithm, this label will be the cost of the minimum cost path from s to j

- Another label *predecessor$_j$* is associated to each node $j \in N$

  $\Rightarrow$ at the end of the algorithm, this label will be the node that precedes j on the minimum cost path from s to j

- Make a **greedy** choice with respect to the paths from s to j
- A set of **shortest paths** from s to any node $j \notin s$ can be retrieved backwards from t to s iterating over the predecessors

Goal

$\rightarrow$ *Input*: graph $G = (N, A)$, cost $c_{ij} \geq 0 \, \forall \, i, j$, origin $s \in N$

$\rightarrow$ *Output*: shortest path from s to all other nodes in G

```
S := {}
X := {s}
for u ∈ N do
  L_u := ∞
end
L_s := 0
while |S| < |N| do
  u := argmin{L_i | i ∈ X}
  X := X \ {u}
  S := S ∪ {u}
  for (u, v) ∈ δ⁺(u) do
    if L_v > L_u + c_uv then
      L_v := L_u + c_uv
      predecessor_v := u
      X := X ∪ {v}
    end
  end
end
```

Code 5: Dijkstra's algorithm

Data structure

- $S \subseteq N$: subset of nodes whose labels are permanent
- $X \subseteq N$: subset of nodes with temporary labels
- $L_j = \begin{cases} \text{cost of a shortest path from } s \text{ to } j & j \in S \\ \min\{L_i + c_{ij} \mid (i,j) \in \delta^+(S)\} & j \notin S \end{cases}$

  $\rightarrow$ given a directed graph G and the current subset of nodes $S \subset N$, consider the outgoing cut $\delta^+(S)$ and select $(u,v) \in \delta^+(S)$ such that: $L_u + c_{uv} = \min\{L_i + c_{ij} \mid (i,j) \in \delta^+(S)\}$

  $\rightarrow$ thus: $L_u + c_{uv} \leq L_i + c_{ij}, \forall (i,j) \in \delta^+(S)$

- $\text{predecessor}_j = \begin{cases} \text{predecessor of } j \text{ in the shortest path from } s \text{ to } j & j \in S \\ u \text{ such that } L_u + c_{uj} = \min\{L_i + c_{ij} \mid i \in S\} & j \notin S \end{cases}$

Complexity the complexity of the algorithm depends on how the arc (u,v) is selected among those of the current cut $\delta^+(u)$.

- If all m arcs are scanned, the overall complexity would be $\mathcal{O}(nm)$, hence $\mathcal{O}(n^3)$
- If all labels L_j are determined by appropriate updates (as in Prim's algorithm), only a single arc of $\delta^+(j)$ is scanned, hence the complexity is $\mathcal{O}(n^2)$

Remarks

- A set of shortest paths from s to all the nodes $j \in N$ can be retrieved backwards from t to s iterating over the predecessors
- The union of a set of shortest paths from node s to all the other nodes of G is an arborescence rooted at s
- Dijkstra's algorithm does not work when there are arcs with a negative cost: if G contains a circuit of negative cost, the shortest path problem may not be well defined

The code for this algorithm is shown in Code 5.

2.5.1.1 Correcteness of Dijkstra's algorithm

> **Proposition 2.2.** Dijkstra's algorithm is correct.

Proof.

1. A the k-th step:
   - $S = \{s, i_1, \ldots, i_{k-1}\}$
   - $\begin{cases} \text{cost of a minimum cost path from } s \text{ to } j & j \in S \\ \text{cost of a minimum cost path with all intermediate nodes in } S & j \notin S \end{cases}$

2. By induction on the number k of steps:
   - base case: for $k = 1$ the statement holds, since

$$S = \{s\}, \quad L_s = 0, \quad L_j = +\infty, \quad \forall j \notin S$$

   - inductive step: assume that the statement holds for $k + 1$
     - let $u \notin S$ be the node that is inserted in S and ϕ the path from s to u such that:

$$L_v + c_{vu} \leq L_i + c_{iu}, \quad \forall (i, v) \in \delta^+(S)$$

     - every path π from s to u has $c(\pi) \geq c(\phi)$, as there exists $i \in S$ and $j \notin S$ such that:

$$\pi = \pi_1 \cup \{(i, j)\} \cup \pi_2$$

       where (i, j) is the first arc in $\pi \cap \delta^+(S)$
     - it holds that
$$c(\pi) = c(\pi_1) + c_{ij} + c(\pi_2) \geq L_i + c_{ij}$$
       because $c_{ij} \geq 0 \Rightarrow c(\pi_2) \geq 0$ and by the choice of (v, u), $c(\pi_1) \geq L_i$
     - finally, by induction assumption:

$$L_i + c_{ij} \geq L_v + c_{vu} = c(\phi)$$

     - a visualization of this step of the proof is shown in Figure 7

$\square$

2.5.1.2 Example of Dijkstra's algorithm

An example of Dijkstra's algorithm is shown in Figure 8.

2.5.2 Floyd-Warshall's algorithm

Goal

$\rightarrow$ *Input*: a directed graph $G = (N, A)$ with an $n \times n$ cost matrix $C = [c_{ij}]$
$\rightarrow$ *Output*: for each pair of nodes $i, j \in N$, the cost c_{ij} of the shortest path from i to j

Data structure

- Two $n \times n$ matrices D, P whose elements correspond, at the end of the algorithm, to:
  - d_{ij} the cost of the shortest path from i to j
  - p_{ij} the predecessor of j on the shortest path from i to j
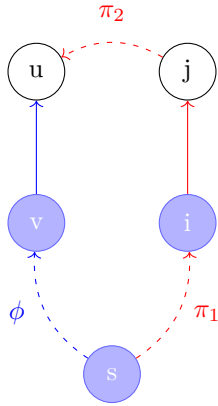
Figure 7: Proof of the induction step; nodes s, v, i are in cut S
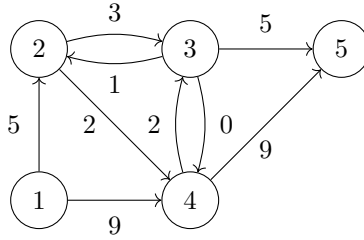
(a) Sample graph, with the cost of each arc
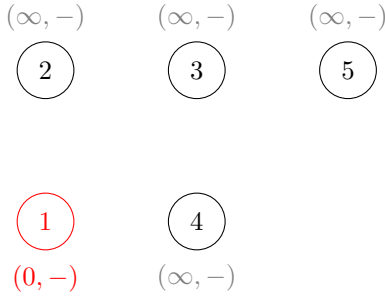
(b) step 1 of Dijkstra's algorithm
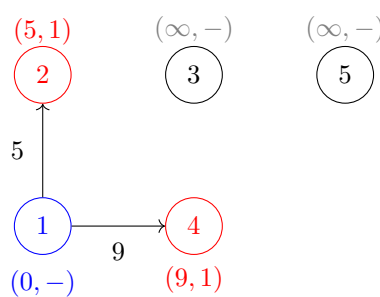
(c) step 2 of Dijkstra's algorithm
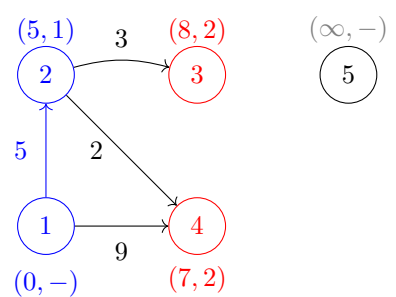
(d) step 3 of Dijkstra's algorithm
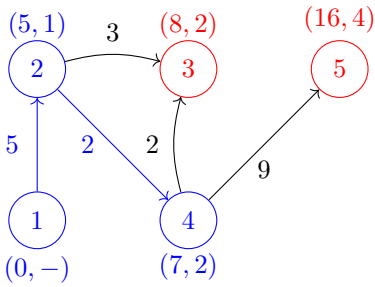
(e) step 4 of Dijkstra's algorithm
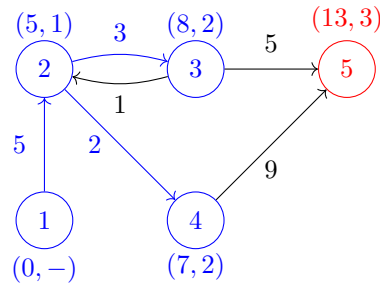
(f) step 5 of Dijkstra's algorithm
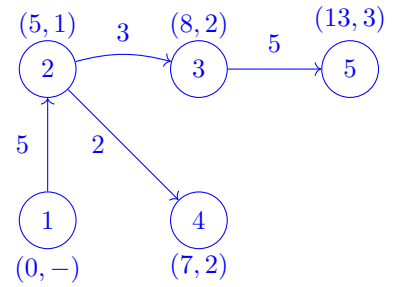
(g) step 6 of Dijkstra's algorithm

Figure 8: Example of Dijkstra's algorithm

```
for j := 1 to n do
  p_id := i
  if i = j then
    d_ij := 0
  else if (i, j) in A then
    d_ij := c_ij
  else
    d_ij := +∞
  end
end
for u ∈ N do
  for i ∈ N \{ u } do
    for j ∈ N \{ u }
      if d_iu + d_uj < d_ij then
        p_ij := p_uj
        d_ij := d_iu + d_uj
      end
    end
  end
  for i ∈ N do
    if d_ij < 0 then
      error "negative cycle"
    end
  end
end
```

Code 6: Floyd-Warshall's algorithm

Method

1. **Initialization** of D and P:

$$p_{ij} = i \quad \forall i$$

$$d_{ij} = \begin{cases} 0 & i = j \\ c_{ij} & i \neq j \wedge (i,j) \in A \\ +\infty & \text{otherwise} \end{cases}$$

2. **Triangular** operation: for each pair of nodes i, j, where $i \neq u, j \neq u$, check whether the path from i to j is shorter by going through u (i.e. $d_{iu} + d_{uj} < d_{ij}$)

Complexity

- Since in the worst case the triangular operation is executed for all nodes u ad for each pair of nodes i, j, the complexity is $\mathcal{O}\left(n^3\right)$

The code for this algorithm is shown in Code 6.

2.5.2.1 Correctness of Floyd-Warshall's algorithm

Proposition 2.3. Floyd-Warshall's algorithm is correct.

Proof. assume that the nodes of G are numbered from 1 to n. Verify that, if the node index order is followed, after the u-th cycle the value d_{ij} *(for any i,j)* corresponds to the cost of the shortest path from i to j with at most u intermediate nodes ($\{1, \ldots, u\}$)   □

2.6   Optimal paths in directed, acyclic graphs

A directed graph $G = (N, A)$ is **acyclic** if it does not contain any circuit. A directed acyclic graph G is referred to as a *DAG*.

Property 2.9 (Topological ordering)**.** The nodes of any *DAG G* can be ordered topologically, i.e. indexed so that for each arc $(i, j) \in A$ the index of i is less than the index of j *(i $\leq$ j)*.

The topological order can be exploited by dynamic programming algorithms to compute efficiently the shortest paths in a *DAG*.

Problem 2.4 (Problem description)**.** Given a *DAG G* $= (N, A)$ with a cost $c_{ij} \in \mathbb{R}$ and nodes s, t, determine the shortest *(or longest)* path from s to t.

2.6.1   Topological ordering method

The method requires $G = (N, A)$ to be a *DAG* represented via the list of predecessors $\delta^-(v)$ and the list of successors $\delta^+(v)$ of each node $v \in N$. Then, it works as follows:

1. **Assign** the smallest positive integer not yet assigned to a node $v \in N$ with $\delta^-(v) = \emptyset$

   $\rightarrow$ such node always exists because G does not contain circuits

2. **Delete** the node v with all its incident arcs
3. **Go** to step (1) until all nodes have been assigned a number
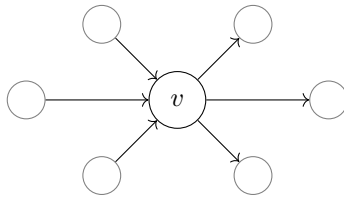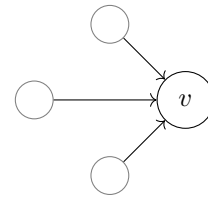
(a) Topological ordering   (b) Node v with $\delta^-(v) = \emptyset$, as in step (1) of the algorithm

Figure 9: Topological ordering method

This algorithm has complexity $\mathcal{O}(|A|)$, because each node is assigned a number only once. Furthermore, all arcs incident to a node is deleted only once.

2.6.2   Dynamic programming for shortest path in *DAGs*

Any **shortest path** from 1 to t, called π_t, with at least 2 arcs can be subdivided into two parts:

- π_i, the shortest **subpath** from s to i
- (i, t), the **remaining part**

This decomposition is called the **optimality principle of shortest paths in *DAGs***. An illustration of this decomposition is shown in Figure 10.

The strategy to find the shortest path is:

Figure 10: Shortest path from 1 to t

```
sort the nodes of G topologically
L_1 := 0
for j := 2 to n do
  L_j := min{L_i + c_{ij} | (i, j) ∈ δ⁻(j) ∧ i < j}
  pred_j := v such that (v, j) = argmin{L_i + c_{ij} | (i, j) ∈ δ⁻(j) ∧ i < j}
end
```

Code 7: Shortest path in *DAG*

1. For each node $i = 1, \ldots, t$ let L_i be the cost of a shortest path from 1 to i

   $\rightarrow L_t = \min\limits_{(i,t)\in\delta^-(t)} \{L_i + c_{it}\}$

   $\rightarrow$ the minimum is taken over all possible predecessors i of t

2. If G is topologically ordered *DAG*, then the only possible predecessors of t in a shortest path π_t from 1 to t are those with index $i < t$

   $\rightarrow L_t = \min\limits_{i<t} \{L_i + c_{it}\}$

   $\rightarrow$ in a graph with circuits, any node i can be a predecessor of t if $i \neq t$

For *DAGs* whose nodes are topologically ordered $L_{t-1}, \ldots, L_1$ satisfy the same type of recursive relations:

$$L_{t-1} = \min\limits_{i<t-1} \{L_i + c_{i,t-1}\}; \ldots; L_2 = \min\limits_{i=1} \{L_i + c_{i2}\} = L_1 + c_{12}; L_1 = 0$$

which can be solved in reversed order

$$L_1 = 0; L_2 = L_1 + c_{12}; \ldots; L_t = \min\limits_{i<t-1} \{L_i + c_t\}$$

Algorithm   finally, the algorithm is shown in pseudocode in Code 7.

