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# IMPLEMENTING VEHICLE ROUTING ALGORITHMS

by

BRUCE L. GOLDEN\* THOMAS L. MAGNANTI\*\* and HIEN Q. NGUYEN

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## ABSTRACT

Heuristic programming algorithms frequently address large problems and require manipulation and operation on massive data sets. The algorithms can be improved by using efficient data structures. With this in mind, we consider heuristic algorithms for vehicle routing, comparing techniques of Clarke and Wright, Gillett and Miller, and Tyagi, and presenting modifications and extensions which permit problems involving hundreds of demand points to be solved in a matter of seconds. In addition, a multi-depot routing algorithm is developed. The results are illustrated with a routing study for an urban newspaper with an evening circulation exceeding 100,000.

## I. INTRODUCTION

An essential element of any logistics system is the allocation and routing of vehicles for the purpose of collecting and delivering goods and services on a regular basis. Common examples include newspaper delivery [29], schoolbus routing [8], municipal waste collection [7], fuel oil delivery [25], and truck dispatching in any of a number of industries. The system may involve a single depot or multiple depots; the objectives may be aimed at cost minimization (distribution costs, and vehicle or depot acquisition costs) or service improvement (increasing distribution capacities, reducing distribution time, and related network design issues). Constraints may be imposed upon

- (i) the depots (numbers, possible locations, and production capabilities),
- (ii) the vehicle fleet (types and numbers of vehicles, and vehicle capacities),
- (iii) the delivery points (demand requirements, service constraints on delivery time, and order splitting),
- (iv) the routing structure (maximum route time or route distance, link capacities, and preferences for radial routes, peripheral routes, or routes with points closer together),
- (v) operator scheduling and assignments (union regulations),
- and (vi) system dynamics (inventory holdings, and distribution or acquisition lag times).

Applications emphasizing various of these characteristics lead to a continuum of overlapping models including location models such as median and minimax location, scheduling models such as crew scheduling, distribution models such as minimum cost flow or shortest paths, or location-distribution

-1-

models such as warehouse location. In this paper, we consider models of the routing type with fixed depots, constrained for the most part by fleet, delivery point, and route structure restrictions. Our purposes are three-fold. By synthesizing and extending the results presented in Golden [29] and Nguyen [54], we first formulate integer programming models of these problems, building upon the traveling salesman problem as the "core" model. We then review the most promising heuristic solution procedures for these problems suggested in the literature. Finally, we suggest particularly fast implementations of the Clarke-Wright heuristic procedure. Our method uses efficient data handling capabilities such as heap structures to enhance both computations and storage. Our results indicate that algorithmic modifications of this nature can greatly extend the size of problems amenable to analysis.

We have applied the algorithm to a distribution system for an urban newspaper with an evening circulation exceeding 100,000. This problem contains nearly 600 drop points for newspaper bundles and was solved with 20 seconds of execution time on an IBM 370/168. Fast computations of this nature permit the algorithm to be used as an operational tool and to be used interactively to study modeling assumptions such as demand patterns. It could be used, for example, as in our newspaper study, to investigate performance measures associated with operating policies like the pre-routing of important drop points on special routes. In addition, past implementation suggests that the heuristic might be used as a subroutine for more general problems in order to incorporate other of the distribution characteristics delineated above, or to perform on-line dynamic routing.

We believe that our computational experience is indicative of implementations for heuristic algorithms in general. Because these algorithms frequently

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replace computationally expensive or intractable formal optimization procedures by simple, but usually extensive, addition and comparison operations, data organization can be important. Improving data access for each basic operation can lead to order of magnitude improvements in overall running time.

### **II. FORMULATIONS**

#### The Traveling Salesman Problem

Most vehicle routing models are variants and extensions of the ubiquitous Traveling Salesman Problem; for a very thorough overview of this problem see Bellmore and Nemhauser [6]. Suppose we are given the matrix of pairwise distances or costs  $d_{ij}$  between node i and node j for the n nodes 1, 2, ..., n. We assume  $d_{ij} = \infty$  for i = 1, 2, ..., n. The problem is to form a tour of the n nodes beginning and ending at the origin, node 1, which gives the minimum total distance or cost. For notation, let

> n = the number of nodes in the network V = the set of nodes  $x_{ij} = \begin{cases} 1 \text{ if arc } (i, j) \text{ is in the tour} \\ 0 \text{ otherwise} \end{cases}$

d<sub>ij</sub> = the distance on arc (i, j).

An assignment-based formulation of the problem selects the matrix  $X = (x_{ij})$  of decision variables solving:

$$\begin{array}{cccc}n&n\\ \text{Minimize} & \sum & \sum & d & \\ i=1 & j=1 & ij & ij \end{array}$$
(1.1)

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subject to 
$$\sum_{i=1}^{n} x_i = 1$$
 (j = 1, ..., n) (1.2)

$$\sum_{j=1}^{n} x_{ij} = 1 \quad (i = 1, ..., n) \quad (1.3)$$

$$X = (x_{ij}) \in S$$
 (1.4)

$$x_{ij} = 0 \text{ or } 1$$
 (i = 1, ..., n; (1.5)  
j = 1, ..., n).

The set S is selected to prohibit subtour solutions satisfying the assignment constraints (1.2), (1.3), and (1.5). Several alternates have been proposed for S including

> (1)  $S = \{(x_{ij}): \sum_{i \in Q} \sum_{j \notin Q} x_{ij} \ge 1 \text{ for every nonempty} \\ \text{proper subset } Q \text{ of } V \};$ (2)  $S = \{(x_{ij}): \sum_{i \in Q} \sum_{j \in Q} x_{ij} \le |Q| - 1 \text{ for every nonempty} \\ \text{subset } Q \text{ of } \{2, 3, ..., n\} \};$

(3)  $S = \{(x_{ij}): y_i - y_j + nx_{ij} \le n-1 \text{ for } 2 \le i \ne j \le n \text{ for some real numbers } y_i\}.$ 

Note that S contains nearly 2<sup>n</sup> subtour breaking constraints in (1) and (2), but only n<sup>2</sup> - 3n + 2 constraints in the ingenious formulation (3) proposed by Miller, Tucker, and Zemlin [51]. Algorithmically, the constraints in (2) have proved very useful, however, for Lagrangian approaches to the Traveling Salesman Problem, as initiated by Held and Karp [32], [33]. For other approaches, both heuristic and optimal, see Lin [46], Lin and Kernighan [47], Christofides and Eilon [16], Little [48], and Shapiro [64].

The Traveling Salesman Problem can be interpreted as a vehicle routing model with one depot and with one vehicle whose capacity exceeds total demand. This model can be extended by considering more vehicles, more depots, different vehicle capacities, and additional route restrictions.

#### The Multiple Traveling Salesmen Problem

The Multiple Traveling Salesmen Problem (MTSP) is a generalization of the Traveling Salesman Problem (TSP) and comes closer to accomodating more real-world problems; here there is a need to account for more than one salesman (vehicle). Multiple Traveling Salesmen Problems arise in many sorts of scheduling and sequencing applications. For example, the framework could be used to develop the basic route structure for a pickup or delivery service (perhaps a schoolbus or rural bus service); it has proved to be an appropriate model for the problem of bank messenty r scheduling, where a crew of messengers picks up deposits at branch banks and returns them to the central office for processing [65].

