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Heuristic for a real-life truck and trailer routing problem

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Abstract

In this paper we suggest a multi-start greedy heuristic for a real-life truck and trailer routing problem. The considered problem is a site dependent heterogeneous fleet truck and trailer routing problem with soft and hard time windows and split deliveries. This problem arises in delivering goods from a warehouse to stores of a big retail company. There are about 400 stores and 100 vehicles for one warehouse. Our heuristic is based on sequential greedy insertion of a customer to a route with further improvement of the solution. The computational experiments are performed for real-life data. We also provide a mixed integer linear programming formulation for precise and clear description of the problem.

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1. Introduction

Real-life transportation logistics problems differ greatly from classical vehicle routing problems. In this paper we consider one of such real-life problems arising in delivering goods from a warehouse to stores of a big retail company. This problem is a site dependent heterogeneous fleet truck and trailer routing problem with soft and hard time windows and split deliveries. The problem consists in minimizing the total cost of delivery of orders made by stores.

A possible vehicle and a service time depend on a store to be served. Some stores can be served only by small-size vehicles, some – only by a truck without a trailer, some – by a vehicle with a refrigerator, etc. Moreover, a store can have two parts in its order: one which needs a refrigerator and another which does not. Correspondingly, a heterogeneous fleet of vehicles contains different types of vehicles and travelling costs depend on a vehicle and its state (whether it travels with a trailer or without it). Each vehicle has also a fixed cost spent if this vehicle is used for delivery. Every used vehicle makes only one route.

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The stores which can be visited only by a truck without a trailer are called truck-stores. To serve such a store a road-train can leave its trailer either at a transshipment location or at a trailer-store (a store which can be served from a trailer). A truck without a trailer can visit several stores including trailer-stores also, but then it should return to take its trailer. When a trailer is left at a trailer-store, this store is served from it and at the same time the truck visits several truck-stores. In this case a load transfer can be necessary, either if there are not enough goods in the truck to serve these truck-stores (load transfer to a truck), or if there are not enough goods in the trailer to serve this trailer-store (load transfer to a trailer).

A hard time window is defined by open and close times of a store. Hard time windows cannot be violated. Each store also has a soft time window defining a preferred hours of delivery. Soft time windows can be violated, but the total number of violations is limited. Transshipment locations have only hard time windows. If an order of a store is larger than the largest suitable vehicle capacity then it is split between the minimal required number of vehicles. A smaller order can be split between two vehicles, but the number of such splits is limited. Only one of the split deliveries is required to satisfy the soft window of a store, all the other should only satisfy the hard window.

One of the first papers devoted to the truck and trailer routing problem belongs to Semet & Taillard (1993). These authors suggest a tabu-search algorithm for a real-life site dependent heterogeneous fleet truck and trailer routing problem with hard time windows. Split deliveries are not allowed and a trailer can be left only at a trailer-store in their problem. A cluster-first route-second heuristic is developed by Semet (1995) for a similar problem, but without time windows. The author also provides an integer programming formulation for this problem. In the papers of Semet & Taillard (1993) and Drexl (2011) the truck and trailer routing problem is considered in the formulations very close to our one. Particularly, in these formulations trucks and trailers can have different capacities, travel costs, travel times, and trailers are strictly bound to its trucks, so that one truck cannot travel with the trailer of another truck. Such formulations can be called as Heterogeneous Fleet Truck and Trailer Routing Problem (HFTTRP) and HFTTRP with Time Windows (HFTTRPTW).

A number of papers consider the truck and trailer routing problem in a simpler formulation with a homogeneous fleet of vehicles, where all trucks and all trailers are identical. This formulation is usually called in the literature simply as Truck and Trailer Routing Problem (TTRP). The papers on the TTRP belong to authors Chao (2002), Scheuerer (2006), Lin et al. (2009, 2010, 2011), Villegas et al. (2011a,b). Chao (2002) suggested a tabu-search algorithm for the TTRP. Scheuerer (2006) developed two constructive heuristics and a tabu-search algorithm for the TTRP. Lin et al. (2009, 2010) introduced an efficient simulated annealing heuristic for the TTRP and later Lin et al. (2011) applied a similar heuristic for the TTRP with Time Windows (TTRPTW). Villegas et al. (2011a) proposed a hybrid GRASP/VNS heuristic for the TTRP and later Villegas et al. (2011b) combined this heuristic with a set-partitioning formulation for the TTRP.

Hoff (2006), Hoff & Lokketangen (2007) developed a tabu-search algorithm for the multi-depot HFTTRP arising in the milk collection. Caramia & Guerriero (2010a,b) suggested a multi-start cluster-first route-second local search-third heuristic for a similar milk collection HFTTRP. Drexl (2011) developed an integer programming formulation and a branch-and-price algorithm for the HFTTRPTW.

In this paper we propose a multi-start greedy heuristic for a site dependent HFTTRP with soft and hard time windows and split deliveries. To our knowledge such a general formulation has never been considered in the literature. Our heuristic is based on a greedy insertion procedure similar to the insertion procedures suggested by Solomon (1987). We also apply a simple improvement procedure which tries to move deliveries in the current route earlier to avoid delays.

The paper is organized as follows. In the next section we provide a mixed integer linear programming formulation for the considered problem. In Section 3 we present a detailed description of our algorithm together with its pseudo-code. Computational experiments for real-life instances containing up to 400 orders and 100 vehicles are given in Section 4.