Complexity   of the algorithm is $\mathcal{O}(|A|)$:

- Topological ordering of the nodes: $\mathcal{O}(m)$ with $m = |A|$ *(number of arcs)*
- Each node/arc is processed only once: $\mathcal{O}(n+m)$

In order to find the longest path, the algorithm can be adapted as follows:

$$L_t = \max\limits_{i<t} \{L_i + c_{it}\}$$

2.6.2.1 Optimality of the algorithm

The Dynamic Programming algorithm for finding the shortest or longest paths in *DAGs* is exact. This is due to the optimality principle, already explored in the previous section.

2.7 Project planning

Problem 2.5 (Problem definition). A project consists of a set of m activities with their (estimated) duration: activity A_i has duration $d_i \geq 0, i = 1, \dots, m$. Some pair of activities allow a precedent constraint: $A_i \propto A_j$ indicated that A_i must be performed before A_j.

A project can be represented by a directed graph $G = (N, A)$ where:

- each **arc** corresponds to an **activity**
- the **arc length** represent the **duration** of the corresponding activity

In order to account for precedence constraints, the arcs must be positioned such that for activities $A_i \propto A_j$ there exists a directed path where the arc associated to A_i precedes the arc associated to A_j. Such notation is shown in Figure 11.
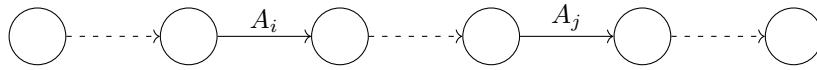
Figure 11: Precedence relation in project planning

Therefore, node v marks an event corresponding to the end of all the activities $(i, v) \in \delta^-(v)$ and the *(possible)* start of all the activities $(v, j) \in \delta^+(v)$.

Property 2.10. The directed graph G representing a project is acyclic *(is a DAG)*.

Proof. by contradiction, if $A_{i1} \propto A_{12} \propto \dots \propto A_{jk} \propto A_{kj}$ there would be a logical inconsistency. $\qquad\square$

2.7.1 Optimal paths

A graph G can be simplified by contracting some arcs, but it's important to not introduce unwanted precedence constraints. Artificial nodes or artificial arcs are introduced so that graph G:

- Contains a **unique initial node** s corresponding to the event *"beginning of the project"*
- Contains a **unique final node** t corresponding to the event *"end of the project"*
- Does not contain **multiple arcs** with the **same origin and destination**

Problem 2.6 (Problem description). Given a project *(set of activities with duration and precedence constraints)*, schedule the activities in order to minimize the overall project duration *(the time needed to complete all the activities)*.

Property 2.11. The minimum overall project duration is the length of the longest path from s to t in the graph G.

```
sort the nodes topologically
T_min_i := 0
for j = 2 to n do
  T_min_j := max{T_min_i + d_ij | (i, j) ∈ δ⁻(j)}
end
T_max_n := T_min_n // minimum project duration
for i = n-1 to 1 do
  T_max_i := min{T_max_j - d_ij | (i, j) ∈ δ⁺(i)}
end
```

Code 8: Critical path method

Proof. since any $s - t$ path represents a sequence of activities that must be executed in the specified order, its length provides a lower bound on the minimum overall project duration. □

2.7.1.1 Critical path method - *CPM*

The critical path method *(CPM)* determines:

- A **schedule** *(a plan for executing the activities specifying the order and the assigned time)* that minimizes the overall project duration
- The **slack** of each activity *(the amount of time by which its execution can be delayed without affecting the overall minimum project duration)*

Initialization construct the graph G representing the project.

Method

1. Find a topological **order of the nodes**
2. Consider the nodes by **increasing indices** and for each $h \in N$ find the earliest time $T_{\min_h}$ at which the event associated to node h can occur

    $\rightarrow$ $T_{\min_h}$ corresponds to the minimum project duration

3. Consider the nodes by **decreasing indices** and for each $h \in N$ find the latest time $T_{\max_h}$ at which the event associated to node h can occur without delaying the project completion date beyond $T_{\min_n}$
4. For each activity $(i, j) \in A$ find the **slack**

    $\rightarrow$ the slack is calculated as $\sigma ij = T_{\max_j} - T_{\min_i} - d_{ij}$

Goal

$\rightarrow$ *Input:* graph $G = (N, A)$ with $n = |N|$ and the duration d_{ij} associated to each $(i, j) \in A$
$\rightarrow$ *Output:* $(T_{min_i}, T_{max_i}), i = 1, \dots, n$

Algorithm finally, the algorithm is shown in pseudocode in Code 8.

Complexity the overall complexity is $\mathcal{O}(n + m) \approx \mathcal{O}(m)$, due to the sum of:

- complexity of the topological sort - $\mathcal{O}(n + m)$
- complexity of the first loop - $\mathcal{O}(n + m)$
- complexity of the second loop - $\mathcal{O}(n + m)$

2.7.1.2 Critical paths

An activity (i, j) with zero slack $\sigma_{ij} = T_{\max_j} = T_{\min_i} = d_{ij} = 0$ is called **critical**.
A critical path is a path in a $s - t$ composed uniquely of critical activities. At least one always exists.

2.7.1.3 Gantt charts

A **Gantt chart** is a graphical representation of a project schedule. It was introduced in *1896* by *Henry Gantt*, an American mechanical engineer and management consultant.
There are two types of Gantt charts:

- Gantt chart at **earliest** - each activity (i, j) starts at $T_{\min_i}$ and ends at $T_{\min_i} + d_{ij}$
- Gantt chart at **latest** - each activity (i, j) starts at $T_{\max_i}$ and ends at $T_{\max_i} + d_{ij}$

2.8   Network flows

Network flows problems involve the distribution of a given *product (such as water, gas, data)* from a set of *sources* to a set of *users* so as to optimize a given objective function *(e.g. minimize the total cost of the distribution)*.
It has many indirect applications, such as:

- **Telecommunication**
- **Transportation**
- **Logistics**

Definitions

- A **network** is a directed and connected graph $G = (V, A)$ with a source $s \in V$ and a sing $t \in V$, with $s \neq t$, and a capacity $k_{ij} \geq 0$ for each arc $(i, j) \in A$.
- A **feasible flow** x from s to t is a vector $x \in \mathbb{R}^m$ with a component x_{ij} for each arc $(i, j) \in A$ satisfying the capacity constraint

$$0 \leq x_{ij} \leq k_{ij}, \quad \forall \, (i, j) \in A$$

  and the flow balance constraint at each intermediate node $u \in \{V \setminus \{s, t\}\}$:

$$\sum_{(i,u) \in \delta^-(u)} x_{iu} = \sum_{(u,j) \in \delta^+(u)} x_{uj} \quad \forall u \in N \setminus \{s, t\}$$

- The value of **flow** x is

$$\phi = \sum_{(s,j) \in \delta^+(s)} x_{sj}$$

- Given a network and a feasible flow x, an arc $(i, j) \in A$ is **saturated** if $x_{ij} = k_{ij}$ and **empty** if $x_{ij} = 0$

The notation of the flow network graph is shown in Figure 12; a problem related to flow is defined as follows *(Definition 2.1)*.

Definition 2.1 (Flow Problem). Given a network $G = (V, A)$ with an integer capacity k_{ij} for each arc $(i, j) \in A$, find a feasible flow x from s to t with maximum value.
If multiple sources $(s_1, s_2, \ldots)$ or sinks $(t_1, t_2, \ldots)$ are present while only one product is considered, dummy notes s^* and t^* can be added *(as shown in Figure 13)*.

2.8.1   Linear programming model

The linear programming model *(refer to Section 3 for an in dept explanation of linear programming)* of the network flow is shown in *Definition 2.2*.
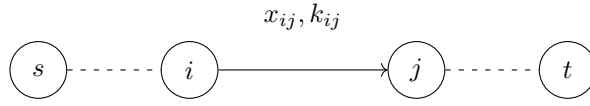
Figure 12: Graph representation of a flow
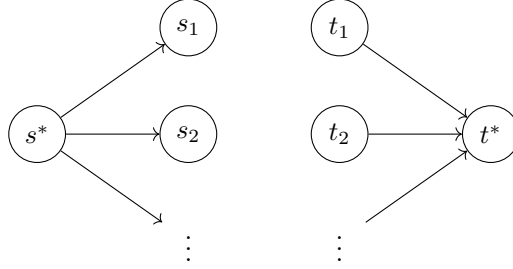
Figure 13: Multiple sources and sinks. $\delta^-(s^*) = \delta^+(t^*) = \emptyset$, k_{s^*i} = availability limit, $k_{jt^*} = \infty$

Definition 2.2 (Linear Programming Model of Network Flow)**.** The Network Flow problem can be modelled as a linear programming problem as follows:

$$\max \quad \phi$$

$$\text{s.t.} \quad \sum_{(u,j)\in\delta^+(u)} x_{uj} + \sum_{(i,u)\in\delta^-(u)} x_{iu} \;=\; \begin{cases} \phi & \text{if } u = s \\ -\phi & \text{if } u = t \\ 0 & \text{otherwise} \end{cases}$$

$$0 \le x_{ij} \le k_{ij} \quad \forall\, (i,j) \in A$$

$$\phi \in \mathbb{R}, \quad x_{ij} \in \mathbb{R} \quad \forall\, (i,j) \in A$$

where ϕ denotes the value of the **feasible flow** x; ϕ is also the amount of product extracted from the source s.

- A **cut** separating s from t is $\delta(S)$ of G, $s \in S$, $t \in V \setminus S$
- There are 2^{n-2} cuts from s to t, with $n = |V|$
- The **capacity** of the cut $\delta(S)$ induced by S is:

$$k(S) = \sum_{(i,j)\in\delta^+(S)} k_{ij}$$

- Given a feasible flow x from s to t and a cut $\delta(S)$ separating them, the value of the **feasible flow through the cut** is

$$\phi(S) = \sum_{(i,j)\in\delta^+(S)} x_{ij} - \sum_{(i,j)\in\delta^-(S)} x_{ij}$$

with this notation, the value of the flow x is $\phi = \phi(\{s\})$

2.8.2 Properties of the flows

Property 2.12. Given a feasible flow x from s to t, for each cut separating $\delta(S)$ separating s from t:

$$\phi(S) = \phi(\{s\})$$

This Property is implied by the flow balance equations $\forall v \in V \setminus \{s, t\}$.

Property 2.13 (Weak duality). For every feasible flow x from s to t and every cut $\delta(S)$, $S \subseteq V$ separating s from t:

$$\phi(s) \leq k(S) \quad \text{(value of the flow} \leq \text{capacity of the cut)}$$

Proof. By definition of the value of the flow through the cut $\delta(S)$:

$$\phi(S) = \sum_{(i,j) \in \delta^+(S)} x_{ij} - \sum_{(i,j) \in \delta^-(S)} x_{ij}$$

And, since $0 \leq x_{ij} \leq k_{ij}$ for all $(i, j) \in A$:

$$\sum_{(i,j) \in \delta^+(S)} x_{ij} - \sum_{(i,j) \in \delta^-(S)} x_{ij} \leq \sum_{(i,j) \in \delta^+(S)} k_{ij} = k(s)$$

Finally, $\phi(S) \leq k(S)$. $\square$

Consequence   If $\phi(S) = k(S)$, for a subset $S \subseteq V$, $s \in S$, $t \notin S$, then x is a flow of maximum value and the cut $\delta(S)$ is of minimum capacity.

The property *(2.13)* for any feasible flow x and for any cut $\delta(S)$ separating s from t expresses a **weak duality relation** between the two problems of finding a maximum flow and a minimum cut.

- **Primal problem**: given $G = (V, A)$ with integer capacities on the arcs and $s, t \in V$, determine a feasible flow of maximum problem
- **Dual problem**: given $G = (V, A)$ with integer capacities on the arcs and $s, t \in V$, determine a cut *(separating s from t)* of minimum capacity separating s from t

2.8.3   Ford-Fulkerson algorithm

Before presenting the Ford-Fulkerson algorithm, it's necessary to introduce the concept of Forward and Backward arcs.

Property 2.14 (Forward and Backward arc). An arc (i, j) in a $s - t$ cut, where $s \in S$, $t \in S'$, is called:

- **forward** if $s \in S, t \in S'$
- **backward** if $s \in S', t \in S$

Idea   start from a feasible flow x and try to iteratively increase its value ϕ by sending, at each iteration, an additional amount of product along a directed *(or undirected)* path from s to t with a strictly positive residual capacity.

- If (i, j) is **not saturated** *(i.e. $x_{ij} < k_{ij}$)*, then (i, j) is called a **residual arc** and x_{ij} can be increased
- If (i, j) is **not empty** *(i.e. $x_{ij} \geq 0$)*, then (i, j) is called a **reverse arc** and x_{ij} can be decreased while respecting the flow balance equations

The following Property *(2.15)* is the key to the Ford-Fulkerson algorithm.

> **Property 2.15** (Augmenting Path). A path P from s to t is an **augmenting path** with respect to the current feasible flow x if $x_{ij} < k_{ij}$ for any forward arc and $x_{ij} > 0$ for any backward arc.

The the algorithm works by sending δ additional units of product can be sent from s to t:

- $+\delta$ along **forward** arcs
- $-\delta$ along **backward** arcs

Given a feasible flow x for $G = (V, A)$, a **residual network** $\overline{G} = (V, \overline{A})$ associated to x is defined as follows:

- If $(i, j) \in A$ is not empty, $(j, i) \in \overline{A}$ with $\overline{k}_{ij} = x_{ij} > 0$
- If $(i, j) \in A$ is not saturated, $(i, j) \in \overline{A}$ with $\overline{k}_{ij} = k_{ij} - x_{ij} > 0$
  - $\rightarrow$ $\overline{k}_{ij}$ is called the **residual capacity** of (i, j)

At each iteration:

step 1. **Find** an augmenting path P from s to t
step 2. **Send** δ units of product along P
step 3. **Update** the feasible flow x and the residual network $\overline{G}$

Goal

$\rightarrow$ *Input*: graph $G = (N.A)$ with capacity $k_{ij} > 0$ for any $(i, j) \in A$, $s, t \in N$
$\rightarrow$ *Output*: a feasible flow x from s to t of maximum value ϕ^*

The pseudocode is shown in Code 9.

```
x := 0
phi := 0
optimum := false
do
  build residual network G̅ associated to x
  P := path from s to t in G̅
  if P is not defined then
    optimum := true
  else
    delta := min residual capacity of arcs in P
    phi := phi + delta
    for each arc (i, j) in P do
      if (i, j) is a forward arc then
        x_ij := x_ij + delta
      else
        x_ij := x_ij - delta
      end
    end
  end
until optimum = true
```

Code 9: Ford-Fulkerson algorithm

Complexity

- Since $\delta > 0$, the value ϕ increases at each iteration
- If $k_{ij} \in \mathbb{N} \, \forall \, i, j$, $x \in \mathbb{N} \overline{k}_{ij} \in \mathbb{N}$, and $\delta \geq 1$, then there are at most ϕ^* increases
- Since

$$\phi^* \leq k(\{s\}) \leq m k_{max}, \quad m = |A|, \quad k_{max} = \max\{k_{ij} \mid (i,j) \in A\}$$

and each cycle is $\mathcal{O}(m)$, the overall complexity is $\mathcal{O}(m k_{max}^2)$.