Given M salesmen and n nodes in a network the MTSP is to find M subtours (each of which includes the origin) such that every node (except origin) is visited exactly once by exactly one salesman, so that the total distance traveled by all M salesmen is minimum. A MTSP formulation is displayed below.

$$\begin{array}{cccc} \text{Minimize} & \Sigma^n & \Sigma^n & d & x\\ & i=1 & j=1 & ij & ij \end{array}$$
(2.1)

subject to 
$$\sum_{i=1}^{n} x_{ij} = b_{j} = \begin{cases} M \text{ if } j=1 \\ 1 \text{ if } j=2, 3, ..., n \end{cases}$$
 (2.2)

$$\sum_{j=1}^{n} x_{ij} = a_{i} = \begin{cases} M \text{ if } j=1\\ 1 \text{ if } i=2, 3, \dots, n \end{cases}$$
(2.3)

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$$x = (x) \in S$$
 (2.4)

$$x_{ij} = 0 \text{ or } 1$$
 (i = 1, ..., n; (2.5)  
j - 1, ..., n)

for any choice of the set S that breaks subtours which do not include the origin. In particular, any of the three choices given previously for S can be used.

Svestka and Huckfeldt [65] present a Miller-Tucker-Zemlin-like formulation for S and apply a subtour elimination type branch and bound procedure using Bellmore and Malone branching to obtain the optimal solution; mean run time for 55 city problems is one minute. Three different papers published in 1973 and 1974 independently derived equivalent TSP formulations of the MTSP [5], [58], [65] and consequently showed that the M - salesmen problem is no more difficult than its one-salesman counterpart. The equivalence is obtained by creating m copies of the origin, each connected to the other nodes exactly as was the original origin (with the same distances). The m copies are not connected, or are connected by arcs each with distances exceeding

 $\sum_{i=1}^{n} \sum_{j=1}^{n} |d_{ij}|$ . In this way, an optimal single salesman tour in the expanded network will never use an arc connecting two copies of the origin. Then, by coalescing the copies back into a single node, the single salesman tour decomposes into M subtours as required in the MTSP.

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## Vehicle Dispatching

The vehicle dispatching problem was first considered by Dantzig and Ramser [20] who developed a heurist.c approach using linear programming ideas and aggregation of nodes. The problem is to obtain a set of delivery routes from a central depot to the various demand points, each of which has known requirements, tc minimize the total distance covered by the entire fleet. Vehicles have capacities and maximum route time constraints. All vehicles start and finish at the central depot. We will refer to the following formulation for this problem as the generic vehicle routing problem (VRP):

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$$\sum_{i=2}^{n} \sum_{i=1}^{k} \frac{1}{2} (k = 1, ..., NV)$$
 (3.8)

X ε S (3.9)

where n = number of nodes NV = number of vehicles P<sub>k</sub> = capacity of vehicle k T<sub>k</sub> = maximum time allowed for route of vehicle k Q<sub>i</sub> = demand at node i  $(Q_1 = 0)$ t<sup>k</sup><sub>i</sub> = time required for vehicle k to deliver or collect at node j (t<sub>1</sub>=0) t<sup>k</sup><sub>ij</sub> = travel time for vehicle k from node i to node j (t<sub>ii</sub> =  $\infty$ ) d<sub>ij</sub> = distance from node i to node j k<sup>k</sup><sub>ij</sub> = {1 if arc (i, j) is traversed by vehicle k ij =  $\begin{cases} 1 & \text{if arc (i, j) is traversed by vehicle k} \\ 0 & \text{otherwise} \end{cases}$ X = matrix with components  $x_{ij} \equiv \begin{cases} NV \\ \Sigma \\ k=1 \end{cases}$ , specifying connections regardless of vehicle type.

Equation (3.1) states that total distance is to be minimized. Alternatively, we could minimize costs by replacing  $d_{ij}$  by the cost coefficient  $c_{ij}^k$  which depends upon the vehicle type. Equations (3.2) and (3.3) ensure that each demand node is served by one vehicle and only one vehicle. Route continuity is represented by equations (3.4), i.2., if a vehicle enters a demand node, it must exit from that node. Equations (3.5) are the vehicle capacity constraints; similarly, equations (3.6) are the total elapsed route time constraints. For instance, a newspaper delivery truck may be restricted -om spending more than one hour on a tour in order that the maximum time interval from press to street be made as short as possible. Equations (3.7) and (3.8) make certain that vehicle availability is not exceeded. Finally, the subtour-

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breaking constraints (3.9) can be any of the equations specified previously. Since (3.2) and (3.4) imply (3.3), and (3.4) and (3.7) imply (3.8), from now on we consider the generic model to include (3.1) - (3.10) excluding (3.3) and (3.8), which are redundant. We assume that max  $Q_i < \min_{\substack{k \le NV}} P_k$ .

That is, the demand at each node does not exceed the capacity of any truck. Observe that when vehicle capacity constraints (3.5) and route time constraints (3.6) are nonbinding, and can be ignored, this model reduces to a multiple traveling salesmen problem by eliminating constraints (3.4) and substituting

 $x_{ij} = \sum_{k=1}^{NV} x_{ij}^k$  in the objective function and remaining constraints.

In our generic model we have assumed that when a demand node is serviced, its requirements are satisfied. In other words, one visit is sufficient. A mixed integer programming heterogeneous fleet problem formulation was given in 1967 by Garvin [25] in which this assumption is relaxed. The number of variables in his formulation is much greater than in the previous model where the structure is related more closely to the formulation of the fundamental Traveling Salesman Problem. Balinski and Quandt [4] provide another formulation in terms of a set cove ing problem.

Observe that since  $\sum_{j=2}^{n} x_{1j}^{k}$  is 1 or 0 depending upon whether or not the  $k^{th}$  vehicle is used, a fixed acquisition cost  $f_k \sum_{j=1}^{n} x_{1j}^{k}$  can be added to the model when it is formulated with an objective function to investigate tradeoffs between routing and acquisition costs.

We can, without difficulty, generalize the generic model to the multicommodity case where several different types of products must be routed

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simultaneously over a network in order to satisfy demands at delivery points for the various products [29].

Furthermore, we can incorporate timing restrictions into the vehicle dispatching model. If we define  $a_j$  as the arrival time at node j then restrictions on delivery deadlines  $\overline{a}_j$  and earliest delivery times  $\underline{a}_j$  can be represented by the following nonlinear equations:

$$a_{j} = \sum_{k} \sum_{i} (a_{i} + t_{i}^{k} + t_{ij}^{k}) x_{ij}^{k} \quad (j = 1, ..., n)$$

$$a_{1} = 0$$

$$\underline{a_{j}} \leq a_{j} \leq \overline{a_{j}} \quad (j = 2, ..., n).$$

Alternatively, the above nonlinear constraints can be replaced by the linear constraints

$$a_{j} \geq (a_{i} + t_{i}^{k} + t_{ij}^{k}) - (1 - x_{ij}^{k}) T$$
  
 $a_{j} \leq (a_{i} + t_{i}^{k} + t_{ij}^{k}) + (1 - x_{ij}^{k})T$  for all i, j, k,

where T = max  $T_k$ . When  $x_{ij}^k = 0$ , these constraints are redundant. When  $1 \le k \le NV$ 

 $x_{ij}^{k} = 1$ , they determine  $a_{j}$  in terms of the arrival time  $a_{i}$  at the node i preceding node j on a tour, the delivery time  $t_{i}^{k}$  at node i, and the travel time  $t_{ij}^{k}$  between nodes i and j. Of course, these constraints add considerably to the size of the model (3.1) - (3.10).

