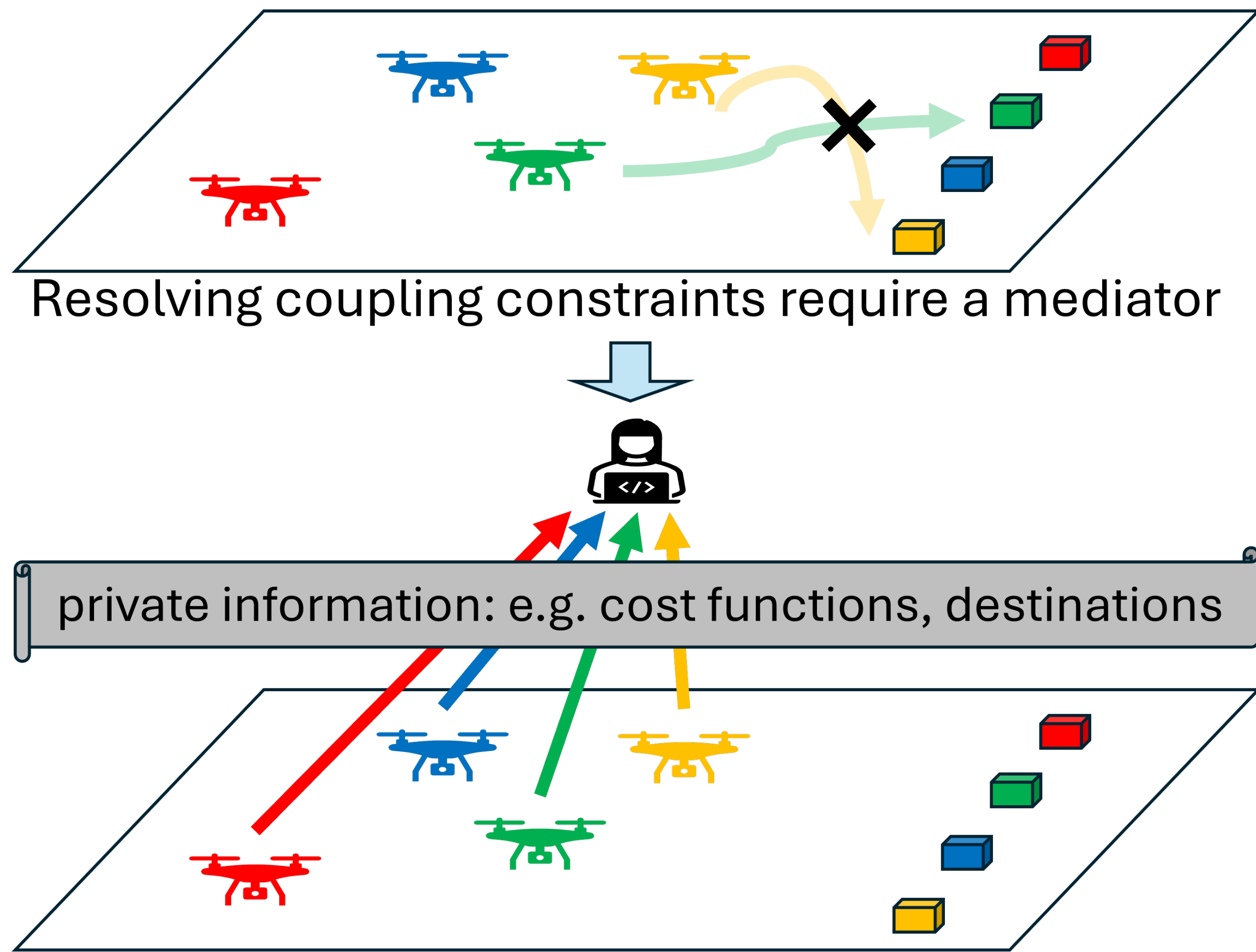


## Motivation



## How to motivate agents to report truthfully?

### Vickrey-Clarke-Groves (VCG) mechanism

- For each outcome  $x$  in set  $X$ , each of the  $N$  agents has its valuation  $v_i(x)$ , but may report the evaluation function as  $\tilde{v}_i(\cdot)$ .
- VCG mechanism maximizes social welfare and encourages truthfulness via selecting the outcome and imposing payments by

$$x^* = \arg \max_x \sum_{i=1}^N \tilde{v}_i(x) \quad \text{and} \quad (1)$$

$$p_i = \sum_{j \neq i} \tilde{v}_j(x^*) + h_i(\tilde{v}_{-i}). \quad (2)$$

- The additional payment  $p_i$  aligns agent- $i$ 's optimization goal with the planner's goal.

## Main takeaways

- ▶ The VCG mechanism encourages truthful reporting but fails in settings where agents can refine locally.
- ▶ We propose a two-stage mechanism that incentivizes truthfulness while respecting agents' local decision-making.
- ▶ Our design prevents manipulation in priority weighting for prioritized planning.