Space complexity:

- The size of an instance I, written as $|I|$, is the number of bits needed to represent I
- Since $\lceil \log_2 i \rceil + 1$ bits are needed to store an integer i, $|I| = \mathcal{O}(m \log_2(k_{max}))$
- $\mathcal{O}(m^2 k_{max})$ grows exponentially with $|I|$ because $k_{max} = 2^{\log_2 k_{max}}$???

2.8.3.1 Correctness of the Ford-Fulkerson algorithm

> **Proposition 2.4.** The Ford-Fulkerson algorithm is exact

> *Proof.* A feasible flow x has a maximum value if and only if t is not reachable from s in the residual network $\overline{G}$ associated with x.
>
> $\Rightarrow$ If exists an augmenting path, then x is not optimal
> $\Leftarrow$ If t is not reachable from s in $\overline{G}$, then there is a cut of $\overline{G}$ such that $\delta_{\overline{G}}^+(S^*) = \emptyset$
>
> By definition of $\overline{G}$, every arc $(i,j) \in \delta_{\overline{G}}^+(S^*)$ is saturated, while every arc $(i,j) \in \delta_{\overline{G}}^-(S^*)$ is empty. Therefore:
>
> $$\phi(S^*) = \sum_{(i,j) \in \delta_G^+(S^*)} x_{ij} - \sum_{(i,j) \in \delta_G^-(S^*)} x_{ij} = \sum_{(i,j) \in \delta_G^+(S^*)} k_{ij} = k(S^*)$$
>
> By weak duality Property *(2.13)*, $\phi(S^*) \leq k(S^*) \, \forall$ feasible, $\forall \, S \in V, s \in S, t \notin S$. Then, the flow x has a maximum value and the cut induced by S^* has minimum capacity. $\qquad \square$

2.8.3.2 Strong duality of the Ford-Fulkerson algorithm

The *Ford-Fulkerson* algorithm implies the following Theorem *(2.3)*.

> **Theorem 2.3** (Strong duality)**.** *The value of a feasible flow of maximum value is equal to the capacity of a cut of minimum capacity.*

Remarks

- If all the capacities $k_{ij} \in \mathbb{Z}^+$, the flow x of maximum value has all x_{ij} integer and an integer value ϕ^*
- *Ford-Fulkerson* algorithm is not greedy *(x_{ij} can be increased or decreased)*

2.8.3.3 Polynomial time algorithms for flow problems

More efficient algorithms exist, based on augmenting paths, pre flows and capacity scaling.

Idea   Start from a feasible flow x of value ϕ and send, at each iteration, an additional amount of product in the residual network, respecting the residual capacities and the value ϕ, along cycles of negative cost.

2.8.4 Indirect application - assignment problem

A common indirect application of the Ford-Fulkerson algorithm is the assignment (or matching) problem: Given m engineers, n tasks and for each engineer the list of tasks they can perform. Assign the task to each engineer such that:

- each engineer is assigned at most one task
- each task is assigned to at most one engineer
- the tasks assigned to each engineer are the ones they can perform

Graphical model bipartite graph of competencies. An example is shown in Figure 14.
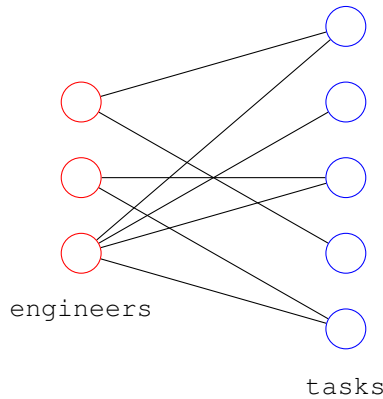
Figure 14: Example of assignment problem

> **Definition 2.3** (Matching). Given an undirected graph $G = (V, E)$, a **matching** is a subset $M \subseteq E$ such that:
>
> - M is a set of edges
> - each vertex of V is incident to at most one edge of M

Thanks to Definition 2.3 the assignment problem can be solved by finding a maximum matching in the bipartite graph of competencies; this equates to finding a feasible flow of maximum value from s to t in the bipartite graph of competencies. An example of this problem is shown in Figure 15.

There is a correspondence between the feasible flows from source to sink of value ϕ and the matchings containing the edges of ϕ.
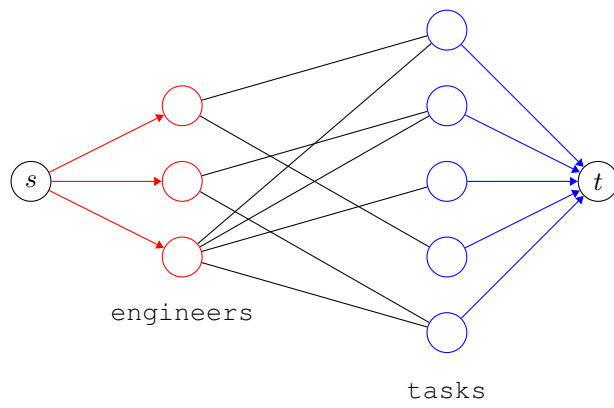
Figure 15: Example of assignment problem solved by flow

3 Linear Programming

3.1 Optimization problems

Optimization problems are problems that require finding the best solution among a set of possible solutions. A formal definition is shown in 3.1 and 3.2.

Definition 3.1 (Instance of a Linear Programming problem)**.** The **instance** of an optimization problem is a pair (F, c) where:

- F is the **domain** of feasible point
- c is the **cost function**, a mapping $c : F \to \mathbb{R}$
- the problem is finding an $f \in F$ such that $c(f) \leq c(y) \ \forall \, y \in F$
    - such point is called a **globally optimal** *(or just optimal)* solution to the given instance.

An **optimization problem** is a set of I instances of a given optimization problem.

Definition 3.2 (Linear Programming Problem)**.** A **linear programming** *(or LP)* **problem** is an optimization problem such as

$$\min f(x)$$
$$\text{s.t. } x \in X \subseteq \mathbb{R}^n \to \mathbb{R}$$

where:

- the **objective function** $f : X \to \mathbb{R}$ is **linear**
- the **feasible region** $X \{ x \in \mathbb{R}^n \mid g_i(x) \, r_i \, 0 \wedge i \in \{1, \dots, m\} \}$ with:

$$r_i \in \{=, \geq, \leq\} \ \text{ and } g_i : \mathbb{R}^n \to \mathbb{R}$$

are **linear** functions for $i \in \{1, \dots, m\}$
- $x^* \in \mathbb{R}^n$ is an **optimal solution** of the *LP* 3.2 if $f(x^*) \leq f(x) \, \forall \, x \in X$

A wide variety of decision-making problems can be formulated or approximated as *LP*, as they often involve the optimal allocation of a given set of limited resources to different activities.

Two forms of *LP* are commonly used:

- **General form** of a linear programming problem:

$$\min z = c_1 x^1 + \dots + c_n x^n$$
$$\text{s.t. } a_{11} x^1 + \dots + a_{1n} x^n \, (\leq, =, \geq) \, b_1$$
$$\vdots$$
$$a_{m1} x^1 + \dots + a_{mn} x^n \, (\leq, =, \geq) \, b_m$$
$$x^1, \dots, x^n \geq 0$$

- **Matrix notation** of a linear programming problem:

$$\min \ z = \begin{bmatrix} c_1 & c_2 & \cdots & c_n \end{bmatrix} \begin{bmatrix} x_1 \\ x_2 \\ \vdots \\ x_n \end{bmatrix}$$

$$\text{s.t.} \quad \begin{bmatrix} a_{11} & a_{12} & \cdots & a_{1n} \\ a_{21} & a_{22} & \cdots & a_{2n} \\ \vdots & \vdots & \ddots & \vdots \\ a_{m1} & a_{m2} & \cdots & a_{mn} \end{bmatrix} \begin{bmatrix} x_1 \\ x_2 \\ \vdots \\ x_n \end{bmatrix} \{\leq, =, \geq\} \begin{bmatrix} b_1 \\ b_2 \\ \vdots \\ b_m \end{bmatrix}$$

$$\begin{bmatrix} x_1 \\ \vdots \\ x_n \end{bmatrix} \geq 0$$

3.2 Assumptions of *LP* models

The *LP* model is based on the following **assumptions**:

- **Linearity** *(proportionality and additivity)* of the objective function and constraints
  - $\rightarrow$ **proportionality**: *contribution of each variable $=$ constant $\times$ variable*
    - ✗ It does not account for economies of scale
  - $\rightarrow$ **additivity**: *total contribution $= \sum_i$ contribution of each variable i*
    - ✗ It does not account for competing activities *(their sum is not necessarily the total contribution)*
- **Divisibility** of the variables, as they can assume fractional *(rational)* values
- **Parameters** are assumed to be **constants** that can be estimated with a sufficient degree of accuracy
  - ✗ more complex mathematical programs are needed to account for uncertainty in the parameter values

The **sensitivity analysis** is a technique that allows evaluating how *"sensitive"* an optimal solution is with respect to small changes in the parameters of the model; it will be introduced in Section 3.7.

3.3 Equivalent Forms

The **General Form** *(or canonical form) (Definition 3.3) of a LP can be expressed in the equivalent **Standard Form** (Definition 3.4).*

Definition 3.3 (General form of a *LP* problem)**.** The **General Form** of a *LP* is:

$$
\begin{aligned}
\min \ (\max) \quad & z = c^T x & \\
\text{s.t.} \quad & A_1 x \geq b_1 & \text{inequality constraints} \\
& A_2 x \leq b_2 & \text{inequality constraints} \\
& A_3 x = b_3 & \text{equality constraints} \\
& x_j \geq 0, \ j \in J \subseteq \{1, \ldots, n\} & \text{non-negativity constraints} \\
& x_j \text{ free}, \ j \in \{1, \ldots, n\} \setminus J & \text{free variables}
\end{aligned}
$$

Definition 3.4 (Standard Form of a *LP* problem)**.** The **Standard Form** of a *LP* is the following:

$$\min \text{ (max)} \quad z = c^T x$$
$$\text{s.t.} \quad Ax = b \qquad \qquad \text{equality constraints}$$
$$x \geq 0 \qquad \qquad \text{non negative variables}$$

The two forms are **equivalent**, as simple transformation rules allow to pass from one form to the other; the transformations may involve adding and or deleting variables and constraints, as the next Section shows.

3.3.1 Transformation rules

- $\max c^T x \Rightarrow \min -c^T x$

- $a^T x \leq b \Rightarrow \begin{cases} a^T x + s = b \\ s \geq 0 \end{cases}$ s is a **slack variable**

- $a^T x \geq b \Rightarrow \begin{cases} a^T x - s = b \\ s \geq 0 \end{cases}$ s is a **surplus variable**

- x_j **unrestricted** in sign $\Rightarrow \begin{cases} x_j = x_j^+ - x_j^- \\ x_j^+ \geq 0 \\ x_j^- \geq 0 \end{cases}$

  $\rightarrow$ after the substitution, x_j is deleted from the problem

- $a^T x \leq b \Leftrightarrow -a^T x \geq -b$

- $a^T x \geq b \Leftrightarrow -a^T x \leq -b$

- $a^T x = b \Leftrightarrow \begin{cases} a^T x \leq b \\ a^T x \geq b \end{cases} \quad \Leftrightarrow \begin{cases} a^T x \leq b \geq b \\ -a^T x \geq -b \end{cases}$

3.4 Graphical solutions

Definition 3.5 (Level curve)**.** A **level curve** of value z of a function f is the set of points P in $\mathbb{R}^n$ where f is constant and has value z:

$$P = \{x \in \mathbb{R}^n \mid f(x) = z\}$$

Consider a *LP* with inequality constraints *(as it's easier to visualize)*.