## Multi-Depot Vehicle Routing

The integer programming formulation of the vehicle routing problem is altered in minor ways to incorporate multiple depots. Letting nodes 1, 2, ..., M denote the depots, we obtain the formulation by changing the index in constraints (3.2) and (3.3) to (j = M+1, ..., n), by changing constraints (3.7) and (3.8) to

$$\sum_{i=1}^{M} \sum_{j=M+1}^{n} x_{ij}^{k} \leq 1 \qquad (k = 1, ..., NV) \qquad (3.7')$$

$$\sum_{p=1}^{M} \sum_{i=M+1}^{n} x_{ip}^{k} \leq 1 \qquad (k = 1, ..., NV) \qquad (3.8'),$$

and by redefining our previous choices for the subtour breaking set S to be:

(1') 
$$S = \{(x_{ij}): \sum \sum x_{ij} \ge 1$$
 for every proper subset  
isQ  $j \notin Q$  ij  $\stackrel{>}{=} 1$  Q of V containing nodes  
1, 2, ..., m};

(2') 
$$S = \{(x_{ij}): \Sigma \Sigma x_{ij} \leq |Q|-1 \text{ for every nonempty sub-}$$
  
iEQ jEQ set Q of {N+1, M+2, ..., n};

(3') 
$$S = \{(x_{ij}): y_i - y_j + n x_{ij} < n-1 \text{ for } M+1 \leq i \neq j \leq n \text{ for } some \text{ real numbers } y_i\}.$$

## Concluding Comments on Formulations

Hopefully, the formulations discussed so far provide some kind of unified basis for viewing vehicle routing problems. The formulations indicate, for example, that Lagrangian approaches similar to those used by Held and Karp [32], [33] can be applied to these problems by dualizing with respect to constraints (3.2) - (3.8). Procedures of this nature might prove useful when combined with good heuristics. In particular, since the heuristic procedures provide feasible solutions to these problems and the Lagrangian approaches provide lower bounds to the minimum distance solution, the heuristic and dual approaches together bracket the optimal value for the objective function. This bracketing might conceivably help to evaluate the effectiveness of the heuristic approaches, or might be useful in obtaining optimal solutions to the problems via branch and bound methods.

#### III. HEURISTIC SOLUTION TECHNIQUES FOR SINGLE DEPOT PROBLEMS

Proposed techniques for solving vehicle routing problems have fallen into two classes - those which solve the problem optimally by branch and bound techniques, and those which solve the problem heuristically. Since the optimal algorithms have been viable only for very small problems, we concentrate on heuristic algorithms. Christofides claims that the largest vehicle routing problem of any complexity that has been solved exactly involved only 23 customers [17]. The three vehicle routing heuristic methods which we will discuss (Clarke and Wright [18], Tyagi [72], and Gillett and Miller [28]) have been used for problems with up to 1000 customers.

The Clarke-Wright algorithm is an "exchange" algorithm in the sense that at each step one set of tours is exchanged for a better set of tours. Initially, we suppose that every two demand points i and j are supplied individually from two vehicles (refer to Figure I. below).

Figure I. Initial Setup.

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Now if instead of two vehicles, we used only one, then we would experience a savings in travel distance of  $(2d_{1i} + 2d_{1j}) - (d_{1i} + d_{1j} + d_{ij})$ 

= d<sub>ji</sub> + d<sub>jj</sub> - d<sub>ij</sub> (see figure II. below).

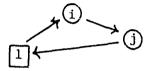


Figure II. Nodes i and j have been linked.

For every possible pair of demand points i and j there is a corresponding savings s<sub>ij</sub>. We order these savings from greatest to least and starting from the top of the list we link nodes i and j where s<sub>ij</sub> represents the current maximum savings unless the problem constraints are violated. Christofides and Eilon found from 10 small test problems that tours produced from the "savings" method averaged only 3.2 percent longer than the optimal tours [15].

Tyagi [72] presents a method which groups demand points in the following very straightforward fashion. Starting with node 2 (noce 1 is the central depot) we find its nearest neighbor, say node k, subject to the restriction that  $Q_2 + Q_k \leq C$  (C is capacity of the vehicle being routed). We next find the nearest neighbor to node k, say node j, such that  $Q_2 + Q_k + Q_j \leq C$ and continue until adding a nearest neighbor will result in a tour exceeding either vehicle capacity or maximum tour length. Rules of thumb are specified to minimize the frequency with which a group will consist of only one delivery point, especially, in the case where the delivery is small or the distance from the central depot to this point is more than half the distance from the farthest point to the central depot. Having grouped the delivery points into

-13-

m tours, the vehicle dispatching problem reduces to m Traveling Salesman Problems, one for each tour.

In a recent paper, Gillett and Miller [28] introduce an efficient buildup algorithm for handling up to about 250 nodes. Rectangular coordinates for each demand point are required, from which we may calculate polar coordinates. We select a "seed" node randomly. With the central depot as the pivot, we start sweeping (clockwise or counterclockwise) the ray from the central depot to the seed. Demand nodes are added to a route as they are swept. If the polar coordinate indicating angle is ordered for the demand points from smallest to largest (with seed's angle 0) we enlarge routes as we increase the angle until capacity restricts us from enlarging a route by including an additional demand node. This demand point becomes the seed for the following route. Once we have the routes we can apply TSP algorithms such as the Lin-Kernighan heuristic to improve tours and obtain significantly better results. In addition, we can vary the seed and select the best solution.

The Clarke and Wright algorithm overcomes a major deficiency of the other two algorithms in that demand points farther away from the central depot are considered early for linking. This property means that few of these "problem" nodes are left to be grouped at the end when there are virtually no degrees of freedom. On the other hand, Gillett and Miller form non-overlapping tours, unlike the other two algorithms. The Tyagi algorithm is fast and the easiest to program.

The literature contains computational experience relating to the Clarke and Wright [18], and the Gillett and Miller [28] algorithms. On a 50-customer problem (which will be mentioned later) the former algorithm had computation time of 6 seconds, the latter, 120 seconds. However, the second objective

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value was slightly lower. A 250-location problem with an average of 10 locations per route was solved in just under 10 minutes of IBM 360/67 time using the Gillett and Miller algorithm. The Tyagi algorithm has been programmed by Klincewicz [41]. The same 50-node problem was solved in 1 second of execution time yielding a rather high objective value. Several experiments with the Tyagi algorithm have confirmed the poor objective performance of this approach. Yellow's modification of the Clarke-Wright procedure appears computationally to be the most powerful vehicle routing method (based on computational experience mentioned in the literature); problems of 200 nodes have been solved in less than a minute and a problem with 1000 nodes was solved in five minutes on an IBM 360/50 [80]. Webb, in applying a similar sequential savings approach, reports having solved 400-customer problems in less than 6 seconds on a CDC 6600 [75]. Several questions arise since implementation is not discussed in the paper at all:

- (i) Are input and output operations included in this figure?
- (ii) Can the program handle different types of vehicles?
- (iii) Is there a maximum number of drop points per route in the program, or a maximum travel time for the vehicles?
- (iv) Do the computations involve integer or real arithmetic?
- (v) Although the CDC machine is faster than the IBM machine, how does one explain the extraordinary difference in reported running times between Yellow's and Webb's papers?
- (vi) How is the data stored?