2. Mathematical formulation

An oriented graph for the considered problem is denoted as $G(V, A)$, where V is the set of vertices, and $A = V \times V$ is the set of arcs. The set of vertices is divided into 4 sets including the depot (vertex 0), trailer-stores, truck-stores, and transshipment locations. The depot vertex also has a copy in the transshipment locations, so that any vehicle can leave its trailer directly at the depot and then make a pure truck-route. Below we will use term “location” for any vertex representing a store or a transshipment location (any vertex $i \in V \setminus \{0\}$). The input of the problem is given by the following parameters:

$n, n_1, n_2, n_3,$	– the number of stores, trailer-stores, truck-stores, and transshipment locations
0	– the depot
$V_1 = \{1, \dots, n_1\}$	– the set of trailer-stores,
$V_2 = \{n_1 + 1, \dots, n_1 + n_2\}$	– the set of truck-stores,
$V_3 = \{n + 1, \dots, n + n_3\}$	– the set of transshipment locations,
$V = \{0\} \cup V_1 \cup V_2 \cup V_3$	– the set of all possible route locations,
K, K_1, K_2, K^*	– the set of all vehicles, vehicles with trailer, without trailer, with refrigerator
f_k	– the fixed cost of using vehicle k ,
Q_k, Q_k^1, Q_k^2	– the total capacity of vehicle k , capacity of its trailer, capacity of its truck
q_i, q_i^*	– the total demand of store i , its demand which needs a refrigerator
s_i^k	– the service time of total demand of store i for vehicle k ,
r_i^k	– the time to leave trailer and make load transfer at location i for vehicle k ,
op_i, cl_i	– the open and close time of location i (hard time window),
er_i, lt_i	– the earliest and latest preferred time of delivery to store i (soft time window),
c_{ij}^{kl}, t_{ij}^{kl}	– the cost, time of arc (i, j) for vehicle k with trailer ($l = 1$) or without ($l = 2$),
ν	– the maximum number of soft time window violations,
σ	– the maximum number of stores with split deliveries excluding inevitable splits

The following Boolean, integer, and fractional variables are used in the suggested mixed integer linear programming model:

$x_{ij}^{kl} \in \{0,1\}$ – equals 1, if vehicle k travels along arc (i, j) with trailer ($l = 1$) or without it ($l = 2$),

$y_i^k \in [0,1]$ – the fraction of demand of store i delivered by vehicle k ,

$z_i^k \in \{0,1\}$ – equals 1, if vehicle k delivers some fraction of demand to store i in its route,

$z_k \in \{0,1\}$ – equals 1, if vehicle k is used in one of the routes,

$u_i^k \in \{0,1\}$ – equals 1, if vehicle k leaves trailer at location i ,

$b_i^k \in R_+$ – the begin time of the delivery to store i by vehicle k ,

$e_i^k \in R_+$ – the end time of the delivery to store i by vehicle k ,

$a_i^k \in R_+$ – the arrive time of vehicle k to store i ,

$d_i^k \in R_+$ – the demand served by the truck of vehicle k in a truck subtour starting from the first store in this

subtour and ending in store i ; for example for subtour $(j_0, j_1, \dots, j_p, i, \dots, j_0)$, in which j_1 is the first store

visited by the truck after store j_0 where the trailer is left, this demand will be equal to: $d_i^k = \sum_{j=j_1, \dots, j_p} q_j y_j^k$

$v_i^k \in \{0,1\}$ – equals 1, if vehicle k is not used for store i or it starts service at i out of its soft window,

$v_i \in \{0,1\}$ – equals 1, if the soft window of store i is violated,

$\sigma_i \in \{0,1\}$ – equals 1, if the delivery for store i is split, though its total demand can be delivered by one vehicle,

$w_{k_1 k_2} \in \{0,1\}$ – equals 1, if the split delivery by vehicle k_2 to store i is ended before the split delivery by vehicle k_1 to this store is started.

The complete mixed integer linear programming formulation is presented below.

Objective function:

$$f = \sum_{l=1}^2 \sum_{k \in K} \sum_{i \in V} \sum_{j \in V} c_{ij}^{kl} x_{ij}^{kl} + \sum_{k \in K} f_k z_k \rightarrow \min \quad (1)$$

Demand and capacity constraints:

$$\forall i \in V_1 \cup V_2 \quad \sum_{k \in K} y_i^k = 1 \quad (2)$$

$$\forall k \in K, \forall i \in V_1 \cup V_2 \quad z_i^k \geq y_i^k, z_k \geq y_i^k \quad (3)$$

$$\forall k \in K \quad \sum_{i \in V_1 \cup V_2} q_i y_i^k \leq Q_k \quad (4)$$

Travelling and flow conservation constraints:

$$\forall k \in K, \forall i \in V_2, \forall j \in V \quad x_{ij}^{k1} = x_{ji}^{k1} = 0 \quad (5)$$

$$\forall l \in \{1,2\}, \forall k \in K_l \quad \sum_{i \in V \setminus \{0\}} x_{0i}^{kl} \geq z_k \quad (6)$$

$$\forall k \in K, \forall i \in V \setminus \{0\} \quad \sum_{l=1}^2 \sum_{j \in V} x_{ij}^{kl} \geq z_i^k \quad (7)$$

$$\forall l \in \{1,2\}, \forall k \in K, \forall i \in V \quad \sum_{j \in V} x_{ij}^{kl} = \sum_{j \in V} x_{ji}^{kl} \quad (8)$$