## Problem settings

Design a monetary mechanism s.t. agents are willing to report truthfully while selfishly minimizing their costs:

$$\begin{aligned} \arg \min_{y_i} \quad & c_i(y_i, y_{-i}) + p_i(y_i, y_{-i}) \\ \text{s.t.} \quad & g_i(y_i, y_{-i}) \preceq 0. \end{aligned} \quad (3)$$

- $g_i$  includes agent dynamics and coupling constraints.
- $c_i$  is the intrinsic cost;  $p_i$  is the imposed payment

## Proposed two-stage mechanism

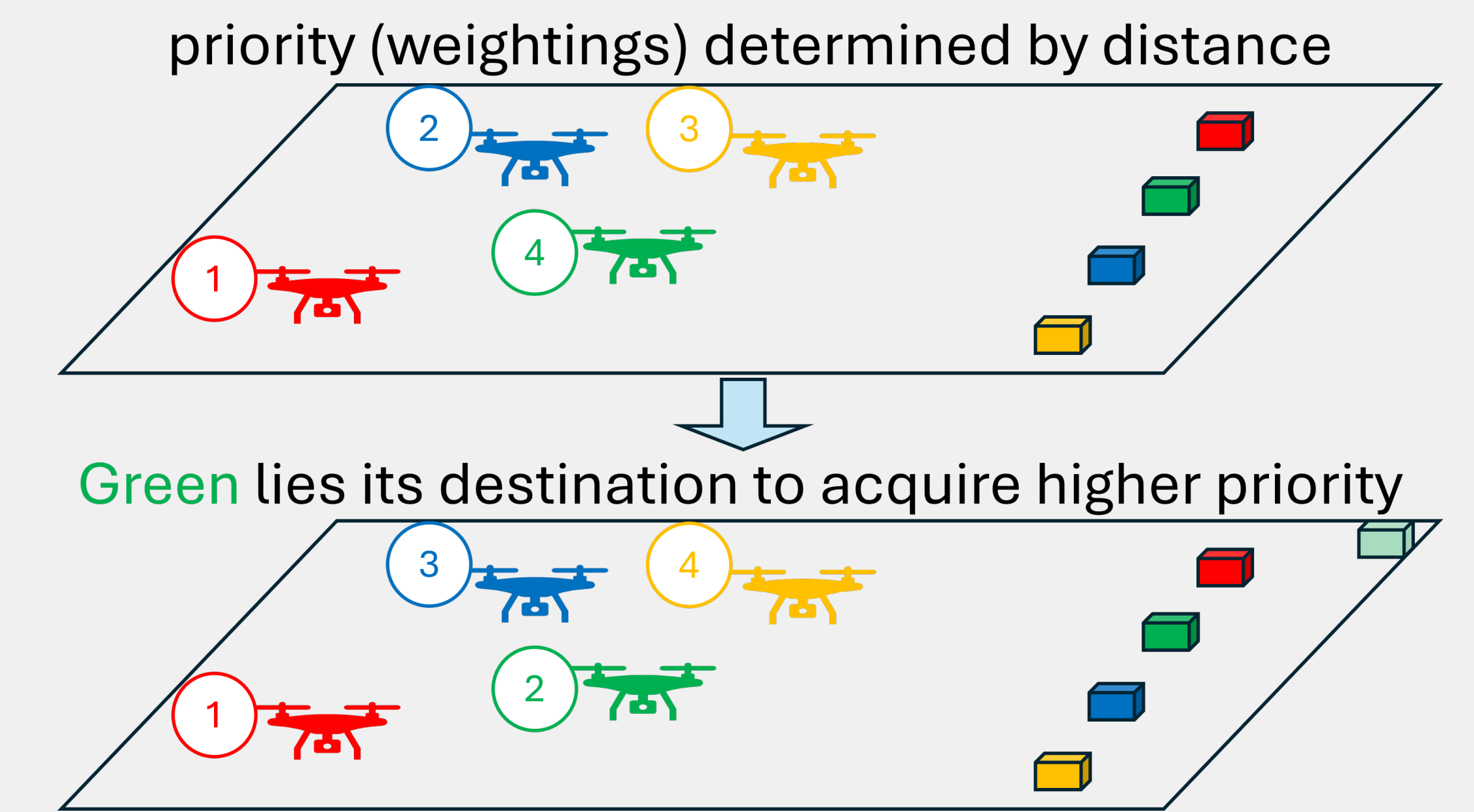
- Based on the reported functions  $\tilde{c} = (\tilde{c}_1, \dots, \tilde{c}_N)$  and  $\tilde{g} = (\tilde{g}_1, \dots, \tilde{g}_N)$ , the planner determines a reference signal:

$$\begin{aligned} \tilde{y}^*(\tilde{c}, \tilde{g}) = \arg \min_y \quad & \sum_{i=1}^N \tilde{c}_i(y) \\ \text{s.t.} \quad & \tilde{g}(y) \preceq 0. \end{aligned} \quad (4)$$

- Once receiving the reference signal, **each agent decides its optimal  $y_i^*$  via (3)** and then pays  $p_i(y_i^*, \tilde{y}_{-i}^*(\tilde{c}, \tilde{g}))$  where  $p_i(s, t) =$

$$\sum_{j \neq i} \tilde{c}_j(s, t) + I_{\tilde{g}_j}(s, t) - h_i(\tilde{c}_{-i}, \tilde{g}_{-i}). \quad (5)$$

## Extension to prioritized planning



Misreport manipulates the planner's optimization problem directly (via  $\tilde{c}$ ) and indirectly (via weightings).

## Case study: Linear-Quadratic-Regulator