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IV. A MODIFIED CLARKE-WRIGHT ALGORITHM WHICH IS VERY FAST

Probably the most popular of the heuristic solution techniques discussed in the last section is the Clarke-Wright "savings" method which IBM has programmed as VSPX [36], a flexible computer code to handle complex routing problems.

At each step in the Clarke-Wright algorithm we seek the greatest positive savings s<sub>ij</sub> subject to the following restrictions:

- (i) nodes i and j are not already on the same route;
- (ii) neither i nor j are interior to an existing tour;
- (iii) vehicle availability is not exceeded;
- (iv) vehicle capacity is not exceeded;

(v) maximum number of drops (or maximum route time) is not exceeded. In many applications, where the delivery or pickup time is a sizeable portion of total route time, it makes sense to limit the number of drops rather than the route time since travel times are so difficult to estimate. Nodes i and j, then, are linked together to form a new route, and the procedure is repeated until no further savings are possible.

There have been modifications made to the basic approach, most notably those suggested by Beltrami and Bodin [7] and by Yellow [80]. In this paper, we emphasize data structures and list processing and discuss a new implementation of the Clarke-Wright algorithm which is motivated by (i) optimality considerations, (ii) storage considerations, and (iii) sorting considerations and program running time. We modify the basic Clarke-Wright algorithm in three ways:

(1) by using a route shape parameter  $\gamma$  to define a modified savings

 $s_{ij} = d_{1i} + d_{1j} - \gamma d_{ij}$ 

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and finding the best route structure obtained as the parameter is varied;

- (2) hy considering savings only between nodes that are "close" to each other;
- (3) by storing savings s<sub>ij</sub> in a heap structure to reduce comparison operations and ease access.

## Route Shape Parameter

The route shape parameter was introduced by Yellow [80], and is an outgrowth of an algorithm developed by Gaskell [26]. When the parameter  $\gamma$  increases from zero, greater emphasis is placed on the distance between points i and j rather than their position relative to the central depot. The search for the best route structure as  $\gamma$  is varied provides heuristic solutions which are closer to the optimal solution than otherwise obtained via the traditional algorithm where  $\gamma = 1$ . For example, in applying the modified algorithm to the 50 node problem at Christofides and Eilon [15], a solution of total distance 577 was obtained with a route shape parameter of 1.3, whereas the traditional Clarke-Wright solution is 585. Perhaps more importantly, the search over  $\gamma$  promotes flexibility. In most applications there are "unstated" goals and/or constraints. By varying the route shape parameter we can produce several "sufficiently good" tentative solutions from which a final solution may be chosen on the basis of these unstated considerations.

#### Storage

The Clarke-Wright algorithm was designed initially to handle a matrix of real inputs, distances and savings. One might argue that these variables can be rounded to integers to simplify computations. However, we felt that precision was important. In dealing with a 600 node problem a matrix form would require 360,000 storage locations for these inputs. This assumes an

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undirected network with symmetric distances in order that the d<sub>ij</sub> terms can fill above the diagonal in the matrix, and the s<sub>ij</sub> terms can fill below. Of course, if we use only the traditional Clarke-Wright algorithm we need not store the distances at all. At least some distances must be kept in memory, however, in order to vary the route shape parameter (in particular, the distances from the origin to all other nodes must be stored).

Rather than consider all pairwise linkings, as in a matrix approach, we can become more selective and work with the linkings of greatest interest and convenience. We have been investigating a Newspaper distribution problem of nearly 600 nodes; our computer system cannot set aside 360,000 internal storage locations (more than 1.5 million bytes). And if it were possible, it would be inefficient to calculate savings which could never be realized. Nost of the potential linkings are infeasible from a practical standpoint and our modified Clarke-Wright program reflects this observation. The topology of the network is stored in ladder representation form. In general, for each arc we record its origin node and its destination node, and its length. The approach requires 3A rather than  $n^2$  storage locations where n is the total number of nodes and A the number of arcs under consideration. For undirected networks we can order the arcs lexicographically and cut ladder representation storage in half.

Given a grid of width WIDTH and height HEIGHT, and the x and y coordinates of the nodes of the transportation network, the grid is divided into  $\text{DIV}^2$ rectangles in such a way that each demand node is contained in a rectangle of width WIDTH/DIV and height HEIGHT/DIV. Node I has box coordinates BX(I) and BY(I). The set of arcs we will be working with includes all arcs between the

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central depot (node 1) and other nodes (demand nodes), and all arcs between ncies which are no further apart than one box. In other words, if |BX(I) - BX(J)| > 1 or |BY(I) - BY(J)| > 1 the arc (I, J) is ignored. The value of DIV influences the accuracy of the heuristic algorithm and should be altered according to the problem. If the number of demand points, n-1, is small DIV should be small; if n is large DIV should be large. The smaller the parameter DIV, for a particular problem, the larger is the number of arcs to be considered.

## Heap Structure

At each step of the algorithm, we must determine the maximum savings. This comparison of savings can be accomplished quickly and conveniently by partially ordering the data in a heap structure and updating the structure at each step after altering the routes. More precisely, the savings  $s_{ij}$  as denoted by  $s_1$ ,  $s_2$ , ...,  $s_m$  are arranged in a binary tree with k levels called a heap. The essential property of a heap is that  $s_i \geq s_{2i}$  and  $s_i \geq s_{2i+1}$ . Below is a heap for k = 3 ( $s_1$  = 25,  $s_2$  = 21,  $s_3$  = 16, and so on).

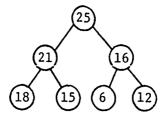


Figure III.

If the list does not completely fill the last level of the tree, then we can add positions in the last level with entries of -  $\infty$ . Clearly, s<sub>1</sub> corresponds to the maximum savings possible of those savings under consideration.

First, the subroutine STHEAP arranges  $s_1, s_2, \ldots, s_m$  into a heap using

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the ideas in Williams [77] and Floyd [23], and produces a vector JX. JX points to where positions from the pre-heap listing of savings are in the current heap. For example, if initially an element was in position 64 and currently it occupies position 32 then JX(64) = 32. STHEAP builds a heap in 0  $(\log_2 m)$ comparisons and interchanges in the worst case. Now, suppose that  $s_1$  corresponds to arc (i, j) and that neither i nor j become interior points on a route upon linking nodes i and j. Setting  $s_{ij}$  to zero we, in effect, remove  $s_1$ from the heap since only positive savings are considered. Actually, we bubble  $s_1$  down the heap until it finds its new home. A new heap can be constructed in this case with remarkable ease by subroutine OTHEAP since  $s_1$ is always made smaller and must therefore move down the binary tree. If  $s_1$ has already been moved to position i then the new entry  $s_i$  is compared with its sons only  $(s_{2i}$  and  $s_{2i+1})$  until  $s_i \geq \max \{s_{2i}, s_{2i+1}\}$ .