Hard time window constraints:

$$\forall k \in K \quad a_0^k = b_0^k = e_0^k = 0 \quad (9)$$

$$\forall k \in K, \forall i \in V \setminus \{0\} \quad b_i^k \geq op_i, a_i^k \geq op_i, e_i^k \leq cl_i, e_i^k \geq b_i^k + s_i^k y_i^k \quad (10)$$

$$\forall k \in K, \forall i \in V_1 \cup V_3 \cup \{0\}, \forall j \in V_1 \cup V_3 \quad b_j^k \geq e_i^k + t_{ij}^{k1} - M(1 - x_{ij}^{k1}) \quad (11)$$

$$\forall k \in K, \forall i \in V_1 \cup V_2, \forall j \in V_1 \cup V_2 \quad b_j^k \geq e_i^k + t_{ij}^{k2} - M(u_i^k + u_j^k + 1 - x_{ij}^{k2}) \quad (12)$$

$$\forall k \in K, \forall i \in V_1 \cup V_3 \cup \{0\}, \forall j \in V_1 \cup V_3 \quad a_j^k \geq e_i^k + t_{ij}^{k1} - M(u_i^k + 1 - u_j^k + 1 - x_{ij}^{k1}) \quad (13)$$

$$\forall k \in K, \forall i \in V_1 \cup V_2, \forall j \in V_1 \cup V_3 \quad e_j^k \geq e_i^k + t_{ij}^{k2} - M(u_i^k + 1 - u_j^k + 1 - x_{ij}^{k2}) \quad (14)$$

$$\forall k \in K, \forall i \in V_1 \cup V_3, \forall j \in V_1 \cup V_2 \quad b_j^k \geq a_i^k + r_i^k + t_{ij}^{k2} - M(1 - u_i^k + 1 - x_{ij}^{k2}) \tag{15}$$

Soft time window constraints:

$$\forall k \in K, \forall i \in V \setminus \{0\} \quad v_i^k \geq 1 - z_i^k, v_i^k \geq (e_i^k - b_i^k) / M, v_i^k \geq (b_i^k - l_i^k) / M \tag{16}$$

$$\forall i \in V \setminus \{0\} \quad v_i \geq \sum_{k \in K} v_i^k + 1 - |K| \tag{17}$$

$$\sum_{i \in V \setminus \{0\}} v_i \leq \nu \tag{18}$$

Split deliveries number constraints:

$$\forall i \in V_1 \cup V_2 \quad \left\lceil q_i / \max_{k \in K} Q_k \right\rceil \geq 2 \Rightarrow \sum_{k \in K} z_i^k = \left\lceil q_i / \max_{k \in K} Q_k \right\rceil \tag{19}$$

$$\forall i \in V_1 \cup V_2 \quad \left\lceil q_i / \max_{k \in K} Q_k \right\rceil = 1 \Rightarrow \sum_{k \in K} z_i^k \leq 2 \tag{20}$$

$$\forall i \in V_1 \cup V_2 \quad \sigma_i = \sum_{k \in K} z_i^k - \left\lceil q_i / \max_{k \in K} Q_k \right\rceil \tag{21}$$

$$\sum_{i \in V_1 \cup V_2} \sigma_i \leq \sigma \tag{22}$$

Split deliveries time constraints:

$$\forall i \in V \setminus \{0\}, \forall k_1, k_2 \in K, k_2 > k_1 \quad w_{k_1, k_2} > (b_i^{k_1} - e_i^{k_2}) / M - M(1 - z_i^{k_1} + 1 - z_i^{k_2}) \tag{23}$$

$$\forall i \in V \setminus \{0\}, \forall k_1, k_2 \in K, k_2 > k_1 \quad w_{k_1, k_2} \leq 1 + (b_i^{k_1} - e_i^{k_2}) / M + M(1 - z_i^{k_1} + 1 - z_i^{k_2}) \tag{24}$$

$$\forall i \in V \setminus \{0\}, \forall k_1, k_2 \in K, k_2 > k_1 \quad e_i^{k_1} \leq b_i^{k_2} + M w_{k_1, k_2} + M(1 - z_i^{k_1} + 1 - z_i^{k_2}) \tag{25}$$

Truck subtour capacity constraints:

$$\forall k \in K, \forall i \in V \setminus \{0\}, \forall j \in V \setminus \{0\} \quad d_j^k \geq d_i^k + q_j y_j^k - M(u_j^k + 1 - x_{ij}^{k2}) \tag{26}$$

$$\forall k \in K, \forall j \in V_1 \cup V_3 \quad d_j^k \leq Q_k^2 \tag{27}$$

Refrigerator constraints:

$$\forall i \in V_1 \cup V_2 \quad \sum_{k \in K^*} y_i^k \geq q_i^* / q_i \tag{28}$$

The objective function (1) of the problem minimizes the total cost including travelling costs and fixed costs of vehicles used in routes. Demand and capacity constraints (2) – (4) guarantee that the total demand is delivered to every store and every vehicle is loaded not more than its capacity. Constraints (3) require that variables z_i^k and z_k are equal to 1 if $y_i^k > 0$.

Travelling and flow conservation constraints (5) – (8) guarantee that every trailer tour and every truck subtour is a cycle, and every trailer tour includes the depot. Constraint (5) requires that any truck-store cannot be visited by a vehicle with trailer. Constraint (6) requires that every route including pure truck-routes contains

the depot (vertex 0). Constraint (7) requires that if a vehicle visits a location then it have to travel from this location to another location. Constraint (8) requires that if a vehicle arrives to a store it then leaves it in every route and every truck subtour.