- A **hyperplane** is the set of points that satisfy the constraint $H = \{x \in \mathbb{R}^n \mid a^T x = b\}$
- An **affine half space** is the set of points that satisfies the constraint $H = \{x \in \mathbb{R}^n \mid a^T x \leq b\}$

  $\rightarrow$ each inequality constraint $a^T x \leq b$ defines an affine half space in the variable space
  $\rightarrow$ in R^2, an affine half-space is a is a **half plane**

- The **feasible region** X of any *LP* is a polyhedron P defined by the intersection of a finite number of affine half spaces

  $\rightarrow$ P can be **empty** or **unbounded**

- A subset $S \subseteq \mathbb{R}^n$ is **convex** if for each pair of points $y^1, y^2 \in S$ the line segment between y^1 and y^2 is contained in S

  $\rightarrow$ given two points $y^1, y^2 \in S$, a **convex combination** of them is any point of the form

  $$z = \lambda y^1 + (1 - \lambda) y^2 \quad 0 \leq \lambda \leq 1$$

$\rightarrow$ a convex combination with $\lambda \neq 0, 1$ is called **strict**

$\rightarrow$ a function $f : \mathbb{R}^n \to \mathbb{R}^m$ is **convex** if the space above the graph of f is convex

- The segment defined by all the convex combinations of y^1 and y^2, $y^1, y^2 \in S$, is called a **convex hull**

    $\rightarrow \left[y^1, y^2\right] = \left\{x \in \mathbb{R}^n \,\middle|\, x = \alpha y^1 + (1 - \alpha)\, y^2 \wedge \alpha \in [0,1]\right\}$

- A **polyhedron** P is a convex set of $\mathbb{R}^n$

    - any **half space** is **convex**
    - the **intersection** of a finite number of convex sets is also a **convex** set

- A **vertex of polyhedron** P is a point of P that cannot be expressed as a convex combination of other points of P

    - x is a vertex P iff

$$x = \alpha y^1 + (1-\alpha)y^2 \quad \alpha \in [0,1] \quad y^1, y^2 \in P \Rightarrow x = y^1 \vee x = y^2$$

    - a non empty polyhedron $P = \{x \in \mathbb{R}^n \mid Ax = b, x \geq 0\}$ has a finite number $(n > 1)$ of vertices

- A **polytope** is a bounded polyhedron
- Let x be an element of a polyhedron P. A vector $d \in \mathbb{R}^n$ is said to be a **feasible direction** at x if there exists $\theta \in \mathbb{R}, \theta > 0$ such that $x + \theta d \in P$.
- Given a polyhedron P, a vector $d \in \mathbb{R}^n, d \neq \bar{0}$ is an **unbounded feasible direction** of P if, for every point $x^0 \in P$, the ray $\left\{x \in \mathbb{R}^n \mid x = x^0 + \lambda d, \lambda \geq 0\right\}$ is contained in P
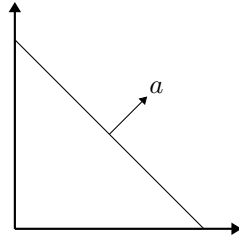
(a) Hyperplane
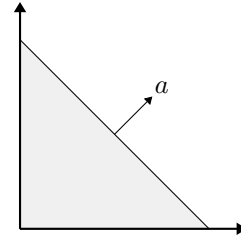
(b) Affine half space
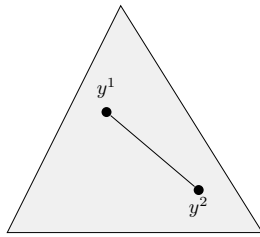
(c) Convex polyhedron
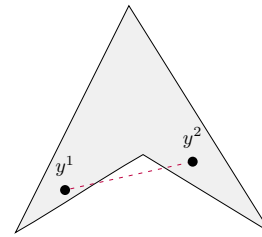
(d) Concave (not convex) polyhedron

Figure 16: Illustrations of LP geometry definitions

3.4.1 Weyl-Minkoswki Theorem

The **Weyl-Minkoswki Theorem** describes the representation of a polyhedron. Its formulation is expressed in Theorem 3.1.

> **Theorem 3.1** (Weyl-Minkoswki). *Every point x of a polyhedron P can be expressed as a convex combination of its vertices $x^1, \dots, x^k$ plus (if needed) an unbounded **feasible direction** d of P:*
>
> $$x = \alpha_1 x^1 + \dots + \alpha_k x^k + d$$
>
> *where the multipliers $\alpha_i \geq 0$ satisfy the constraint $\sum_{i=1} \alpha_i = 1$.*

The unbounded feasible direction is needed if the polyhedron is unbounded; Figure 17 represent the cases of a bounded and an unbounded polyhedron.

(a) Unbounded polyhedron   (b) Bounded polyhedron
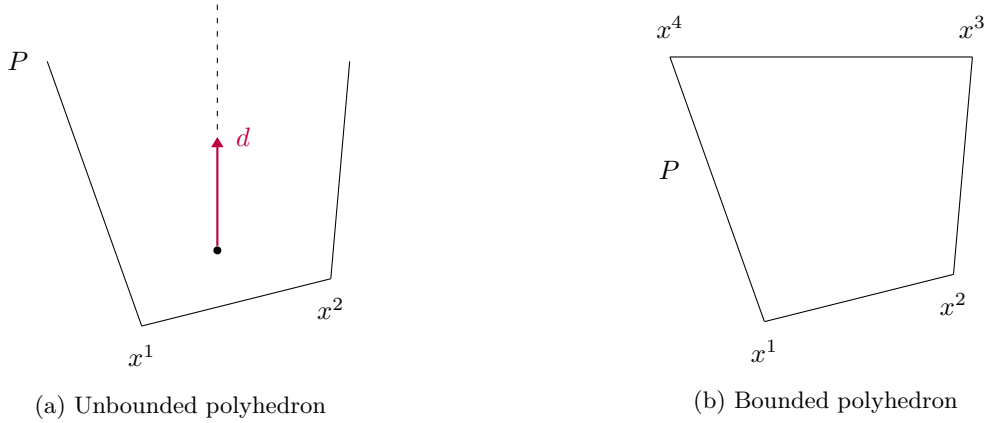
Figure 17: Illustration of the *Weyl-Minkowski* theorem

Consequences of the theorem   Every point x of polytope P can be expressed as a convex combination of its vertices; the *Weyl-Minkowski theorem* can be used to describe any point. An example of this is shown in Figure 18.
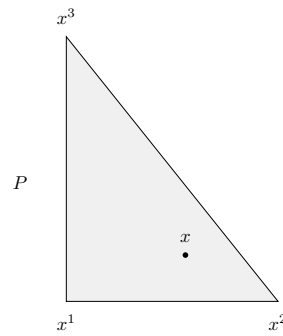
Figure 18: Example of polytope: $x = \alpha_1 x^1 + \alpha_2 x^2 + \alpha_3 x^3$ with $\alpha_1 + \alpha_2 + \alpha_3 = 1, \alpha_i \geq 0, d = 0$

3.4.2   Geometry of *LP*

Geometrically:

- An **interior point** $x \in P$ cannot be an optimal solution of the problem
  - it always exists an improving direction
  - consider Figure 19a where c represents the direction of fastest increase in z *(constant gradient)*
- In an optimal vertex, all **feasible direction are worsening directions**
  - consider Figure 19b where c represents the direction of fastest increase in z *(constant gradient)*
- The *Weyl-Minkowski* theorem implies that, although the variables can assume fractional values, any *LP* can be seen as a **combinatorial problem**
  - *"only"* the vertices of the polyhedron have to be considered in order to find the feasible solutions
  - the graphical method is only applicable for $n \leq 3$
  - the number of vertices often grows exponentially with respect to the number of variables

Furthermore, let P be a convex polytope of dimension d and let HS be a half-space of P defined by hyperplane H. If the intersection $f = P \cap HS$ is a subset of H then:

- f is a **face** of P
- H is the **support hyperplane** of f

The face is then defined according to its dimension:

- a **vertex** is a face of dimension 0 *(a point)*
- a **facet** is a face of dimension $d - 1$ *(a hyperplane)*
- an **edge** is a face of dimension 1 *(a line)*

(a) Interior point of polyhedron P (b) Worsening directions of polyhedron P
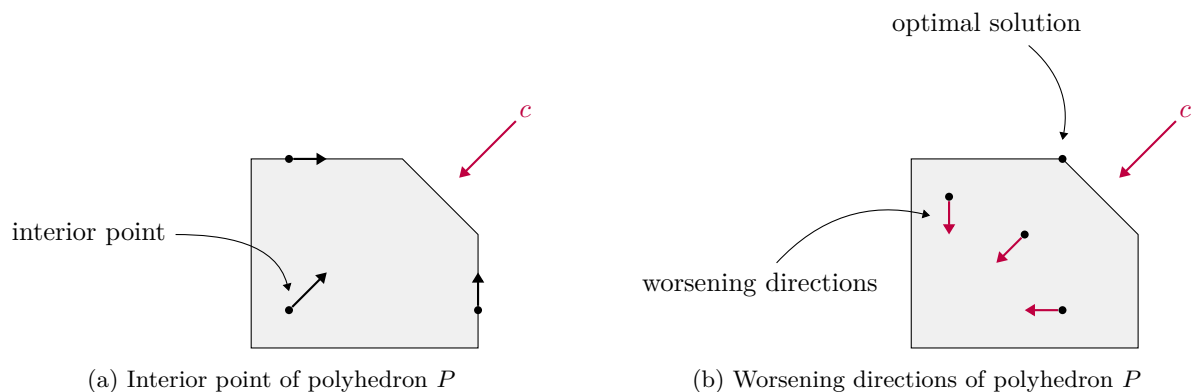
3.4.3 Four types of *LP*

There are four types of *LP*, depending on the number of solutions; all are illustrated in Figure 20. Since the objective of the problem is to minimize $f(x)$ *(as it's in form* $\min c^T x$*)*, better solutions are found by moving along the direction $-c$ *(the opposite of the gradient $\nabla f(x)$)*.

1. **A unique** optimal solution, Figure 20a
2. **Multiple** *(infinitely many)* optimal solutions, Figure 20b
3. **Unbounded** *LP*, Figure 20c
   - this type of problem has unbounded polyhedron and unlimited objective function values
4. **Infeasible** *LP*, Figure 20d
   - this type of problem has an empty polyhedron and no feasible solution
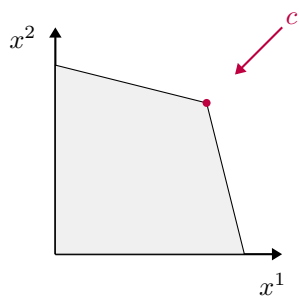
(a) A unique optimal solution
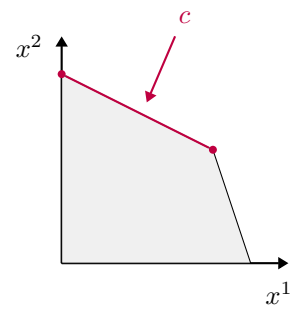
(b) Multiple optimal solutions
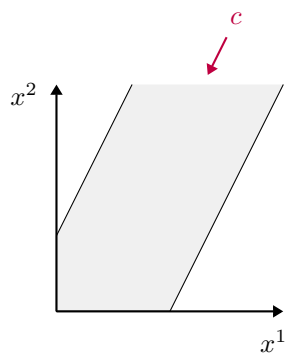
(c) Unbounded LP
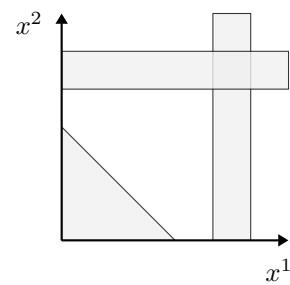
(d) Infeasible LP

Figure 20: Four types of LP

3.4.4 Basic feasible solutions and polyhedra vertices

Due to the fundamental theorem of Linear Programming *(Theorem 3.1)*, to solve any *LP* problem it suffices to consider the *(finitely many)* vertices of the polyhedron P of feasible solutions; since the geometrical definition of a vertex cannot be exploited algorithmically, an algebraic definition is needed.

A vertex corresponds to the intersection of the hyperplanes associated with n inequalities. If a polyhedron is expressed in standard form:

$$P = \{x \in \mathbb{R}^n \mid Ax = b, x \geq 0\}$$

It is possible to transform it into an inequality:

$$P = \{x \in \mathbb{R}^n \mid Ax \leq b, x \geq 0\}$$

And later transform it back into standard form, adding a slack variable s:

$$P^T = \{x \in \mathbb{R}^n \mid Ax - s = b, s \geq 0, x \geq 0\}$$

where P^T is the polyhedron of feasible solutions to the original problem. Finally, by defining the matrices:

$$A := [\,A \mid I\,], \quad x := \left(\, x^T \mid s^T \,\right)$$

the system of equation is represented in matrix form, where A has m rows and n columns.

Property 3.1. For any polyhedron $P = \{x \in \mathbb{R}^n \mid Ax = b, x \geq 0\}$, where A has m rows:

- the **facets** (edges in $\mathbb{R}^2$) are obtained by setting one variable to 0
- the **vertices** are obtained by settings $n - m$ variables to 0

3.4.4.1 Optimality of extreme points

Theorem 3.2. *Consider the LP problem of minimizing $c^T x$ over a polyhedron P. Suppose that P has at least one extreme point and that there exists an optimal solution. Then, there exists an optimal solution which is an extreme point of P.*

The above Theorem 3.2 **applies to polyhedra in standard form**, as well as to bounded polyhedra *(as they don't contain a line)*.

Theorem 3.3. *Consider the LP problem of minimizing $c^T x$ over a polyhedron P. Suppose that P has at least one extreme point. Then, either the optimal cost is equal to $-\infty$, or there exists an extreme point which is optimal.*

For a general *LP* problem. if the feasible set has no extreme point, then Theorem 3.3 does not apply; however, the problem can be transformed into an equivalent one in standard form, establishing the following Corollary.

Corollary 3.4. *Consider the LP problem of minimizing $c^T x$ over a polyhedron P. Suppose that P has at least one extreme point. Then, either the optimal cost is equal to $-\infty$, or there exists an optimal solution.*

3.4.5 Algebraic characterization of vertices

Consider any polyhedron $P = \{x \in \mathbb{R}^n \mid Ax = b, x \geq 0\}$, in standard form.

Assumption $A \in \mathbb{R}^{m \times n}$ is such that $m \leq n$ of rank m *(i.e. A is full rank)*. This is equivalent to assuming that there are no redundant constraints.

Solutions

- If $m = n$, there is a unique solution of $Ax = b$ $(x = A^{-1}b)$
- If $m < n$, there are ∞^{n-m} solutions of $Ax = b$
    - the system has $n - m$ **degrees of freedom**
    - by fixing the degrees of freedom to 0, a **vertex** is obtained

The **basis** of matrix A is a subset of m columns of A that are linearly independent and form an $m \times m$ non-singular matrix B.

$$A = [\, B \mid N \,]$$

where:

$$B \quad \text{has } m \text{ columns}$$
$$N \quad \text{has } n - m \text{ columns}$$

3.4.6   Basic solutions

Consider the vector $x^T = [\, x_B^T \mid x_N^T \,]$ where:

$$x_B^T \quad \text{has } m \text{ components}$$
$$x_N^T \quad \text{has } m - n \text{ components}$$

Then any system $Ax = b$ can be written as $B_{x_B} + N_{x_N} = b$, and for any set of values of x_N, if B is not singular (if $\det(B) \neq 0$), then $x_B = B^{-1}(b - N_{x_N})$.