If, on the other hand, node i (or j) becomes an interior point, then we no longer try linking node i (or j) with any other nodes in the network. Conceptually, we can cross all entries s<sub>r</sub> off the heap, where s<sub>r</sub> is the savings incurred by linking an interior node to another node. We accomplish this task by (i) setting each such entry to zero and (ii) having subroutine OTHEAP reconstruct a heap structure. OTHEAP is called as many times as there are adjacent nodes to the interior node. The matrix ADJA (I, J) indicates the position on the pre-heap listing where the potential savings incurred from linking node I with its J<sup>th</sup> adjacent neighbor can be obtained. The vector JX enables us to determine the current position of this entry on the heap; this vector is being updated throughout the computer program

The first entry of the heap always represents the most promising link to add to the current routes, and by eliminating infeasible linkings quickly

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by OTHEAP, the algorithm proceeds very rapidly until no additional savings can be realized. OTHEAP exploits the simple observation that when an entry is changed it is always decreased to zero. The steps of the OTHEAP algorithm are given below.

#### Basic OTHEAP Procedure

- Step 0. NN is the length of the heap. IC is the positio, of the entry which has been decreased to zero.
- Step 1. II + IC COPY + S(II).
- Step 2.  $J \leftarrow II + II$ .
- Step 3. If node II has no son on the heap then go to Step 7.

Step 4. If max  $\{S(J), S(J+1)\} = S(J+1)$  then J + J+1.

- Step 5. If  $S(J) \leq COPY$  go to Step 7.

Step 7. S(II) + COPY Stop.

#### Computational Results

The computer program has been programmed in the WATFIV version of FORTRAN. Computation 1 studies have been especially encouraging. A 50 node problem (mentioned earlier) was solved on the IBM 370/168 at M.I.T. using less than one second total execution time, including all input and output operations. Nodes were read in by coordinates, so all distances were calculated within the program. Realistic data for a newspaper distribution problem was gathered for us by a local newspaper. The evening edition has a city circulation of about 100,000 with nearly 600 demand points where bundles of newspapers are delivered. The total execution time was 20 seconds and the routes produced were considered from reasonable to very interesting by the circulation department involved. We believe our program can be of considerable value as a tool in helping to alleviate newspaper distribution problems. It is of interest that a major portion of the 20 seconds involved the determination of node adjacencies and distances.

Below we report sensitivity analyses for the newspaper problem with respect to the following parameters:

- (i) box sizes (Table I);
- (ii) vehicle capacities (Table II);
- (iii) maximum number of drops on a tour (Table III);
- (iv) route shape parameter (Table IV).

In each case, only one parameter is varied at a time. The tendencies exhibited in Tables I, II, and III agree with our intuition, whereas Table IV is a bit more interesting. The best choice for route shape parameter appears to be truly problem dependent (in this example,  $\gamma = 1.0$  and  $\gamma = .4$  are strong candidates, taking both objective value and number of tours into account). Several parameters might be varied simultaneously in future parametric studies. This parametric analysis affords us the opportunity to choose the route structure most appealing in light of various (often conflicting) objectives.

Value of DIV	Total distance traveled	Number of routes
30	306.19	22
25	272.55	17
24	259.67	15
23	267.11	17
22	261.83	16

Table I. Testing box sizes.

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Vehicle	Total distance	Number of
capacity	traveled	routes
3000 3500 4000 4500 5000	266.20 262.32 262.32 262.32 262.32 262.32	18 17 17 17 17 17

Table II. Testing vehicle capacities (the capacity of the smaller of two types of vehicles was varied).

Maximum number of drops	Total distance traveled	Number of routes
60	262.32	17
70	262.65	16
80	260.36	15
90	259.86	15
100	259.67	15

Table 111. Testing the maximum number of drops on a tour.

Value of γ	Total distance traveled	Number of routes
.4	263.09	15
.6 .8	264.72 266.03	16 17
1.0 1.2	262.32 277.46	17
1.4	.279.77	18 19
1.6	276.99	20

Table IV. Testing the route shape parameter.

# V. HEURISTIC SOLUTION TECHNIQUES FOR MULTI-DEPOT PROBLEMS

Whereas the VRP has been studied widely, the multi-depot problem has attracted less attention. The relevant literature is represented by only a few papers. The exact methods for the single depot VRP can be extended to the

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general case, but as in the case for the single depot VRP, because of storage and computation time, only small problems can be dealt with currently. Problems arising in practice are beyond the scope of these optimal algorithms. Three relatively successful heuristic approaches have been developed for the multidepot problem.

A first class of heuristics generates one solution arbitrarily and proceeds to improve the solution by exchanging nodes one at a time between routes until no further improvement is possible. Some typical examples are Wren and Holliday [79] and Cassidy and Bennett [13].

The Wren and Holliday program has been run on Gaskell's ten sample cases and the authors report results comparable with other methods with respect to computation time and accuracy. No tests involving more than 100 nodes are reported. Cassidy and Bennett report a successful case study using a similar approach.

The two other approaches are extensions of heuristics developed for the single depot VRP. The Gillett and Johnson algorithm [27] is an extension of the Gillett and Miller "sweep" algorithm discussed previously. The method solves the multi-depot problem in two stages. First, locations are assigned to depots. Then, several single depot VRP's are solved. Each stage is treated separately.

Initially, all locations are in an unassigned state. For any node i, let

t' (i) be the closest depot to i, and

t''(i) be the second closest depot to i,

For each node i, the ratio

 $r(i) = d_{i}, t'(i)^{/d}_{i}, t''(i)$ 

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is computed and all nodes are ranked by increasing values of r(i). The arrangement determines the order in which the nodes are assigned to a depot: those which are relatively close to a depot are assigned first and those lying midway between two depots are considered last. After a certain number of nodes have been assigned from the list of r(i), a small cluster is formed around every depot. Locations i such that the ratio r(i) is close to 1, are assigned more carefully.

If two nodes j and k are already assigned to a depot t, inserting i between j and k on a route linked to t creates an additional distance equal to

 $d_{ji} + d_{ik} - d_{jk}$ 

which represents a part of the total distance (or cost). In other words, the algorithm assigns location i to a depot t by inserting i between two nodes already assigned to depot t, in the least costly manner.

The Sweep Algorithm is used to construct and sequence routes in the cluster about each depot independently. A number of refinements are made to improve the current solution.

Gillett and Johnson [27] provide a list of problems and the corresponding solutions given by their algorithm. We will make use of this list in order to evaluate our multi-depot algorithm. Let

The algorithm starts with the initial solution consisting of servicing each node exclusively by one route from the closest depot. The total distance of all routes is then  $D = \sum_{i=1}^{N} 2min \{d_i^k\}$ . The method successively links pairs i=1 k of cities in order to decrease the total distance traveled. One basic rule is assumed in the algorithm: the first assignment of nodes to the nearest terminal is temporary but once two or more nodes have been assigned to a common route from a termina?, the nodes are not reassigned to another terminal.

At each step, the choice of linking a pair of nodes i and j on a route from terminal k is made in terms of two criteria:

(i) a savings when linking i and j at k,

(ii) a penalty for not doing so.

Nodes i and j can be linked only if no constraints are violated.