Constraints (2) – (8) together determine basic restrictions on the main variables. First they require the certain y_i^k variables to be greater than zero so that every store gets its demand. It then makes the corresponding z_i^k and z_k variables to be equal to 1, which means that the corresponding vehicles are used in the solution. In its turn it causes that the corresponding x_{0j}^{kl} variables are equal to 1 (every used vehicle goes out from the depot in its route), and for every store j the corresponding x_{ij}^{kl} and x_{ji}^{kl} variables are also equal to 1 (every store served by the corresponding vehicle should be visited and then left by this vehicle). As a result due to these constraints all the stores will be served in the solution and every used vehicle will make a cyclic route passing through the depot, but together with such routes it will make also a number of disjoint cyclic routes covering all the stores which it should serve. In order to avoid such solutions and require, that every used vehicle makes one cyclic trailer tour and several cyclic truck subtours starting and ending in one of the main tour points, we use time window constraints (9) – (15).

Hard time window constraints (9) – (15) guarantee that every route is started from the depot (vertex 0), every customer is served not earlier than its open time and the service is ended not later than its close time. Constraints (9) require that every vehicle leaves the depot at time 0. First two constraints (10) require that any vehicle arrives to any location and begins unloading at a store or leaves trailer at a transshipment location not earlier than the open time of this location. Next two constraints (10) require that the service at the location is performed during its service time s_i^k and is ended not later than its close time. For transshipment locations there is no service time: $s_i^k = 0$, and trailer decoupling and load transfer time is taken into account separately by means of r_i^k parameter.

Constraint (11) requires that any vehicle travelling from the depot, a trailer-store or a transshipment location i to a trailer-store or a transshipment location j cannot begin service at location j earlier than it leaves location i plus the travelling time t_{ij}^{k1} between these locations. In case $x_{ij}^{k1} = 0$ (the vehicle is not travelling from i to j) this constraint transforms into an inequality which is always true due to the “big-M” constant. Constraint (12) requires that any truck without a trailer travelling from store i to store j , in which a trailer is not left ($u_i^k = u_j^k = 0$), cannot begin service at location j earlier than it leaves location i plus the travelling time t_{ij}^{k2} between these locations. In case $x_{ij}^{k2} = 0$ or $u_i^k = 1$ or $u_j^k = 1$ (the truck is not travelling from i to j or the trailer is left at store i or at store j) this constraint transforms into an inequality which is always true.

Constraint (13) requires that any vehicle travelling from the depot, a trailer-store or a transshipment location i , where it does not leave a trailer ($u_i^k = 0$) to a trailer-store or a transshipment location j where it leaves the trailer ($u_j^k = 1$) cannot arrive to location j earlier than it leaves location i plus the travelling time t_{ij}^{k1} between these locations. In case $x_{ij}^{k1} = 0$ or $u_i^k = 1$ or $u_j^k = 0$ (the vehicle is not travelling from i to j or the trailer is left at location i or is not left at location j) this constraint transforms into an inequality which is always true. This constraint on arrive time is necessary only for trailer-stores where the trailer is left for unloading and at the same time the truck makes a subtour. For such stores unloading from the trailer can begin much later than the arrive time in order to satisfy the soft time window, but the truck does not wait here and immediately travels to next store, for which the begin service time is controlled by constraint (15).

Constraint (14) requires that any truck travelling from store i to a trailer-store or a transshipment location j where it has left the trailer ($u_j^k = 1$) cannot leave this location with the trailer earlier than it leaves location i plus the travelling time t_{ij}^{k2} between these locations. In case $x_{ij}^{k2} = 0$ or $u_i^k = 1$ or $u_j^k = 0$ (the vehicle is not travelling from i to j or the trailer is left at store i or is not left at location j) this constraint transforms into an inequality which is always true.

Constraint (15) requires that any truck leaving a trailer at a trailer-store or a transshipment location i ($u_i^k = 1$) and travelling to store j cannot begin service at location j earlier than it arrives to location i plus the time r_i^k spent on load transfer and decoupling the trailer and the travelling time t_{ij}^{k2} between these locations.

In case $x_{ij}^{k2} = 0$ or $u_i^k = 0$ (the truck is not travelling from i to j or the trailer is not left at store i) this constraint transforms into an inequality which is always true.

Soft time window constraints (16) – (18) limit the number of soft time window violations. Constraints (16) require that variable v_i^k equals 1 if either vehicle k does not visit store i in its route, or it visits this store violating its soft time window, which means that it starts service before or later the time window. Constraint (17) requires that variable v_i equals 1 if all the deliveries (in case of split deliveries) to store i violate its time window. In case of split deliveries only one delivery is required to satisfy the soft time window. Finally constraint (18) requires the total number of soft time window violations to be limited by parameter U .

Split deliveries number constraints (19) – (22) limit the number of stores for which the delivery is split between two vehicles excluding those which demand is greater than the capacity of the largest vehicle. For such stores split deliveries are unavoidable, but its number should be as less as possible. This is provided by constraint (19) which requires that the number of vehicles visiting such a store is equal to the minimal possible number of largest vehicles that is enough to serve its total demand. Constraint (20) requires that the number of deliveries for other stores cannot be greater than two. Constraint (21) sets the variable σ_i to be equal to the number of deliveries made to store i in the solution. Constraint (22) limits the total number of stores with split deliveries excluding unavoidable splits by parameter σ .