Definitions

- A **basic solution** is a solution obtained by setting $x_N = 0$ and, consequently, $x_B = B^{-1}b$
    - two basic solutions are called adjacent if there are $n - 1$ linearly independent constraints active in both of them
- A **feasible solution** is any vector $x \geq 0$ such that $Ax = b$
- An **unfeasible solution** is any vector $x < 0$ such that $Ax = b$
- A feasible solution with $x_B \geq 0$ is a **basic feasible solution** with basis B
    - $\forall\, j \notin B,\ x_j = 0$ *(all the non zero variables are in B)*
    - a **basic feasible solution** has n linearly independent constants
    - the variables in x_B are the **basic variables** and those in x_N are non **basic variables**
    - by construction, $\left(x_B^T,\, x_N^T \right)$ satisfy $Ax = b$
- A basic feasible solution is **degenerate** if it contains at least one basic variable with value 0
    - a basis uniquely determines a basic solution
    - two different bases may lead to the same basic solution

---

Theorem 3.5 (Basic feasible solutions). *$x \in \mathbb{R}^n$ is a **basic feasible solution**, or BFS, if and only if x is a vertex of the polyhedron $P = \{x \in \mathbb{R}^n \mid Ax = b, x \geq 0\}$*

Property 3.2 (Number of solutions). At most, there exists one basic feasible solution for each choice of the $n - m$ non-basic variables out of the n variables:

$$\# \text{ basic feasible solutions} \leq \binom{n}{n-m} = \frac{n!}{(n-m)!\,(n-(n-m))!} = \binom{n}{m}$$

3.5 Simplex method

The Simplex method provides a systematic way to find the optimal solution of a *LP* problem; given an *LP* in standard form:

$$
\begin{aligned}
\min \quad & z = c^T x \\
\text{s.t.} \quad & Ax = b \\
& x \geq 0
\end{aligned}
$$

it examines a sequence of **basic feasible solutions** with non-increasing objective function values until an optimal solution is reached or the problem is found to be unbounded. At each iteration, the basic feasible solution is replaced by a new one that is closer to the optimal solution.
In other, *simpler*, words, it generates a path *(a sequence of adjacent vertices)* along the edges of the polyhedron P that leads to the optimal solution.

The simplex method is articulated in 3 steps:

1. Find an **initial vertex** or establish that the *LP* is **unbounded**
2. Determine whether the current vertex is **optimal**
3. Move from a current vertex to a **better adjacent vertex** *(in terms of objective function value)* or establish that the *LP* is unbounded

The solution found in step (3) may be optimal only in a local sense; in *LP*, however, local optimality implies global optimality thanks to the following Property.

> **Property 3.3** (Optimality of a vertex)**.** If the *LP* problem requires minimizing *(or maximizing)* a convex function over a convex set, then the local optimum is also the global optimum.

3.5.1 Optimality condition of a *LP* solution

Given a *LP*:

$$
\begin{aligned}
\min \quad & z = c^T x \\
\text{s.t.} \quad & Ax = b \\
& x \geq 0
\end{aligned}
$$

Suppose that $x \in P$ is a basic feasible solution and move away from it in the direction of a vector $d \in \mathbb{R}^n$; clearly, d should not immediately lead to a point outside P, otherwise, the solution would not be feasible any more.

> **Definition 3.6** (Feasible direction)**.** Let x be an element of polyhedron P. A vector $d \in \mathbb{R}^n$ is said to be a **feasible direction** at x if there exists a positive scalar θ such that $x + \theta d \in P$.

Let x be a basic feasible solution to the standard form problem, let $B(1), \ldots, B(m)$ the indices of the basic variables, and let $B = \begin{bmatrix} A_{B(1)}, \ldots, A_{B(n)} \end{bmatrix}$ be the corresponding basis matrix.
In particular, $x_i = 0$ for all non basic variables, while the vector $x_B = \begin{pmatrix} x_{B(1)}, \ldots, x_{B(m)} \end{pmatrix}$ of basic variables if given by

$$
x_B = B^{-1} b
$$

By selecting a non-basic variable x_j (initially at zero) and increasing its value to θ while keeping all the other non-basic variables to zero, a new basic feasible solution $x + \theta d$ is obtained. Algebraically:

$$
d_i = \begin{cases} 1 & \text{if } i = j \\ 0 & \text{otherwise} \end{cases}
$$

At the same time, the vector x_B changes to $x_B + \theta d_B$, where $d_B = (d_{B(1)}, \dots, d_{B(m)})$ is the vector with those components of d that correspond to the basic variables.

Given that only the feasible solutions are relevant, it's necessarily true that $A(x + \theta d) = b$ and since x is feasible, $Ax = b$. At the same time, since $\theta > 0$, it must hold

$$Ad = 0 \tag{A}$$

Since $d_j = 1$ and $d_i = 0 \, \forall \, i \neq j$:

$$0 = Ad = \sum_{i=1}^{n} A_i d_i = \sum_{i=1}^{m} A_{B(i)} d_{B(i)} = B d_B + A_j$$

due to the invertibility of the basis matrix B:

$$d_B = -B^{-1} A_j \tag{B}$$

The direction vector d will be referred thereon to as the j-th basic direction.

While the equality constraints are respected, the non-negativity constraints are not. During this movement, all the non-basic variables stay at zero, while x_j is incremented: the focus is then on the basic variables. Two cases are possible:

1. x is a non degenerate basic solution: $x_B > 0$, so $x_B + \theta d_B \geq 0$ and feasibility is maintained with θ sufficiently small. d is a **feasible direction** at x.
2. x is degenerate: it's possible that a basic variable $x_{B(i)}$ is zero, while the correspondent component $d_{B(i)}$ of $d_B = -B^{-1} A_j < 0$. In this case, following the j-th basic direction, the non-negativity constraint is violated and the solution is not feasible.

Now let d be the j-th basic direction at x. The rate of change of the objective function along d is given by $c_B^T d_B + c_j$, where $c_B = (c_{B(1)}, \dots, c_{B(,)})$.

Using Equation B, the rate of change of the objective function along d is:

$$c_j - c_B^T B^{-1} A_j$$

While quantity is important enough to warrant a Definition (3.7), intuitively, c_j is the cost per unit increase in the variable x_j, and the term $-c_B^T B^{-1} A_j$ is the cost of the compensating change in the basic variables necessitated by the constraint $Ax = b$.

> **Definition 3.7** (Reduced costs). Let x be a basic solution with an associated basis matrix B. Let c_B be the vector of the costs of the basic variables. For each j, the **reduced costs** $\bar{c}_j$ of the non basic variable x_j are defined as
> $$\bar{c}_j = c_j - c_B^T B^{-1} A_j$$

Consider Definition 3.7 for the case of a basic variable. Since B is the matrix $[A_{B(1)}, \dots, A_{B(m)}]$, then $B^{-1}[A_{B(1)}, \dots, A_{B(m)}] = I$ *(is the identity matrix)*. In particular, $B^{-1} A_{B(i)}$ is the i-th column of the identity matrix, which is the i-th unit vector e_i.

Therefore, for every basic variable $x_{B(i)}$, the reduced cost is:

$$\bar{c}_{B(i)} = c_{B(i)} - c_B^T B^{-1} A_{B(i)} = c_{B(i)} - c_B^T e_i = c_{B(i)} - c_{B(i)} = 0$$

so the reduced cost of a basic variable is always zero. The next Theorem (3.6) shows that the reduced cost of a non-basic variable is always non-negative.

> **Theorem 3.6.** *Let x be a basic feasible solution x associated with a basis matrix B, and let $\bar{c}$ be the corresponding vector of reduced costs. Then:*
>
> *1. If $\bar{c} \geq 0$, then x is optimal*
> *2. If x is optimal and non degenerate, then $\bar{c} = 0$*

Note that Theorem 3.6 allows the possibility that x is a degenerate solution and $\bar{c} < 0$ for some non-basic index j. Furthermore, it states that in order to decide whether a non-degenerate basic feasible solution is optimal, it's sufficient to check whether all the reduced costs are non-negative, which is the same as examining $n - m$ basic directions; checking if the degenerate basic feasible solution x is optimal is not as simple.

Finally Definition 3.8 states the requirements for a matrix to be optimal.

> **Definition 3.8** (Optimal matrix). A matrix B is **optimal** if and only if it is a basis matrix for an optimal basic feasible solution, i.e. the following conditions are both satisfied:
>
> - $B^{-1}b \geq 0$
> - $\bar{c}^T = c^T - c_B^T B^{-1} A \geq 0$

Remarks

$\rightarrow$ For **maximization** problems, the condition is $\bar{c}_N \leq 0$

$\rightarrow$ This optimality condition is **sufficient** but generally not necessary

3.5.2 General case

Let's, first of all, assume that every basic feasible solution is non-degenerate; this assumption will be relaxed later on.

Suppose that the current basic feasible solution is x, with reduced costs $\bar{c}_j$ for each of the non-basic variables. If all of them are non-negative, then x is optimal *(thanks to Theorem 3.6)* and the algorithm can terminate.

Otherwise, if $\exists\, \bar{c}_j < 0$ for a non basic variable x_j, then the j-th basic direction d is a feasible direction of cost decrease; while moving along it, x_j becomes positive and the value of all other non-basic variables stays constant at 0. This situation is described as *"entering the basis"*.

By moving away from x along d, the traced points are in form $x + \theta d$, where $\theta \geq 0$. Since costs decrease along the direction d, the goal is to move as far as possible; the farthest point will be $x + \theta^* d$, where

$$\theta^* = \max\{\theta \geq 0 \mid x + \theta d \in P\}$$

The associated cost change is

$$\Delta c = \theta^* c^T d = \theta^* \bar{c}_j$$

It's then necessary to determine the closed formula for θ^*. Given that $Ad = 0$ *(Equation A)*, then $A(x + \theta d) = Ax = b$, $\forall\, \theta$; $x + \theta d$ can become infeasible only if one of its components becomes negative, i.e. if $x_i + \theta a_{ij} \leq 0$. Two cases can be distinguished:

1. $d \geq 0$, then $x + \theta d \geq 0$ for all $\theta \geq 0$, the vector is never infeasible and $\theta^* = \infty$
2. $d_i \leq 0$ for some i, then $x_i + \theta d_i \geq 0 \Rightarrow \theta \leq -x_i/d_i$. Since this constraint must be satisfied for all i, the largest possible value of θ is

$$\theta^* = \min_{i=1,\,\dots,\,m}\left\{-\frac{x_i}{d_i}\,\middle|\, d_i \leq 0\right\} \tag{3.1}$$

   Recalling that x_i is a non basic variable, then either x_i is the entering variable and $d_i = 1$, or else $d_i = 0$; in either case, it's non-negative and the formula can be re-written as

$$\theta^* = \min_{i=1,\,\dots,\,m}\left\{-\frac{x_{B(i)}}{d_{B(i)}}\,\middle|\, d_{B(i)} < 0\right\} \tag{3.2}$$

   Note that $\theta^* > 0$ since $x_{B(i)} > 0\ \forall\, i$.

3.5.3 Changes of basis

Assumption: this Section refers to the case where the *LP* is a minimization problem.

Once θ^* has been chosen *(Equation 3.2)*, assuming that it's finite, the new feasible solution $y = x + \theta^* d$ is obtained by moving along the basic direction d from x. Since $x_j = 0$ and $d_j = 1$, then $y_j = \theta^* > 0$.
Let l be a minimizing index of 3.2; the following conditions must hold:

$$-\frac{x_{B(l)}}{d_{B(l)}} = \min_{i=1,\dots,m} \left\{ -\frac{x_{B(i)}}{d_{B(i)}} \,\middle|\, d_{B(i)} < 0 \right\} = \theta^*$$

$$d_{B(l)} < 0$$

$$x_{B(l)} + \theta^* d_{B(l)} = 0$$

The basic variable $x_{B(l)}$ is now 0, while the non basic variable x_j is $y_j = \theta^* > 0$: the basis has changed, and the new basis is $\overline{B} = B \setminus \{x_{B(l)}\} \cup \{x_j\}$ *($x_{B(l)}$ has left the basis, x_j has entered the basis)*. The new matrix is now:

$$\overline{B} = \left[A_{B(1)} \mid \cdots \mid A_{B(l-1)} \mid A_j \mid A_{B(l+1)} \mid \cdots \mid A_{B(m)} \right]$$

Equivalently, the set of basic indices $B = \{B(1), \dots, B(m)\}$ can be updated as follows:

$$\overline{B}(i) = \begin{cases} B(i) & \text{if } i \neq l \\ j & \text{if } i = l \end{cases}$$

The previous steps can then be summarized in the following Theorem.

Theorem 3.7.

- *The columns $A_{B(i)}$, $i \neq l$ and A_j are linearly independent; $\overline{B}$ is a basis matrix*
- *The vector $y = x + \theta^* d$ is a basic feasible solution associated to the basis $\overline{B}$*

3.5.3.1 An iteration of the Simplex method

A single iteration of the Simplex method consists of the following steps:

1. start with a basis consisting of the basics columns $A_{B(1)}, \dots, A_{B(m)}$ and an associated basic feasible solution x
2. compute the reduced costs $\bar{c}_j$ of the non basic variables x_j
   - → if the reduced costs are all non-negative, then the current solution is optimal and the algorithm terminates
   - → otherwise, choose a non basic variable x_j with reduced cost $\bar{c}_j \leq 0$
3. compute $u = B^{-1} A_j$ and the basic direction d associated to x_j
   - → if no component of u is negative, then $\theta^* = \infty$, the optimal cost is $-\infty$ and the algorithm terminates
4. some components of u are negative, so θ^* can be computed

$$\theta^* = \min_{i=1,\dots,m} \left\{ -\frac{x_{B(i)}}{u_i} \,\middle|\, u_i < 0 \right\}$$

5. let l be a minimizing index of Step (4); form a new basis replacing $A_{B(l)}$ with A_j. If y is the new basic feasible solution, then $y_j = \theta^*$ and $y_{B(i)} = x_{B(i)} + \theta^* u_i, i \neq l$

The method is initialized with an arbitrary basic feasible solution x and the corresponding basis B; the following Theorem *(3.8)* states that the algorithm terminates after a finite number of iterations.

> **Theorem 3.8.** *Assume that the feasible set is non-empty and that every basic feasible solution is non-degenerate. Then, the Simplex method terminates after a finite number of iterations; at termination, there are two possibilities:*
>
> 1. *an optimal basis B and the optimal solution x is associated to it are found*
> 2. *a vector d satisfying $Ad = 0, d \geq 0, c^T d < 0$ is found, and the optimal cost is $-\infty$*

3.5.4 Pivoting operation

The pivot operation is a single elementary row operation that transforms the inverse of the previous basis into the inverse of the new basis; it's the same operation used in the Gaussian elimination method to solve systems of linear equations.