The computation of savings is not as straightforward as in the case of a single depot. The savings  $s_{ij}^k$  are associated to every combination of demand nodes i and j and depot k, and represent the decrease in total distance traveled obtained when linking i and j at k. The formula is given by

$$s_{ij}^{k} = \tilde{d}_{i}^{k} + \tilde{d}_{j}^{k} - d_{ij}$$

$$(4)$$

where  $\tilde{d}_{i}^{k} = \begin{cases} 2 \min \{d_{i}^{t}\} - d_{i}^{k} & \text{if i has not yet been given} \\ t & a permanent assignment} \\ d_{i}^{k} & \text{otherwise.} \end{cases}$ 

An illustration of formula (4) is given in Nguyen [54].

The savings  $s_{ij}^k$  are computed for i, j = 1, ..., N (i  $\neq$  j) and k = 1, ..., M at each step. They can be stored in M matrices, each N by N.

Tillman and Cain [68] introduce a penalty correction factor to the Clarke-Wright procedure as follows. Suppose that nodes i and j are linked on a route from depot k at a particular iteration with savings  $s_{ij}^k$ . If, instead,

nodes i and u were linked on a route from depot m at a later iteration, the savings would be  $s_{iu}^{m}$ . Assuming that  $s_{ij}^{k}$  is selected to give maximum savings out of node i,  $s_{iu}^{m} \leq s_{ij}^{k}$  and  $0_{iu}^{m} \equiv s_{ij}^{k} - s_{iu}^{m}$  measures the opportunity cost of using this later link addition. Similarly, if at a later iteration, node j were linked to node v on a route from depot m, then  $0_{vj}^{m} \equiv s_{ij}^{k} - s_{vj}^{m}$  would be the corresponding opportunity cost. Using these observations, Tillman and Cain define a penalty  $p_{ij}^{k}$  for not selecting link (i, j) on a route from depot k at the current iteration by:

$$p_{ij}^{k} = \min \{0_{iu}^{m} | all (u,m), u=1, ..., N; m=1, ..., M, except (j,k)\} + \min \{0_{vj}^{m} | all (v, m), v=1, ..., N; m=1, ..., M, except (i, k)\}.$$

In order to incorporate the concepts of savings and penalties in a simple way, Tillman and Cain suggest the expression

 $f_{ij}^{k} = \alpha s_{ij}^{k} + \beta p_{ij}^{k}$ 

where  $\alpha$  and  $\beta$  are two selected (or varied) positive weights. At each step, the link (i, j) at k is chosen which maximizes  $f_{ij}^k$  and which yields a feasible solution (with regard to capacity and maximum route time restrictions).

The idea of considering a penalty function can obviously be applied to the single depot VRP as an improvement on Clarke and Wright's original algorithm. The latter has the drawback of proceeding very myopically and the consideration of a penalty function might help much in overcoming this drawback. The penalty calculations, however, impose additional computational burdens.

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VI. ALGORITHM I FOR THE MULTI-DEPOT VRP

The algorithm proposed here is based on the savings method, and is motivated by a desire to find an algorithm capable of handling large size problems. Algorithm I uses Tillman and Cain's approach for computing savings but excludes the idea of a penalty function. Our main contribution, at this stage, is a method of manipulating data which allows fast computation and minimizes storage requirements.

Algorithm I extends Clarke and Wright's algorithm to the case of many depots. The idea is to start with an initial solution consisting of each node being served exclusively by a route from the closest depot. The algorithm proceeds by selecting at each step the largest savings  $s_{ij}^k$ , computed as in Tillman and Cain [68], and i and j are linked on a route served from depot k. Once a link has been created it is never removed in later steps, and the assignment of nodes i and j to depot k is also final.

In most codes written for the VRP using the savings approach, the problem of storing the list of savings often has set the limit on the size of problems tractable. In the multi-depot VRP, to each depot corresponds a matrix of savings and the total number of storage locations needed grows quickly (even though the number of depots is generally small for transportation networks). In order to cope with the problem of storage, we have used the following approach.

First, we note that the savings  $s_{ij}^k$  associated with the linkage of nodes i and j at k is symmetric in i and j. We can exploit this symmetry by storing savings in rectangular rather than square matrix form. We perform the operation illustrated in Figures IV and V. N1 is defined to be N/2 if

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N is even and (N+1)/2 if N is odd (N being the number of demand nodes in the problem). We replace elements of triangle I by elements of triangle II, row by row, starting from the last row of triangle II, and in reverse order. We obtain a rectangular matrix  $S_k$  of dimension (N-1) x Nl which contains all the necessary data. Examples for N even and odd are given in Figure VI.

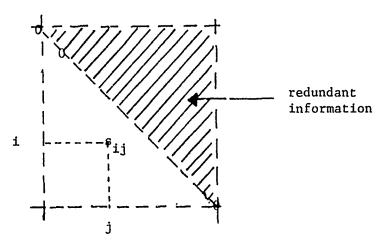


Figure IV. Storing savings in a square matrix.

Each element  $S_k$  (I, J) of the matrix  $S_k$  corresponds to a savings  $s_{ij}^k$  which is stored in location (I, J) of  $S_k$  according to the following rules:

For N even,	s <sub>k</sub> (I, J)	$= \begin{cases} s^{k} \\ I+1, J \\ k \\ s_{N-I+1}, N-J+1 \end{cases}$	if I <u>&gt;</u> J if I < J;
For N odd,	s <sub>ķ</sub> (I, J)	$= \begin{cases} s_{N-I+1}^{k}, N-J+1 \\ s_{I+1}^{k}, J \\ s_{N-I+1}^{k}, N-J+1 \\ 0 \end{cases}$	if I <u>&gt;</u> J
		$\left( \begin{array}{c} s^{K} \\ N-I+1, N-J+1 \end{array} \right)$	if I < J $\leq$ (N-1)/2
		( o	if $I < J = (N+1)/2$ .

For large problems, a further economy is achieved by transforming the  $s_{ij}^k$  into half-word integers, caution being taken against overflow. Round-off

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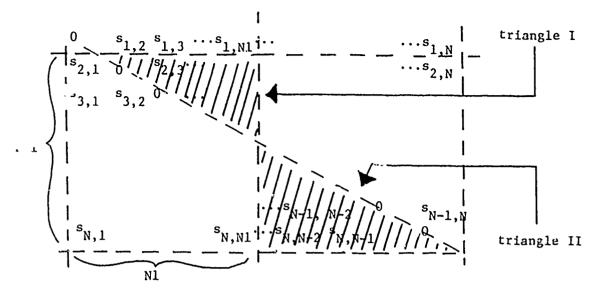


Figure V. Storing savings in rectangular form.

:

1

1

$$N = 7$$

$$s_{2,1} + s_{7,6} + s_{7,5} = 0$$

$$s_{3,1} + s_{3,2} + s_{6,5} = 0$$

$$s_{4,1} + s_{4,2} + s_{4,3} = 0$$

$$s_{5,1} + s_{5,2} + s_{5,3} + s_{5,4} + s_{6,1} + s_{6,2} + s_{6,3} + s_{6,4} + s_{7,1} + s_{7,2} + s_{7,3} + s_{7,4}$$

Figure VI. Examples of savings matrices.

,

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errors can be minimized by first multiplying all real distances by a factor of 100.