Split deliveries time constraints (23) – (25) guarantee that for every location at most one vehicle is present at this location at every time moment. Constraints (23) and (24) require that variable $w_{k_1 k_2}$ equals 1, if the split delivery by vehicle k_2 to store i is ended before the split delivery by vehicle k_1 to this store is started, and equals 0, otherwise. Constraint (25) requires that in case $w_{k_1 k_2} = 0$ the split delivery by vehicle k_1 is ended before the split delivery by vehicle k_2 is started. Thus any two split deliveries to any store cannot intersect. In case of a transshipment location this means that two trailers cannot stay at this location simultaneously.

Truck subtour capacity constraints (26) and (27) guarantee that the total demand served in a truck subtour including all stores from the first one up to any chosen store i increases and cannot be greater than the truck capacity. Refrigerator constraints (28) require that all the orders requiring a refrigerator can be served only by a vehicle equipped with a refrigerator. Note that a vehicle with a refrigerator can also serve common orders.

Except refrigerator constraints this model can be easily extended with many other restrictions on the orders which can be served by vehicle k for store i . The model also allows adding other constraints connected with site dependencies simply by setting z_i^k to zero for every vehicle k which cannot deliver orders to store i .

Note that the presented mathematical model does not allow vehicles to make multiple truck subtours starting in one trailer-store or transshipment location. This is because for the considered real-life problem the triangle inequality is true, and thus joining of two truck subtours starting in one location reduces the total travel cost. However, potentially there can be cases when the total demand of stores in such two truck subtours is greater than the truck capacity and the optimal solution contains such two subtours. Looking at the real-life data we can assume that such cases are very rare and thus our model is precise enough for the considered problem.

3. Algorithm description

In this section we provide a description of our algorithm. We use multi-start greedy randomized insertion heuristic. The main algorithm is quite simple. We generate many solutions in a greedy way and choose the best one in term of the objective function i.e. the one with the lowest cost.

Algorithm 1 Main procedure

```

function Main(iterationsNumber)
output: solution
 $f^* = \infty$ 
for  $i=1$  to iterationsNumber do

```

```

S = BuildGreedySolution()
if  $f(S) < f^*$  then
    S* = S
     $f^* = f(S)$ 
endif
endfor
return S*
end function

```

Algorithm 2 Build a greedy solution

```

function BuildGreedySolution()
output: solution
S =  $\emptyset$ 
U = V  $\triangleright$  U is the set of customers having unserved demand
while  $U \neq \emptyset$  do
    customer = ChooseRandomly(U,  $\mu$ )  $\triangleright$  choose random customer from the set of first  $\mu$  most expensive unserved customers
    R = (customer)  $\triangleright$  create a new route with one customer
    k = getProperVehicle(customer)
    success = true
    while success do
        success = InsertBestCustomer(R)
    end while
    S =  $S \cup R$ 
end while
return S
end function

```

We build a new solution by constructing routes sequentially. Every route is also constructed by adding customers sequentially. The first customer in a route is chosen randomly from the top μ most expensive customers who still have unserved demand. The cost of customer j is measured as the direct travel cost c_{0j}^{k1} from the depot to it. The type of the first customer determines the type of the selected vehicle. We choose an available vehicle with the biggest capacity that can serve the selected customer. So if the customer has an unserved order requiring refrigerator, we choose the biggest available vehicle with a refrigerator.

In the next steps function `InsertBestCustomer` inserts customer with the biggest value of *totalCustomerGoodness* to the route R , until it is possible. The total customer goodness is a value that reflects how it is good to add this customer to the current route.

Building of a new route stops when the function `InsertBestCustomer` returns *false*. It happens when there is no customer that can be added to the current route or adding new customer becomes unprofitable i.e. any remaining customer is cheaper to be served directly by a separate vehicle than to be added to the current route R .

Algorithm 3 Insert customer with the biggest value of totalGoodness

```

function InsertBestCustomer(R, k)
output: "true" if a new customer has been added to the route, "false" otherwise
L  $\leftarrow$  the list of remaining customers that can be served by vehicle k chosen for the current route R
maxTotalCustomerGoodness =  $-\infty$ 
foreach  $i \in L$  do
    goodness =  $\lambda \cdot c_{0i}^{k1}$ 

```



```

if not setDemandToDeliver( $R, i, goodness$ ) then
  continue
endif
 $minInsertionBadness, position \leftarrow calculateMinInsertionBadness(R, i)$ 
 $directCost = c_{0i}^{k1} + f_k / |R| \quad \triangleright$  direct cost estimation
if ( $directCost < minInsertionBadness$ ) then
  continue  $\triangleright$  this customer is cheaper to be served by a separate vehicle
endif
 $totalCustomerGoodness \leftarrow goodness - minInsertionBadness$ 
if  $totalCustomerGoodness > maxTotalCustomerGoodness$  then
   $maxTotalCustomerGoodness \leftarrow totalCustomerGoodness$ 
   $bestCustomer \leftarrow customer$ 
   $bestPosition \leftarrow position$ 
endif
end foreach
if ( $maxTotalCustomerGoodness = -\infty$ ) then
  return false
endif
insert customer  $bestCustomer$  to position  $bestPosition$  in route  $R$ 
end function

```

As described above the function InsertBestCustomer chooses which customer is better to be added to route R . We have the list of customers L having unserved demand which can be visited by vehicle k that is chosen for the current route R . After that for every customer i from the list L we decide what part of its demand q_i should be delivered. That is what setDemandToDeliver function does. We use a greedy approach again. It is reasonable for a vehicle to serve the total demand when possible. In case when a vehicle can serve only a part of demand, we make a random choice to perform this delivery with probability π or not to perform it. Since we have a limit on the number of splits, the probability π depends on the remaining number of splits and on the expected number of splits. When the random choice is not to make split, the function setDemandToDeliver returns false.