Given $Ax = b$:

1. **Select** a coefficient $\bar{a}_{rs} \neq 0$, the **pivot**
2. **Divide** the r-th row by $\bar{a}_{rs}$
3. For each row $i \neq r$ with $\bar{a}_{rs} \neq 0$, **subtract the resulting r-th row multiplied by $\bar{a}_{is}$**

This move does not affect the feasible solutions. Only a finite number of pivots exists for each basis.

An example of pivot operation is shown in Figure 21.

(a) Initial system   (b) Pivot operation

Figure 21: Pivot operation example

3.5.5 Moving to an adjacent vertex

Goals

$\rightarrow$ improve the objective function value
$\rightarrow$ preserve the feasibility

The general description of the Simplex method allows some freedom: Step (2) allows to choose any j whose reduced cost $\bar{c}_j$ is negative and Step (5) allows to choose any l minimizing θ^*. Rules for making these choices are called **pivot rules**.

1. Which non basic variable **enters** the basis?
   - any one with reduced cost $\bar{c}_j < 0$
   - the one yielding the maximum $\Delta z = \theta^* \bar{c}_j$ with respect to the current basic feasible solution
   - **Bland's rule**: $s = \min\{j \mid \bar{c}_j < 0\}$
     - $\rightarrow \bar{c}_j > 0$ for maximization problems
2. Which basic variable **leaves** the basis?
   - **min ratio text**: index i with smallest positive ratio $\dfrac{x_{B_i}}{\bar{a}_{is}} = \theta^*$ among those with $\bar{a}_{is} > 0$

- **Bland's rule**: $r = \min\left\{ i \;\middle|\; \dfrac{\bar{b}_i}{\bar{a}_{is}}, \; \bar{a}_{is} > 0 \right\}$
- also randomly

Property 3.4 (Unboundedness)**.** If the objective function is unbounded, the algorithm will never stop: if $\exists \, \bar{c}_j < 0$ with $\bar{a}_{ij} \leq 0 \, \forall i$ no element of the j-th column can play the role of the pivot. This condition is verified if the problem is **unbounded**.

3.5.6 Tableau representation

Tableau is a matrix representation of the *LP* problem. Let

$$z = c^T x$$
$$Ax = b$$

with implicit non negativity constraints be the *LP* problem.

The initial tableau is the matrix represented in Figure 22a. The first column contains the right-hand side of the objective function and the right-hand side vector.

Consider a basis B and a partition $A = [B \; N]$, with $0 = c^T x - z$. The corresponding tableau is the matrix represented in Figure 22b.

By pivoting operations *(or pre multiplication by B^{-1})*, the tableau is in the canonical form with respect to B. The said tableau is the matrix represented in Figure 22c.

(a) Initial tableau

(b) Tableau with respect to a basis

(c) Canonical tableau

Figure 22: Tableau representation

3.5.7 The simplex algorithm

In Code 10 the simplex algorithm is implemented.

```
B[1], ..., B[m] := initial basis
construct the initial tableau A in canonical form with respect to B
unbounded := false
optimal := false
while optimal = false and unbounded = false do
  if a[0, j] ∀ j = 1, ..., m then
    optimal := true // for LP with min
  else
    select a non basic variable x_s with a[0, s] < 0 // negative reduced cost
    if a[i, s] ≤ 0 ∀ i = 1, ..., m then
      unbounded := true
    else
      r := argmin {a[i, 0] / a[i, s] ∀ i = 1, ..., m with a[i, s] > 0}
      pivot(r, s) // update the tableau
      B[r] := s
    end
  end
end
```

Code 10: The simplex algorithm

3.5.8 Degenerate basic feasible solutions and convergence

As already announced in Section 3.4.6, a basic feasible solution x is degenerate if it contains at least one basic variable $x_j = 0$. A solution x with more than $n - m$ zeroes corresponds to several distinct bases.

More than n constraints *(the m of $Ax = b$ and more than $n - m$ among the n of $x \geq 0$)* on the same vertex are satisfied with equality. In the presence of degenerate basic feasible solutions *(BFS)*, a basis change may not decrease the objective function value: if the current *BFS* is degenerate, the only admissible value of θ^* is 0 and the new *BFS* is the same as the old one.

Note that a degenerate *BFS* can arise from a non-degenerate one: even if $\theta^* > 0$, several basic variables may go to 0 when x_s is increased to θ^*. It's possible to cycle through a sequence of degenerate basis associated with the same vertex.

> **Definition 3.9** (Degenerate Basic Solution)**.** Consider the standard form polyhedron
>
> $$P = \{x \in \mathbb{R}^n \mid Ax = b, x \geq 0\}$$
>
> and let x be a basic solution. Let m be the number of rows of A.
> The vector x is a **degenerate basic solution** if more than $n - m$ of the components of x are zero.

A geometrical example of a degenerate solution is the one in Figure 23.

3.5.8.1 Anti cycling rule

Several anti-cycling rules have been proposed for the choice of the variables that enter end exit the bases *(indices r and s in Algorithm 10)*.

The simplest one is the **Bland's rule**: among all candidate variables for x_s and x_r, the one with the smallest index is chosen.

> **Property 3.5.** The simplex algorithm with Bland's rule terminates after less than $\binom{n}{m}$ iterations.
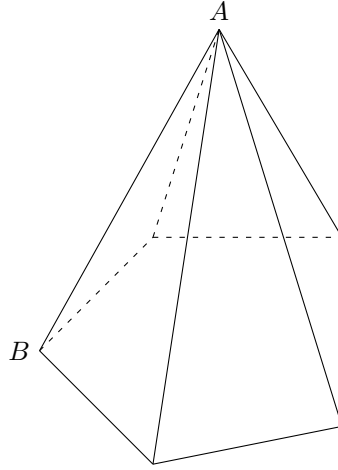
Figure 23: *A* is a degenerate *BFS*. *B* is a non degenerate *BFS*.

3.5.9 Two phases simplex algorithm

The two-phase simplex algorithm is a modification of the simplex algorithm that allows solving the *LP* problem with equality constraints.

Phase 1: Determine an initial basic feasible solution

- given the problem with equality constraints
$$z = c^T x$$
$$Ax = b \,, b \geq 0$$
$$x \geq 0$$

- an auxiliary *LP* with artificial variables is constructed
$$\min \quad v = \sum_{i=1}^{m} y_1$$
$$\text{s.t.} \quad Ax + ly = b$$
$$x \geq 0, y \geq 0$$

Phase 2: Solve the auxiliary problem

- if $v^* > 0$, the problem is infeasible
- if $v^* = 0$, $y^* = 0$ and x^* is a basic feasible solution of the original problem
    - if y_i is non-basic $\forall \, i$, with $1 \leq i \leq m$, the corresponding columns are deleted and a tableau in the canonical form is obtained; the row of z must be determined via substitution
    - if there is a basic y_i *(the basic feasible solution is degenerate)*, then a pivot operations is performed on the row of y_i to exchange the basic variable with a non basic one

3.6 Linear Programming duality

To any *maximization LP* problem, a corresponding *(with the same parameters) minimization* problem can be associated; in the same way, a *minimization* problem can be associated to a *maximization* problem.
The two problems are called **dual** of each other. Despite having different spaces and objective functions, in general, the optimal objective function values coincide.

$$\begin{aligned} \max \quad & c^T x \\ \text{s.t.} \quad & Ax \leq b \\ & x \geq 0 \end{aligned} \quad (3.3)$$

$$\begin{aligned} \min \quad & b^T y \\ \text{s.t.} \quad & A^T y \geq c \\ & y \geq 0 \end{aligned} \quad (3.4)$$

Definition 3.10. The problem in Equation 3.3 is called the **primal problem** and the problem in Equation 3.4 is called the **dual problem**.

Property 3.6. The dual of dual problem coincides with the primal problem.

3.6.1 General transformation rules

Table 2 summarizes the general transformation rules for the primal and dual problems.

PRIMAL	*minimize*	*maximize*	DUAL
constraints	$\geq b_i$ $\leq b_i$ $= b_i$	≥ 0 ≤ 0 free	**variables**
variables	≥ 0 ≤ 0 free	$\leq c_j$ $\geq c_j$ $= c_j$	**constraints**

Table 2: Transformation rules for the dual problem

3.6.2 The duality theorem

3.6.2.1 Weak duality

Theorem 3.9 (Weak duality)**.** *If x is a feasible solution to the primal problem (Equation 3.3) and y is a feasible solution to the dual problem (Equation 3.4), then*

$$p^T b \leq c^T x$$

Proof. For every pair $x \in X$ and $y \in Y$, where

$$X = \{x \mid Ax \geq b, x \geq 0\} \neq \emptyset \quad Y = \{y \mid A^T y \leq c, y \geq 0\} \neq \emptyset$$

the following relations hold:

$$Ax \geq b, x \geq 0, A^T y \leq c, y \geq 0 \Rightarrow b^T y \leq x^T A^T y \leq x^T c = c^T x$$

$\square$

Consequences of the duality theorem If $x \in X$ is a feasible solution of the primal problem *(3.3)*, then $y \in Y$ is a feasible solution of the dual problem *(3.4)*, and the values of the respective objective functions coincide, $c^T x = b^T y$, then x is optimal for the primal problem and y is optimal for the dual problem. Optimal solutions are denoted by x^* and y^*.
The following corollaries are immediate consequences of the duality theorem.

Corollary 3.10. *If the optimal cost in the primal problem is $-\infty$, then the dual problem must be infeasible*

Corollary 3.11. *If the optimal cost in the primal problem is $+\infty$, then the dual problem must be infeasible*

3.6.2.2 Strong duality

Theorem 3.12 (Strong duality). *If $X = \{x \mid Ax \geq b, x \geq 0\} \neq \emptyset$ and $\min \{c^T \mid x \in X\}$ is finite, there exists $x^* \in X$, $y^* \in Y$ such that $c^T x^* = b^T y^*$.*

Proof. Derive an optimal solution of the dual problem *(3.4)* from one of the primal problem *(3.3)* and

$$x^T = \begin{bmatrix} x_B^* \\ x_N^* \end{bmatrix} \quad x_B^* = B^{-1}b, \; x_N^* = 0$$

as the optimal feasible solution of the primal problem, provided by the Simplex algorithm with Bland's rule.
Consider $\bar{y}^T = c_B^T B^{-1}$.

- Verify that $\bar{y}$ is a feasible solution of the dual problem:
    1. for the non basic variables

    $$\bar{c}_N^T = c_N^T - \left(c_B^T B^{-1} \right) N = c_N^T - \bar{y}^T N = \overbrace{\geq 0^T}^{x^* \text{ optimal}} \Rightarrow \bar{y}^T N \leq c_N^T$$

    2. for the basic variables

    $$\bar{c}_B^T = c_B^T - \left(c_B^T B^{-}1 \right) B = c_B^T - \bar{y}^T B = 0^T \Rightarrow y^T B \leq c_B^T$$

- According to the duality theorem,

$$\bar{y}^T b \leq c^T x^* \Rightarrow \bar{y}^T b = c^T x^*$$

Hence $\bar{y}$ is an optimal solution of the dual problem: $\bar{y} = y^*$. $\qquad \square$

Consequences of the strong duality theorem   Since in a linear programming problem, only one of the three following cases can occur:

1. There exists an **optimal solution**
2. The problem is **unbounded**
    - the optimal cost is $+\infty$ for maximization problems
    - the optimal cost is $-\infty$ for minimization problems
3. The problem is **infeasible**

This leads to nine possible combinations of solutions for the primal and the dual problems; all of them are shown in Table 3.

3.6.3   Complementary slackness conditions

An important relation between primal and dual optimal solutions is provided by the complementary slackness conditions, shown in Theorem 3.13.

		dual		
		finite optimum	*unbounded*	*infeasible*
primal	*finite optimum*	✔	✘	✘
	unbounded	✘	✘	✔
	infeasible	✘	✔	✔

Table 3: Possible combinations of solutions of the primal and the dual

> **Theorem 3.13** (Complementary slackness)**.** *Let $x \in X^*$ and $y \in Y^*$ be feasible solutions to the primal and dual problem, respectively. Then x and p are optimal for their respective problems if and only if*
>
> $$y_i^* \left(a_i^T x - b_i \right) = 0 \quad \forall\, i \in \{i = 1, \ldots, m\}$$
> $$\left(c_j - p^T A_j \right) x_j^* = 0 \quad \forall\, j \in \{j = 1, \ldots, n\}$$
>
> *where a_i denotes the i-th row of A and A_j the j-th column of A.*

At optimality, the product of each variable with the corresponding slack variable of the constraint of the relative dual problem must be zero.

3.7 Sensitivity analysis

The sensitivity analysis of a linear programming problem is the study of the effect of small changes in the data of the problem on the optimal solution: it evaluates the *"sensitivity"* of an optimal solution with respect to variations in the model parameters.

> **Definition 3.11** (Shadow Price)**.** The shadow price of the i-th resource is the maximum price the company is willing to pay to buy an additional unit of the i-th resource.

3.7.1 Algebraic Form

Evaluate the sensitivity of an optimal solution when the model parameters $\langle c_j, a_{ij}, b_i \rangle$ vary. Given:

$$\min c^T x$$
$$\text{s.t. } Ax = b$$
$$x \geq 0$$

and optimal basic solution x^*:

$$x_B^* = B^{-1} b \geq 0$$
$$x_N^* = 0$$

The objective is to evaluate the limits that allow B to **remain optimal**, under two conditions:

1. **feasibility**: $B^{-1} b \geq 0$
2. **optimality**: $c_N^T = c_N^T - c_B^T B^{-1} N = 0^T$

3.7.1.1 Changes in the requirement vector b

Suppose that some component b_i of the requirements vector b is changed by a small amount δ. The new requirement vector is now:

$$b^T := b + \delta e_k$$

where e_k is the unitary vector equal to 1 on the k-th $(1 \leq k \leq n)$ position and 0 elsewhere.

The objective is to determine the range of values of δ under which the current basis remains optimal; since the optimality conditions are not affected by the change, only the feasibility condition must be verified.

The basis B with the basic solution

$$x^* = \begin{bmatrix} B^{-1}b^T \\ 0 \end{bmatrix} = \begin{bmatrix} B^{-1}(b + \delta e_k) \\ 0 \end{bmatrix}$$

remains optimal as long as the following relation holds:

$$B^{-1}(b + \delta e_k) \geq 0 \Rightarrow B^{-1}b \geq -\delta B^{-1}e_k$$

The latter is m inequalities that define an interval of values for δ. If δ is outside the allowed range, then the current solution satisfies the optimality conditions but is primal infeasible.