In the computer program, we define ROWMAX(I) as the largest element in all the rows I of all the M matrices  $S_k$ , k=l, ..., M. At each step of the algorithm, the maximal savings is obtained by searching for the maximum among the ROWMAX(I), I=1, ..., N-1. This can be readily accomplished via heap structures, as we have noted previously. The main advantage of using the auxiliary variable ROWMAX and searching for the maximal savings among ROWMAX(I), I=1, ..., N-1 instead of searching directly through the whole list of savings is an economy of computation time. At each iteration of the algorithm, we have to update some rows and columns of the savings matrix. Typically, this operation involves changes only for a few elements of the vector ROWMAX. Updating the vector ROWMAX and then selecting its largest element involves much less comparisons than searching through the whole list of new savings.

Each node is represented by its rectangular coordinates. Four pointers are associated with each node I: L(I), RT(I), TERM(I), and SQ(I). We define these below:

 $L(I) = \begin{cases} 2 \text{ if I is the only node on a route} \\ 1 \text{ if I is an endpoint on a route} \\ 0 \text{ if I is an interior point on a route} \\ RT(I) \text{ is the number of the route which contains I} \\ TERM(I) \text{ is the terminal to which I is assigned} \\ SQ(I) \text{ is the load of the truck which serves I.} \end{cases}$ 

The algorithm starts with a solution consisting of each node being exclusively served by a route from the closest depot and at each subsequent step we link node

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i and j at terminal k in order to realize the largest possible savings.

Steps of Algorithm I

L(I) = 2RT(I) = ISQ(I) = Q(I)for I = 1, ..., N.Step 0. For i=1, ..., N, find  $d_i^{t} = \min_k d_i^{k}$ . Set TERM(I) t and MIND(I) =  $d_i^{t}$ Step 1. where MIND(I) is the distance from terminal t to demand node i. Compute savings: Step 2.  $s_{ij}^{k} = \begin{cases} 0 \text{ if } SQ(I) + SQ(J) > CAP \\ 2 \text{ MIND}(I) + 2 \text{ MIND}(J) - d_{i}^{k} - d_{j}^{k} - d_{ij} \text{ if } SQ(I) + SQ(J) \leq CAP. \end{cases}$ Step 3. Determine ROWMAX(I) for I=1, ..., N-1, and for each I, determine the indices KMAX(I) and JMAX(I) such that ROWMAX(I) =  $S_{KMAX(I)}$  (I, JMAX(I)). {ROWMAX(I) | I=1, ..., N-1}. IOPT is the index Compute OPT = Max Step 4. of OPT (i.e., OPT = ROWMAX(IOPT)). If OPT = 0, go to Step . If OPT > 0, trace back to the savings  $s_{ij}^k$  which corresponds to OPT as follows: Let JOPT = JMAX(IOPT) and KOPT = KMAX(IOPT). If IOPT  $\geq$  JOPT then Here, OPT =  $S_{IOPT+1}^{KOPT}$ , JOPT. If IOPT < JOPT then  $\begin{cases} i = N - IOPT + 1, \\ j = N - JOPT + 1, \\ k = KOPT. \end{cases}$  and Here, OPT =  $S_{N}^{K \cup PT}$  = IOPT + 1, N - JOPT + 1 Nodes i and j are linked at terminal k. Update pointers: Step 5. TERM(I) = TERM(J) = k. $L(I) \leftarrow L(I) - 1.$  $L(J) \leftarrow L(J) - 1.$ For all nodes  $w \in RT(I)$  or RT(J), RT(w) = RT(I) and SQ(w) = SQ(I) + SQ(J).DIST  $\leftarrow$  DIST + d<sub>ii</sub>.

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 $s_{ij}^{k} \neq 0.$ Perform Step 6 for h = i and then h = j. <u>Step 6</u>. If L(h) = 1: set  $s_{hw}^{m} \neq 0$  for all m#k and all w; set  $s_{hw}^{k} \neq s_{hw}^{k} + 2 d_{h}^{k} - 2$  MIND(h) for all  $\cdots (w#i)$ if SQ(h) + SQ(w)  $\leq$  CAP; set  $s_{hw}^{k} \neq 0$  if SQ(h) + SQ(w) > CAP. If L(h) = 0: set  $s_{hw}^{m} \neq 0$  for all m and all w. <u>Step 7</u>. Update ROWMAX(I) for I=1, ..., N-1. Go to Step 4.

DIST  $\leftarrow$  DIST +  $\sum_{i=1}^{N-1} L(i) \cdot d_i^{\text{TERM}(i)}$  and then stop.

## Modifications and Improvements

The version of Algorithm I we have described requires the computation of all savings  $s_{ij}^k$  for which  $Q(i) + Q(j) \leq CAP$  at the initialization step. The number of computations here can be close to  $M\binom{N}{2}$ . However, it is not necessary to search through all possible linkages of i to other nodes. It is sufficient to consider only those nodes which are close neighbors of i. We set up a grid here as described in a previous section.

In order to assess the sonomy of computation brought about by the grid, we have tried the idea on a problem with 50 nodes and 4 depots: without using a grid, Algorithm I took 2.04 seconds total CPU time and with a grid, it took 1.38 seconds while giving the same solution.

As with the single depot VRP a route shape parameter line search has

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been studied. In general there seems to be no way a priori to determine a best value of  $\gamma$  for any given problem. The algorithm is fast enough, however, so that we can try different values of  $\gamma$  and then selec<sup>-</sup> the best solution produced. We have tried the idea on a 50-node, 4-depot problem; results are given in Table V.

Value of a	Solution produced by algorithm			
	Total distance traveled	Number of routes		
.2	584.63	6		
.4	559.89	6		
.6	512.09	6		
.8	509.77	6		
1.0	509.30	7		
1.2	508.07	7		
1.4	518.10	7		
1.6	536.40	11		
1.8	560.40	13		
2.0	587.28	15		

Table V. Testing route shape parameter for multi-depot problems.

The advantage of this approach is that we are given a few alternatives to chose from and depending on the objective function, one solution or another can be selected. For example, in the above illustration, the sole criterion of minimal distance traveled would determine the choice of  $\gamma = 1.2$ ; but the consideration of distance traveled combined with the number of routes might set the value  $\gamma = .8$  as the best choice.

Another positive feature of the method is that after drawing the different routes produced for different values of  $\gamma$ , it is usually possible to combine some of them manually, simply by examining the various alternatives,

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to produce an even better solution. For example, we worked a few minutes on the solution obtained with  $\gamma = 1.0$ , and obtained a solution with 6 routes and a total distance traveled of 487 units. We will describe a computer code which performs a similar refining operation later in this paper.

The above idea is of course a simplistic application of the interactive approach to VRP solving. The appeal of the method is its possibility of combining extensive and long computations done with a computer with the intuition and judgement of the human mind. Krolak et. al. [44] have conducted research in this direction.

## Some Computational Results

We have run a program implementing the above ideas for some problems which were solved by Gillett and Johnson [27]. A version of Algorithm I which is especially well-suited for problems with an even number of depots was used. Instead of storing the savings in matrices of dimension  $(N-1) \times N1$ , we store them in M/2 (M is even) square matrices each N x N; the upper half of the k<sup>th</sup> matrix corresponds to savings associated with depot 2k - 1, and the lower half corresponds to savings associated with depot 2k. Clearly, an odd number M of depots creates no additional snags unless M is large. This version is slightly faster than the original Algorithm I since less manipulation of indices is involved.