The value of $totalCustomerGoodness$ is calculated for every customer who still has an unserved demand that can be completely or partly satisfied by the current vehicle. The $totalCustomerGoodness$ is calculated as the difference between the constant value of $goodness$ and the value of $minInsertionBadness$ which is dynamically calculated for the current customer and route. The value of $goodness$ for a customer is directly proportional to the travel cost from the depot.

Algorithm 4 Decide what part of demand should be delivered

```

function setDemandToDeliver( $R, i, k$ )
   $freeCapacity \leftarrow$  remaining capacity of vehicle  $k$  in route  $R$ 
  if demand that can be delivered by vehicle  $k$  to customer  $i >$  remaining demand of customer  $i$  then
    deliverTotalDemand()
  else
     $doSplit \leftarrow$  "true" with probability  $\pi = \frac{remainingSplitsNumber}{expectedSplitsNumber}$ 
    if ( $doSplit$ ) then
      deliver all possible demand
    else
      return false;
    endif
  endif

```

```

endif
return true
end function

```

Algorithm 5 Calculate the minimal value of badness for all possible insertion places in the route

function calculateMinInsertionBadness(R, i)

output: the minimal value of insertion badness, the best position of insertion

```

minInsertionBadness ← ∞
bestPosition ← 0
▷ route  $R = (i_1, \dots, i_m)$ 
foreach  $p \in \{2, 3, \dots, m\}$  do
     $R' \leftarrow (i_1, \dots, i_{p-1}, i, i_p, \dots, i_m)$     ▷ insert customer  $i$  to position  $p$  in route  $R$ 
    laterViolationsDelta ← 0
    foreach  $j \in \{i, i_p, \dots, i_m\}$  do
        if ( $\text{delay}(j, R') > 0$ )
            earlierViolationsDelta ← shiftEarlier( $j, R'$ )
            laterViolationsDelta ← laterViolationsDelta +  $\text{delay}(j, R')$ ;
        endif
    end foreach
    penaltyDelta ←  $\text{penalty} * (\text{earlierViolationsDelta} + \text{laterViolationsDelta})$ 
    insertionBadness ←  $\text{costDelta}(i, p, R') + \text{penaltyDelta}$ 
    if ( $\text{insertionBadness} < \text{minInsertionBadness}$ ) then
        minInsertionBadness ← insertionBadness
        bestPosition ←  $p$ 
    endif
end foreach
return minInsertionBadness, bestPosition
end function

```

Algorithm 5 describes how *minInsertionBadness* is calculated. The purpose of *minInsertionBadness* is to show how expensive it is to add the customer to the current route. We allow a customer to be inserted to any position in the route. Therefore we choose the minimal value from all possible values of badness which correspond to different positions in the route and different possible cases of insertion. Note that Algorithm 5 describes only the simplest case of insertion.

In case of a delivery started after the soft time window we measure the delay $\min_{k \in K} \max(b_j^k - lt_j, 0)$ – the difference between the delivery begin time and the latest preferred time (the end of the soft time window). Since for split deliveries only one vehicle should satisfy the soft time window we take the minimal delay for all vehicles $k \in K$. For all possible positions in route R we try to insert customer i and minimize the sum of delays by shifting earlier begin delivery times for all customers. We make this shift so that the delays become minimal, but the shift is as small as possible in order not to increase time window violations too much because of too earlier begin delivery times. The violation of the begin time of the soft time window is measured as $\min_{k \in K} \max(er_j - b_j^k, 0)$. After that we calculate a value of *insertionBadness* as the sum of *costDelta* and *penaltyDelta*.

The *costDelta* function calculates the difference between the cost of the route without customer i and the cost of the route with customer i which is inserted to position p . Variable *penaltyDelta* reflects the value of soft time window violations. We use the input parameter *penalty* to specify how crucial the violations of soft time windows are. When it is set to infinity no violations are possible, when to zero – soft time windows are not taken into account. The value of *penalty* is chosen empirically so that the number of violations in the obtained greedy solutions does not exceed the limit ν too frequently.