The basis B remains optimal, but the optimal basic feasible solution x^* changes. The objective function value changes from $c_B^T B^{-1} b$ to $c_B^T B^{-1}(b + \delta e_k)$, and as such the optimal value of the dual variable is:

$$\Delta z^* = \overbrace{c_B^T B^{-1}}^{y^{*T}}(\delta e_k) = \delta y_k^* = \delta \frac{\partial z^*}{\partial b_k}$$

where Δz^* is the **shadow price** of the k-th resource.

3.7.1.2 Changes in the cost vector c

Suppose that some cost coefficient c_j of the objective function c is changed by a small amount δ. The new cost vector is now:

$$c^T := c + \delta e_j$$

where e_j is the unitary vector equal to 1 on the j-th $(1 \leq j \leq n)$ position and 0 elsewhere. The primal feasibility condition is not affected, so the only condition to verify is the optimality condition:

$$c_B^T B^{-1} A \leq c^T$$

Two cases then arise:

1. c_j is the cost of a basic variable: the optimal solution remains unchanged
2. c_j is the cost of a non-basic variable: the optimal solution changes

However, the basic solution does not change:

$$x_B^* = B^{-1}b \ \wedge x_N^* = 0$$

Cost associated with a non-basic variable If c_j is the cost coefficient of a **non-basic variable** x, then c_B is not affected and the only inequality affected is the one for the reduced cost of x_j:

$$c_B^T B^{-1} A_j \leq c_j + \delta$$

this inequality defines a lower bound of δ:

$$\delta \geq -c_j$$

If this condition holds, the current basis is optimal.

The reduced cost represents the max decrease of c_j for which B remains optimal.

Cost associated with a basic variable If c_j is the cost coefficient of the l-th **basic variable**, then c_B is affected by the change in c_j:

$$c_B^T := c_B + \delta e_l$$

All the optimality conditions are then affected by the change in c_j:

$$(c_B + \delta e_l)^T B^{-1} A \leq c_i \quad \forall i \neq j$$

The variable x_j is skipped as it is basic and its reduced cost stays at zero. The condition is equal to:

$$\delta_{q_{li}} \leq c_i \quad \forall i \neq j$$

where q_{li} is the position of the l-th basic variable in the i-th row of A.

These inequalities determine the range of δ for which the same basis remains optimal.

4 Integer Linear Programming

Definition 4.1 (Integer Linear Programming Problem)**.** An **Integer Linear Programming (*ILP*) problem** is an optimization problem having form:

$$\min \quad c^T x$$
$$\text{s.t.} \quad Ax = b$$
$$x \in \mathbb{Z}^n$$

Furthermore:

- if $x_j \in \{0, 1\} \ \forall j$, the the problem is called **Binary LP**.
- if $\exists i$ such that $x_i \notin \mathbb{Z}$, then the problem is called **Mixed Integer LP**.

Note that the integrality condition $x_i \in \mathbb{Z}$ is non linear, since it can be expressed as $\sin(\pi x_j) = 0$.

Definition 4.2 (Linear Relaxation)**.** Let *ILP* be an *ILP* problem:

$$z_{ILP} := \max \quad c^T x$$
$$\text{s.t.} \quad Ax \leq b$$
$$x \in \mathbb{Z}^n$$
$$x \leq 0$$

Then the *LP* problem:

$$z_{LP} := \max \quad c^T x$$
$$\text{s.t.} \quad Ax \leq b$$
$$x \leq 0$$

is the **linear (or continuous) relaxation** of *ILP*.

Property 4.1 (Bounds of *ILP* solutions)**.** For any *ILP* with max, the optimal solution is bounded by the optimal solution of the *LP* relaxation:

$$z_{ILP} \leq z_{LP}$$

For any *ILP* with min, the optimal solution is bounded by the optimal solution of the *LP* relaxation:

$$z_{ILP} \geq z_{LP}$$

The feasible region of any *ILP* is a lattice of points, either finite or infinite according to the type of problem; an illustration of this is given in Figure 24a. By deleting the integrality constraint, the *ILP* problem becomes a *LP* problem, and the optimal solution of the *ILP* problem isn't always the optimal solution of the *LP* problem; such case is shown in Figure 24b.

4.1 Solutions of the *ILP* problem

Solutions as Relaxation of the *LP* problem   A plausible way to find a solution to the *ILP* problem would be to find a solution to the *LP* problem and then round it to the nearest integer point. If an optimal solution of the *LP* problem is an integer, then it is also an optimal solution of the *ILP* problem.
However, often the rounded optimal solutions of the *LP* are either infeasible or

- **Infeasible** solutions for the *ILP*

(a) Lattice of integer points

(b) Relaxed Lattice of integer points
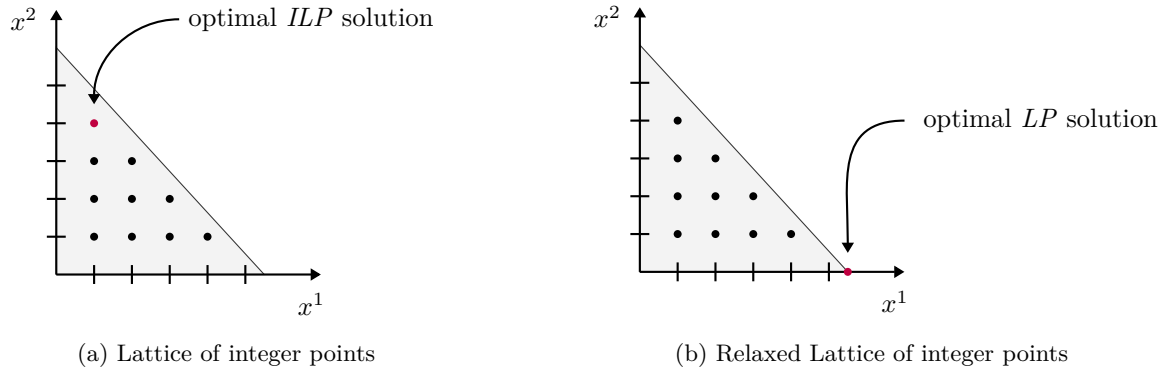
Figure 24: Lattice of integer points

- **Useless** solutions for the *ILP*, as they are very different from an optimal solution of the *ILP*

An illustration of this is given in Figure 25.
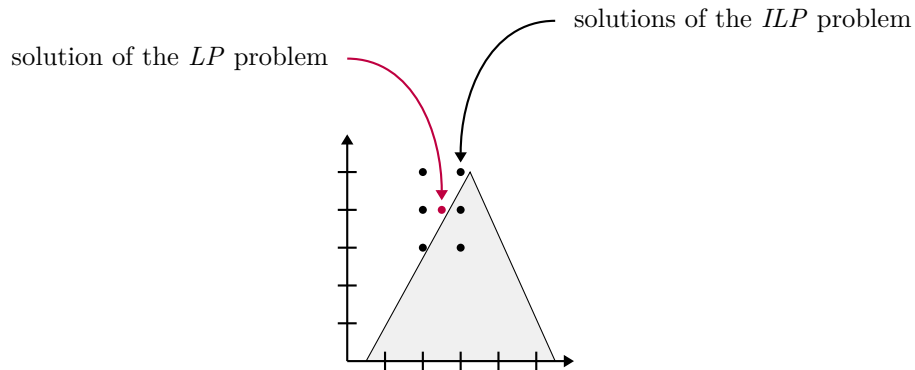
Figure 25: Solution of the *LP* relaxation of the *ILP* problem

4.1.1 Solution of Assignment and Transportation Problems

Two important *ILP* problems, namely the Assignment and Transportation problems, have a solution that is the optimal solution of the *LP* relaxation; they are described in Example 4.1 and Example 4.2 respectively.

Example 4.1 (Assignment Problem). Given:

- m machines, $i = 1, \ldots, m$
- n jobs, $j = 1, \ldots, n$, $n < m$
- c_{ij} cost of assigning job j to machine i

determine an **assignment** of jobs to the machines so as to minimize the total cost, while assigning at least one job per machine and at most one machine for each job.

Variables x_{ij} have value:

$$x_{ij} = \begin{cases} 1 & \text{if job } j \text{ is assigned to machine } i \\ 0 & \text{otherwise} \end{cases}$$

The **assignment problem** is the following *ILP* problem:

$$\min \quad \sum_{i=1}^{m} \sum_{j=1}^{n} c_{ij} x_{ij}$$

$$\text{s.t.} \quad \sum_{i=1}^{m} x_{ij} = 1 \quad \forall j \quad \text{at most one machine for each job}$$

$$\sum_{j=1}^{n} x_{ij} = 1 \quad \forall i \quad \text{at least one job for each machine}$$

$$x_{ij} \in \{0, 1\} \quad \forall i, j$$

Example 4.2 (Transportation Problem). Given:

- m productions plant, $i = 1, \ldots, m$
- n clients, $j = 1, \ldots, n$, $n > m$ by assumption
- c_{ij} cost of shipping one unit from plant i to client j
- p_i production capacity of plant i
- d_j demand of client j
- $q_{ij} \geq 0$ quantity shipped from plant i to client j

determine a **transportation plan** that minimizes the total costs while satisfying the production and demand constraints.

Assumption: $\sum_{i=1}^{m} p_i = \geq \sum_{j=1}^{n} d_j$

Variables: x_{ij} quantity shipped from plant i to client j

The Assignment problem example contains a forcing constraint, while the Transportation problem adds a limit on the active number of variables; the formal definitions are shown in Definition 4.3 and Definition 4.4 respectively.

Definition 4.3 (Forcing constraint). A constraint in the form

$$x \leq y$$

is called a **forcing constraint** if both x and y are binary variables.

Definition 4.4 (Constraint on binary variables). A constraint in the form

$$\sum_{i=1}^{n} x_i \leq 1$$

where all x_i are binary variables, implying that at most one of the variables x_i can be one. Similarly, a constraint in the form

$$\sum_{i=1}^{n} x_i = 1$$

where all x_i are binary variables, implies that exactly one variable x_i must be one.

4.1.1.1 Solution of the transportation problem

The Theorem 4.1 shows that the optimal solution of the *LP* relaxation of the transportation problem is also the optimal solution of the *ILP* problem.

Theorem 4.1 (Solution of the Transportation Problem). *If in a transportation problem p_i, d_{ij}, q_{ij} are all integers, all the basic feasible solutions (vertices) of its linear relaxation are integers.*

Proof. Let A be a integer constraint matrix of size $(mn + n + m) \times (mn)$, where $a_{ij} \in \{-1, 0, 1\}$. The right hand side vector b is composed of integer elements; the optimal solution for the linear relaxation is:

$$x^* = \begin{bmatrix} B^{-1}b \\ 0 \end{bmatrix} \qquad B^{-1} = \frac{1}{|B|} \begin{bmatrix} \alpha_{11} & \dots & \alpha_{1n} \\ \dots & \dots & \dots \\ \alpha_{m1} & \dots & \alpha_{mn} \end{bmatrix}$$

where $\alpha_{ij} = (-1)^{i+j} \det(M_{ij})$, M_{ij} is the square submatrix obtained from B by deleting the i-th row and the j-th column.
Then:

- B integer $\Rightarrow \alpha_{ij}$ integer
- $\det(B) = \pm 1 \Rightarrow B^{-1}$ is integer $\Rightarrow x^*$ is integer
- It can be shown that A is totally unimodular, $\Rightarrow \det(Q) = \{-1, 0, 1\}$ for any square submatrix Q of A

$\square$

4.1.1.2 Complexity of the *ILP* problem

Most of the *ILP* problems are $\mathcal{NP}$-hard: an algorithm able to solve them and prove that the solution is correct in polynomial time does not exist.
Different methods to find the optimal solutions exist, divided in:

- **Implicit enumeration** methods
  - ✓ they provide an exact solution *(a global optimum)*
  - *branch and bound* and *dynamic programming* methods are part of this category
- **Cutting planes** methods
  - ✓ they provide an exact solution *(a global optimum)*
- **Heuristic** algorithms

✗ they provide an approximate solution *(a local optimum)*
- *greedy* and *local search* algorithms are part of this category

4.2   Branch and Bound method

The Branch and Bound method uses a *"divide and conquer"* strategy to solve a *ILP* problem, exploring its set of feasible solutions.
Let F be the set of a feasible solutions to the problem:

$$\min \quad c^T$$
$$\text{s.t} \quad x \in F$$

The method is split into two phases:

Phase 1. **branch**, the problem is partitioned in simpler subproblems
Phase 2. **bound**, the subproblems are solved and the optimal solution is found

The two phases are applied recursively until a solution is found; if a problem is unsolvable in the bound phase, it is branched again until is simple enough to be solved. This technique can be applied to a wide range of problems, not limited to *ILP* problems.

Branching   The set of solutions F is partitioned in k subsets:

$$F = F_1 \cup \ldots \cup F_k \quad F_i \cap F_j = \emptyset \; \forall i \neq j$$

Let z_i be:

$$z_i = \min \{c(x) \mid x \in F_i\} \quad i = 1, \ldots, k$$

The solution z is finally found as:

$$z = \min \{c(x) \mid c \in F\} = \min \{z_i, \ldots, z_k\}$$

Bounding   For each subproblem $\min \{c(x) \mid x \in F_i\}$, whose solution is found in the partition of F, the optimal solution z_i is found by either:

1. Determining an optimal solution of $\min \{c(x) \mid x \in F_i\}$, **or**
2. Proving that $F_i = \emptyset$, **or**
3. Proving that $z_i \geq z$, where z is the optimal solution of the original problem found so far

If the subproblem is not solved, it's mandatory to generate a new subproblem by branching it again.

Generic Branch and Bound Method   If the lower bound $b(F_i)$ of the optimal solution of the subproblem $\min \{c(x) \mid x \in F_i\}$ is greater than the optimal solution z found so far, the subproblem is discarded, as it cannot contain a better solution than the one found so far. At any point, the algorithm keeps in memory a set of active subproblems and the cost U of the best feasible solution found so far; initially, U is either ∞ or the cost of the best feasible solution found by the heuristic method (if any).
A typical step of the algorithm is:

1. Select an active subproblem F_i to be solved
2. If the subproblem is infeasible, delete it; otherwise, compute $b(F_i)$ for the corresponding subproblem
3. If $b(F_i) \geq U$, delete F_i
4. If F_i is feasible and $b(F_i) < U$, either:

   - obtain an optimal solution to the subproblem
   - breaks the corresponding subproblem into further subproblems, which are added to the set of active subproblems.