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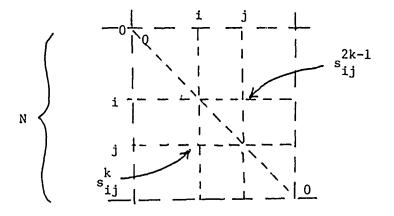


Figure VII. Savings matrix for M even.

The code we have written using the above storage scheme is compiled in 0.18 seconds on an IBM 370/168 and takzs 8400 bytes of core. A problem of 200 nodes and 4 depots necessitates 200k of core memory (using halfword integers for savings), 300 nodes and 4 depots take 400k, 200 nodes and 10 depots take 420k. We consider these to be medium-sized problems. Results for some sample problems are summarized in Table VI.

## VII. ALGORITHM II: EXTENSION OF ALGORITHM I FOR LARGE PROBLEMS

With larger problems, for example with 1000 nodes, an approach is to divide the problem into as many subproblems as there are depots and to solve each subproblem separately. Basically, there are two steps involved in a multi-depot VRP: first, nodes have to be allocated to depots; then routes are built which link nodes assigned to the same depot. Ideally, it is more efficient to deal with the two steps simultaneously, as Algorithm I does, but the method is no longer computationally tractable when the number of nodes becomes too large.

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rithm . CPU	time(2)(5) tin sec	9.34	13.23	51.24	227.67	52.48		
Sweep Algorithm Total . CPU	Distance (5)	593.16	486.19	1066.65	778.87	939.45		
<u>I</u> . CPU	time(2) in sec	2.04(4)	9.08	3.15	3.18	6.16	3.15	
<u>Algorithm I</u> Total (	Distance	604.60	508.07(3)	1124.03	845.03	959.54 6.16	901.83	
Load Capacity		80	160	100	200	100	100	
Number of Depots		4	4	2	67	4	5	
Number of Nodes		50	50	100	100	100	100	
 Problem Number	(1)	1	2	m	4	ۍ ب	Ŷ	

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Problems 1-5 are given by Gillett and Johnson [27] (in [27], #6, 7, 20, 21, 23).

On IBM 370/168.

10 trials have been attempted with different values of  $\alpha$ , the best solution is given and CPU time is total time. 365 365

No grid has been used for this case. (<del>5</del>)

Figures reported in [27].

Table VI. Computations with the Proposed Algorithm.

The idea behind Algorithm II is that if a given node i is much closer to one depot than any other depot, i will be served from its closest depot. When node i is equidistant from several depots, the assignment of i to a depot becomes more difficult. For every node i, we determine the closest depot  $k_1$  and the second closest depot  $k_2$ . If the ratio  $r_i = d_i^{k_1}/d_i^{k_2}$  is less than a certain chosen parameter  $\delta$  ( $0 \le \delta \le 1$ ), we assign i to  $k_1$ ; in the case  $r_i \ge \delta$  we say that node i is a border node. The use of the ratio  $r_i$  appears in Gillett and Johnson [27] also.

Clearly, if  $\delta = 0$ , all nodes are declared border nodes and if  $\delta = 1$ , all nodes are assigned to their closest depot. For a given problem, we can fix the number of border nodes as we wish, by varying  $\delta$ .

The method proceeds as follows. In the first step, we ignore the nonborder nodes and Algorithm I is applied to the set of border nodes. The algorithm allocates the border nodes to depots and simultaneously builds segments of routes connecting these nodes. At the end of this first step, all nodes of our problem are assigned to some depot and all border nodes are linked on some routes. The solution to the VRP is produced depot by depot using single depot VRP techniques. The segments of routes which are built on border nodes are extended to the remaining nodes.

It is felt that the efficiency of the method depends on how many border nodes Algorithm I can handle. One approach which allows a maximal number of border nodes to be considered involves the ordering of nodes by decreasing ratios  $r_i$ . Alternatively, one can experiment with a list of increasing values of  $\delta$ . As  $\delta$  increases from 0 to 1 the number of border nodes decreases. The method described here has been implemented with real data taken from the distribution information of a local newspaper. The problem, with almost 600 nodes and 2 depots, ran in under 55 seconds.

VIII. POST-PROCESSOR

In a previous section we mentioned the possibility of improving the solution obtained by Algorithm I by modifying the routes that it produced. In this section, we discuss a computerized procedure to perform this task.

We suppose that initially we are given a solution to the VRP. An arbitrary orientation is assigned to each route so that for each node i, we can define pr(i) to be the node or depot which precedes i on its route and fl(i) to be the node or depot which follows i on its route.

If a node j is inserted between nodes i and fl(i), the reduction in distance traveled can be computed as:

 $u_{ij} = d_{pr(j)}, j + d_{j}, fl(j) + d_{i}, fl(i) - d_{pr(j)}, fl(j) - d_{i}, j - d_{j}, fl(i).$ 

To any pair of nodes i and j, we can consider the savings  $u_{ij}$  corresponding to the insertion of node j between i and fl(i). In addition, if node i is the first node served by a route, then the savings  $v_{ij}$  associated with the insertion of node j between i and pr(i) has to be taken into account. If the number of routes is r, then the possible savings can be stored in a rectangular matrix W of dimension  $(N + r) \times N$ . The first N rows correspond to savings  $u_{ij}$  and the last r rows refer to the savings  $v_{ij}$ . We note that in general  $w_{ij} \neq w_{ji}$ .

The post-processor searches for the largest element of W which is feasible, and performs the indicated insertion. The operation is then repeated until no further reduction in total distance traveled is possible. The details

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are very much like those of Algorithm I and are not repeated here.

The post-processor uses a savings approach which differs from the Clarke and Wright algorithm in several respects [54]. In general, updating the savings matrix is more cumbersome as many more savings might change in value. Typically, in the Clarke and Wright algorithm, iterations get shorter and shorter as the procedure progresses because the number of nodes to consider decreases, whereas in the post-processor, they remain about the same in length.

With a code for implementing the ideas discussed, we have tried the approach with problems reported in Table VI. Results are summarized in Table VII.

Our method has produced solutions comparable with the ones reported by Gillett and Johnson while using much less computation time. In an exceptional case the Gillett and Johnson algorithm required 227.67 seconds of CPU time; our solution was slightly higher while using only 2-3% of the time.

## IX. CONCLUSION

This paper has presented the vehicle routing problem and the multi-depot VRP, discussed various integer programming formulations, studied several heuristic approaches, and introduced very efficient algorithms which have been implemented successfully. The indication is that the suggested procedures are efficient and can be used as effective decision-making tools for large scale vehicle routing problems encountered in practice.

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:ithm	CPU time in sec	9.34 13.23 51.24 227.67 52.48
Sweep Algorithm	Solution	593.16 486.19 1066.65 778.87 939.45
	Improved solution	593.77 486.65 1067.48 815.68 938.45
	CPU time in sec	0.96 1.14 4.26 2.70 3.09
- ب	Number of insertions performed	3 6 21 12 12
Post-Processor	Reduction in distance traveled	10.83 21.42 56.55 29.35 21.35
	CPU time in sec	2.04 9.08 3.15 3.18 6.16
Algorithm I	Solution	604.60 508.07 1124.03 845.03 959.64
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Table VII. Computations with the Post-Processor.

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