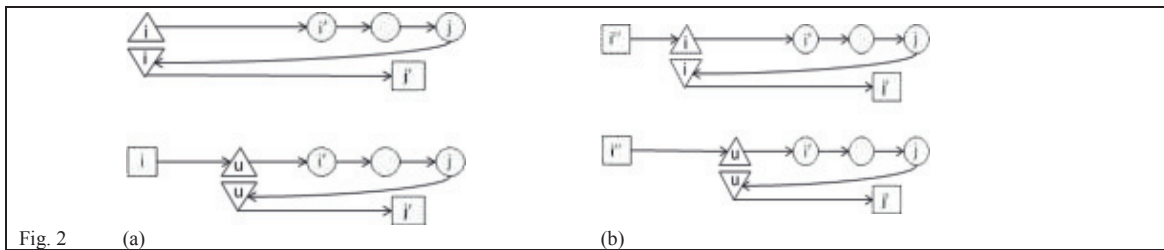
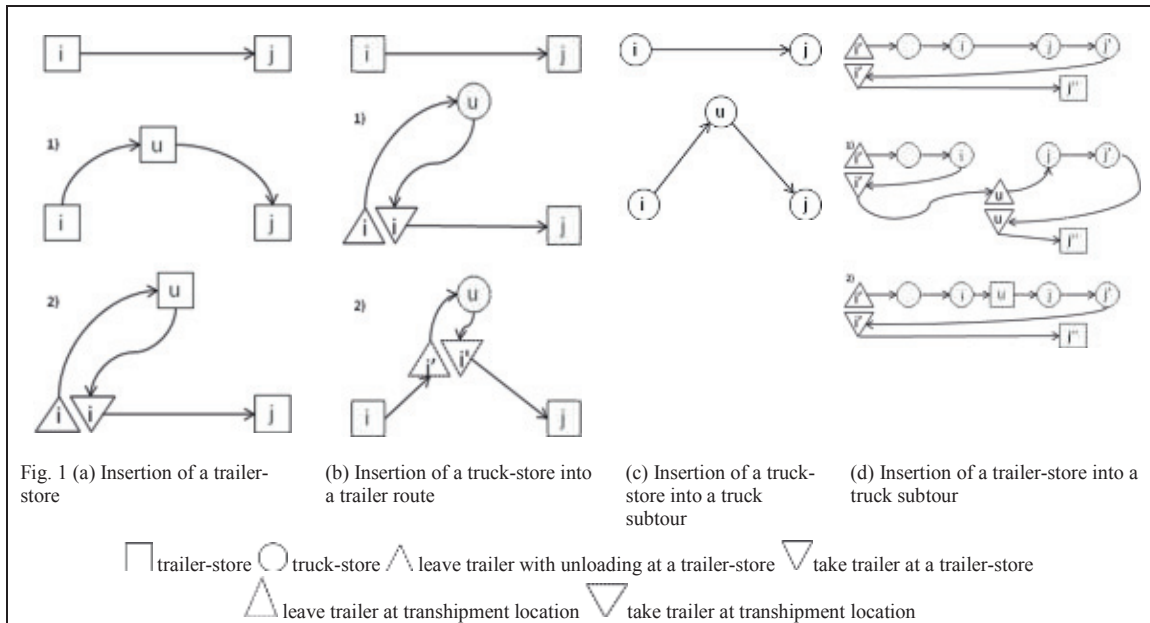
Since we consider truck and trailer version of VRP it is not easy to calculate the value of $costDelta$. Insertion of a customer into the route with truck subtours can be done in several ways. Let us look at these cases. There are two different ways how a new store (u) can be inserted into a trailer route between two trailer-stores. The first case is trivial (Fig. 1a-1), a truck with a trailer travels from store (i) to store (u) and after that goes to store (j). In this case $costDelta$ is calculated as $costDelta = c_{iu}^{k1} + c_{uj}^{k1} - c_{ij}^{k1}$.

In the second case (Fig. 1a-2) a truck leaves the trailer at store (i), goes to store (u), and returns to store (i) to take the trailer. After that a truck with a trailer travels to store (j). In this case $costDelta = c_{iu}^{k2} + c_{ui}^{k2}$. It is clear that the first case is better in terms of cost, but the second case can be better in terms of time. This is because unloading at customer (i) can take long time, and in the second case it is made in parallel with travelling to customer (u) and serving it.

A truck-store can be inserted into a trailer route in two ways (Fig. 1b). In the first case a vehicle leaves a trailer for unloading at store (i), goes without it to serve truck-store (u), returns back to take the trailer at store (i), and after that travels with the trailer to trailer-store (j). In this case $costDelta = c_{iu}^{k2} + c_{ui}^{k2}$. In the second case a vehicle leaves a trailer at the available transshipment location (i') closest to store (u) and goes to serve truck-store (u). After unloading at store (u) the truck returns to take the trailer at transshipment location (i') and goes with the trailer to trailer-store (j). So $costDelta = c_{i'u}^{k1} + c_{iu}^{k2} + c_{ui'}^{k2} + c_{i'j}^{k1} - c_{ij}^{k1}$.

Figure 1d represents the case of a broken truck route. A broken truck route means that a new trailer-store (u) is inserted into a truck subtour between two stores (i) and (j). In the first case (Fig. 1d-1) a vehicle returns to customer (i') to take the trailer after store (i), then goes with the trailer to serve customer (u), leaves the trailer for unloading at store (u), goes to serve stores from (j) to (j') without the trailer and after store (j') comes back to store (u) to take the trailer. In this case $costDelta = c_{i'u}^{k2} + c_{iu}^{k1} + c_{uj}^{k2} + c_{j'u}^{k2} + c_{uj'}^{k1} - c_{ij}^{k2} - c_{ji'}^{k1} - c_{i'j'}^{k1}$. In the second case (Fig. 1d-2) trailer-store (u) is inserted directly into a truck subtour and the vehicle serves it without the trailer. This case has $costDelta = c_{iu}^{k2} + c_{uj}^{k2} - c_{ij}^{k2}$.