There are several parameters that can be arbitrarily chosen; there is not a fixed rule for many of them, as the best choice depends on the problem to be solved.

1. There are multiple ways of choosing an active subproblem
2. There are multiple ways of breaking a subproblem into further subproblems
3. There are multiple ways of computing the lower bound $b(F_i)$

4.2.1 Branching Tree

The branching tree is a tree that represents the branching process of the *ILP* problem. Each node of the tree represents a subproblem of the *ILP* problem, and each edge represents a branching step.
A branching tree may not contain all possible nodes or all possible leaves 2^d; a node of the tree has no child *(is fathomed)* if:

1. The initial constraint and those on the arcs from the root to the node are infeasible
2. The optimal solution of the linear relaxation is an integer
3. The value $C^T \overline{x}_{\mathrm{LP}}$ of the optimal solution $\overline{x}_{\mathrm{LP}}$ of the linear relaxation is worse than the best feasible solution z found so far

This criterion is called the **branching criterion**: it allows to discard of a large number of nodes *(subproblems)* that would not lead to a valid solution, thus reducing the size of the tree.

An example of a branching tree is shown in Figure 26: an edge represents a branching step, a node represents a subproblem of the *ILP* problem, and the numbers on the lines represent the values of the two variables x_1 and x_2.
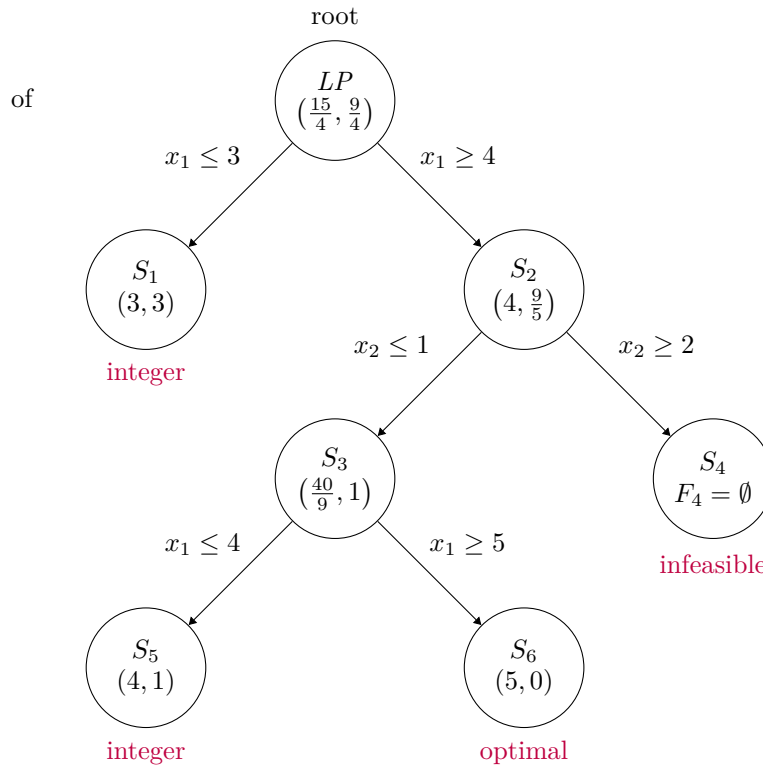

Figure 26: Branching tree

4.2.2 Branch and Bound for the *ILP* problem

Given an *ILP* problem:

$$\min \left\{ c^T x \mid Ax = b, \ x \in \mathbb{N} \right\}$$

the Branch and Bound method can be applied to find the optimal solution z.

Branching   Partition F into subregions, let $\overline{x}$ denote an optimal solution of the linear relaxation of the *ILP*:

$$\min\left\{c^T x \mid Ax = b,\ x \geq 0,\ x \in \mathbb{R}\right\}\quad z_{\mathrm{LP}} = c^T \overline{x}$$

If $\overline{x}$ is integer, then it's also optimal for the *ILP* problem; otherwise, the *ILP* is partitioned into two subproblems:

$$\min\left\{c^T x \mid Ax = b, x \leq \lfloor \overline{x} \rfloor\right\}\tag{ILP 1}$$

$$\min\left\{c^T x \mid Ax = b, x \geq \lceil \overline{x} \rceil\right\}\tag{ILP 2}$$

where the symbols $\lfloor \overline{x} \rfloor$ and $\lceil \overline{x} \rceil$ denote the floor and ceiling of the vector $\overline{x}$.

Choosing the variable x_h whose fractional value is closest to 0.5, hoping to obtain two subproblems that are balanced is not always the best approach. The best solution is the **strong branching**: try to branch on some of the candidate variables (fractional basic ones) evaluating the corresponding objective function values and actually branch on the variable that yields the best improvement in the objective function value.

Bounding   Determine a lower or upper bound, if the *ILP* is respectively a minimization or a maximization problem on the optimal value z_i of a subproblem of *ILP* by solving its linear relaxation.

In order to choose the node *(subproblem)* to be solved, the following criteria can be used:

- **Deeper nodes first** *(depth-first search strategy)*: chooses the node with the greatest depth in the tree of subproblems
    - ✓ simple to implement, easy to optimize
    - ✗ may lead to a large tree of subproblems if the wrong branching variable is chosen
- More promising nodes first *(best-bound first strategy)*: chooses the node with the best linear relaxation value $b(F_i)$
    - ✓ generates a small tree of subproblems
    - ✗ the subproblems are less constrained, leading to longer times to find a feasible solution and improve it

4.2.2.1 Remarks on the Branch and Bound method

General remarks

- Branch and Bound is also applicable to mixed *ILP* problems: at the branch step, just consider that the fractional variables are integer and the integer variables are continuous
- Finding a good initial feasible solution with a heuristic algorithm may improve the method's performance by providing a better lower or upper bound for *(respectively)* maximization or minimization problems.
- Branch and Bound can also be used as a heuristic method for solving the *ILP* problem: the algorithm stops when the best feasible solution found so far is better than the best integer solution found so far.

Efficient solution of the linear relaxation

- There's no need to solve the linear relaxations of the *ILP* subproblem from scratch at each branching step: the solution of the linear relaxation of the parent node can be used as a starting point for the solution of the linear relaxation of the child node
- An optimal solution of the linear relaxation with a single additional constraint can be found via a single iteration of the **Dual Simplex method** *(the simplex method applied to the dual problem)* to the optimal Branch and Bound of the previous node *(linear relaxation of the parent subproblem)*

Applicability of Branch and Bound approach   The Branch and Bound method can be adapted to solve any discrete optimization problem and many non-linear optimization problems; two procedures need to be changed:

- The partition of the feasible region into subregions *(branch)*
- The determination of a bound on the optimal value of the subproblem *(bound)*

4.3   Cutting plane method and Gomory fractional cuts

By considering the *ILP* problem:

$$
\begin{aligned}
\min \quad & c^T x \\
\text{s.t.} \quad & Ax \geq b \\
& x \in \mathbb{N}, \ x \geq 0
\end{aligned}
$$

Having a feasible region:

$$X = \{x \in \mathbb{Z} \mid Ax \geq b, x \geq 0\}$$

Under the assumption that $a_{ij} \in N$, $b_i \in N$, $c_i \in N$, the feasible region can be described by different sets of constraints that could be either weaker or tighter. All infinite formulations are equivalent, but the optimal solution of the linear relaxations of the *ILP* (x^*_{LP}) may vary greatly.

> **Definition 4.5** (Ideal Formulation)**.** The **ideal formulation** is the formulation describing the convex hull of X, called conv(X), representing the smallest convex subset containing X

Since all vertices have integer coordinates, for any $c \in \text{conv}(X)$, the following relation holds:

$$z^*_{LP} = z^*_{ILP}$$

and the optimum of the *LP* is also the optimum of the *ILP*.
The ideal formulation is formalized in the following theorem:

> **Theorem 4.2** (Ideal Formulation)**.** *For any feasible region X of an ILP (bounded or unbounded), there exists an ideal formulation (a description of* conv(X) *involving a finite number of linear constraints) but the number of the constraints can be very large; the number of constraints grows exponentially with respect to the size of the original formulation.*

Via this theorem, the solution of any *ILP* can be reduced to that of a single *LP*; however, the ideal formulation is often either very large or very difficult to determine.

4.3.1   Cutting plane method

A full description of conv(X) is not required, as just a good description of the neighbourhood of the optimal solution is needed.

> **Definition 4.6** (Cutting Plane)**.** A **Cutting Plane** is an inequality $a^T x \leq b$ that is not satisfied by x^*_{LP} but is satisfied by all the feasible solutions of the *ILP*.

Basic idea   Given an initial formulation, iteratively add cutting planes as long as the linear relaxation does not provide an optimal integer solution.

4.3.2 Cutting plane methods and Gomory fractional cuts

Let x_{LP}^* be the optimal solution of the linear relaxation of the *ILP* problem formulated as:

$$\min \left\{ c^T x \mid Ax = b, x \geq 0 \right\}$$

And let x_{Br}^* be the fractional basic variable.
The corresponding row of the optimal tableau is:

$$x_{B[r]} + \sum_{j \mid x_j \in \mathbb{N}} \bar{a}_{rj} x_j = \bar{b}_r$$

> **Definition 4.7** (Gomory Cut). The **Gomory Cut** with respect to the fractional basic variable x_{Br} is the inequality:
> $$\sum_{j \mid x_j \in \mathbb{N}} \left(\bar{a}_{rj} - \lfloor \bar{a}_{rj} \rfloor \right) x_j \leq \bar{b}_r - \lfloor \bar{b}_r \rfloor$$

> **Property 4.2** (Equality of integer and fractional forms of the Gomory cut). The **integer** form:
> $$x_{B[r]} + \sum_{j \mid x_j \in \mathbb{N}} \lfloor \bar{a}_{rj} \rfloor x_j \leq \lfloor \bar{b}_r \rfloor$$
>
> and the **fractional** form:
> $$x_{B[r]} + \sum_{j \mid x_j \in \mathbb{N}} \left(\bar{a}_{rj} - \lfloor \bar{a}_{rj} \rfloor \right) x_j \geq \bar{b}_r - \lfloor \bar{b}_r \rfloor$$
>
> Are equivalent.

4.3.2.1 Cutting plane method Algorithm

```
solve the linear relaxation of the ILP problem min {c^T x|Ax = b, x ≥ 0}
let x*_LP be the optimal solution of the linear relaxation
while x*_LP is not integer do:
  select a basic variable x_B[r] with fractional value
  generate the corresponding Gomory cut
  add constraint to the optimal tableau of the linear relaxation
  perform one iteration of the dual simplex method
end
```

Code 11: Cutting plane method with fractional Gomory Cuts

> **Theorem 4.3.** *If the ILP has a finite number of optimal solutions, the **Cutting Plane Method** with **Gomory Cuts** is guaranteed to find an optimal solution.*

The number of iterations that the algorithm needs to perform, however, is not known in advance and it's often very large.

4.3.3 Above and Beyond the Cutting Plane Method

Other cutting planes   Other types of generic cutting planes exists, including a large number of classes of cutting planes for specific problems. The thorough study of the combinatorial structure of various problems led

to:

- the characterization of entire classes of facets
- efficient procedures for generating the facets

Branch-and-Cut   The combined approach of **branch-and-cut** aims at overcoming the disadvantages of the **branch-and-bound** method and pure **cutting plane methods**.

For each subproblem, the **branch-and-cut** method generates a set of **cuts** that are valid for the subproblem and adds them to the formulation of the subproblem. Whenever the cutting planes become less effective, cut generation is stopped and a branching operation is performed.

The cuts then to strengthen the formulation of the various subproblems; the long series of cuts without sensible improvements are interrupted by branching operations.

5 Python **mip** library quick reference

Code 12 shows a quick reference of the mip library, while a more detailed documentation follows.

```python
import mip

# declare the number of variables
N = 10
# declare I and J as a range
I = range(N)
J = range(N)
# declare d as a NxN matrix
d = [[0 for j in J] for i in I]
# declare the model
model = mip.model()

# problem:
#   x_i binary variables for i in I
#   y_ij >= 0 for i in I, j in J
#   minimize sum_i sum_j d_ij y_ij + 100 sum_i x_i

x = [
    model.add_var(name=str(i), var_type=mip.BINARY)
    for i in I
]
y = [
    model.add_var(name=str(i) + str(j), var_type=mip.CONTINUOUS, lb=0)
    for i in I for j in J
]
# str(i) + str(j) could also be written as f'{i}{j}'

# declare the objective function
model.objective = mip.minimize(
  mip.xsum(d[i][j] * y[i * N + j] for i in I for j in J) +
  100 * mip.xsum(x[i] for i in I)
)

# declare constraints
for i in I:
  model.add_constr(
    mip.xsum(y[i * N + j] <= x[i] if j != 1)
  )

# optimize the model
model.optimize()
```

Code 12: Python mip library quick reference

- model declaration:

  model = mip.Model(name="", sense=mip.MINIMIZE, solver_name=mip.CBC)

  - name: model name
  - sense: model sense
  - solver_name: solver name
- senses:
  - minimize: mip.MINIMIZE or "min"

- maximize: `mip.MAXIMIZE` or "max"
- knapsack: `mip.KNAPSACK` or "knap"
- variable and constraints types
  - binary variable: `mip.BINARY` or "B"
  - integer variable: `mip.INTEGER` or "I"
  - continuous variable: `mip.CONTINUOUS` or "C"
- variable declaration:

  ```
  model.add_var(name="", lb=0.0, ub=inf, obj=0.0, var_type=mip.CONTINUOUS)
  ```

  - `name`: variable name
  - `lb`: lower bound
  - `ub`: upper bound
  - `obj`: objective coefficient
  - `var_type`: variable type
- constraints declaration:

  ```
  model.add_constr(lin_expr, name="", priority=None)
  ```

  - `lin_expr`: linear expression
  - `name`: constraint name
  - `priority`: constraint priority
- linear expression summation: `mip.xsum(terms)`
  - `terms`: list of terms
  - function that should be used to create a linear expression from a summation of terms