There are two cases of changing the place for leaving a trailer (Fig. 2). In the first case (Fig. 2a) a new trailer-store (u) is inserted after trailer-store (i) where the trailer has been left. So we can move the place of leaving a trailer from (i) to (u). In this case $costDelta = c_{iu}^{k1} + c_{ui'}^{k2} + c_{ju}^{k2} + c_{uj'}^{k1} - c_{ii'}^{k2} - c_{ji}^{k2} - c_{ij'}^{k1}$. In the second case (Fig. 2b) a trailer is left at a new store (u) instead of transshipment location (i). This case has $costDelta = c_{i'u}^{k1} + c_{ui'}^{k2} + c_{ju}^{k2} + c_{uj'}^{k1} - c_{i'i}^{k1} - c_{ii'}^{k2} - c_{ji}^{k2} - c_{ij'}^{k1}$.



4. Computational experiments

To perform an empirical analysis of our algorithm we have used two instances with different number of customers. The first instance is a small one and has 11 customers. The list of customers with their parameters is presented in Table 2. The matrices of travel times and costs for vehicles without refrigerators are presented in Table 3 and Table 4 correspondingly.

The second instance is a real one with 292 customers. In this instance the total demand that can be served only by a vehicle with refrigerator is 490.5 pallets and the total demand that does not require refrigerator is 2293.5 pallets. Both instances have two types of vehicles. One – with refrigerator and capacity of 19.5 pallets in a truck and 19 pallets in a trailer. Another – without refrigerator and with capacity of 19 pallets in a truck and 20 pallets in a trailer. A fixed cost for a vehicle without refrigerator is 2000, and a fixed cost for a vehicle with refrigerator is 2600. Vehicles with refrigerator have travel costs 1.5 times greater than vehicles without refrigerator. In both examples we allow 20% of delays and 15% of splits. The list of the performed computational experiments is presented in Table 1.

In the second row characteristics of the exact solution of the small instance are presented. A simple greedy insertion approach fails to find this exact solution as shown in the third row. Our approach finds the exact solution in less than 100 iterations (see row 4). Rows 5-9 show the results obtained for the real-life instance.

The suggested approach finds a solution with 20% lower cost than the simple greedy one. It spends about one hour to make 100k iterations to get such a solution. It is not reasonable to make more than 100k iterations because the solution improves insignificantly for 1000k iterations.

Table 1. Computational experiments.

Instance	Total cost, rub	Distance, km	km/pallets	Number of vehicles without ref.	Number of vehicles with ref.	Percent of time window violations	Percent of splits
Small test - exact solution	70035	3720	35.7692	2	4	18	0
Small test - simple greedy	102464	4342	51.75	4	5	18	0
Small test - our algorithm - 100 iterations	70035	3720	35.7692	2	4	18	0
Real test - simple greedy	1217452	64907	24.7223	61	51	20	11
Real test - our algorithm - 1000 iterations	984599	52780	18.9583	50	39	17	11
Real test - our algorithm - 10k iterations	974712	52325	18.7949	49	39	18	8
Real test - our algorithm - 100k iterations	966671	51718	18.5769	49	39	18	9
Real test - our algorithm - 1000k iterations	963242	51324	18.3224	48	39	19	12

Table 2. Customers.

Customer	Ref. demand	No ref. demand	Soft time widow begin	Soft time window end	Open time (hard time window)	Close time (hard time window)	Is truck-store
1	0	10.5	15:00	16:00	10:00	21:00	Y
2	0	10	11:30	12:30	10:00	22:30	Y
3	1	4.5	15:00	16:00	10:00	21:30	Y
4	0	9.5	10:00	11:00	9:30	21:00	N
5	2	7	10:00	11:00	10:00	22:00	N
6	1.5	7	10:00	11:00	10:00	21:30	N
7	0	9	16:00	17:00	10:00	21:00	N
8	6.5	9.5	11:00	12:00	10:00	22:00	Y
9	2	7	12:30	13:30	10:00	22:00	Y
10	0	7.5	17:30	18:30	10:00	22:00	Y
11	2.5	7	18:00	19:00	9:30	20:00	N

Table 3. Travel times.

#	0	1	2	3	4	5	6	7	8	9	10	11
0	0	48	310	588	357	314	311	136	183	453	448	606
1	48	0	290	568	374	294	291	153	199	470	464	586
2	310	290	0	290	509	5	2	402	449	482	680	509
3	588	568	290	0	787	294	291	680	727	351	548	272
4	357	374	509	787	0	513	510	230	261	590	585	794
5	314	294	5	294	513	0	4	406	453	486	684	513
6	311	291	2	291	510	4	0	403	450	483	680	509
7	136	153	402	680	230	406	403	0	155	463	458	666

8	183	199	449	727	261	453	450	155	0	416	410	619
9	453	470	482	351	590	486	483	463	416	0	204	210
10	448	464	680	548	585	684	680	458	410	204	0	375
11	606	586	509	272	794	513	509	666	619	210	375	0

Table 4. Travel costs.

#	0	1	2	3	4	5	6	7	8	9	10	11
0	0,00	188,90	3023,37	6218,58	3693,33	3038,81	3026,15	1225,67	1521,02	4604,38	4716,52	6389,66
1	188,90	0,00	2805,19	6000,40	3844,78	2820,62	2807,96	1377,13	1672,48	4755,84	4867,97	6171,48
2	3023,37	2805,19	0,00	3260,43	5540,30	20,46	7,80	4030,56	4325,91	5086,74	7100,10	5511,83
3	6218,58	6000,40	3260,43	0,00	8735,51	3275,86	3263,20	7225,77	7521,12	3568,39	5581,75	2593,15
4	3693,33	3844,78	5540,30	8735,51	0,00	5555,73	5543,07	2505,31	2533,46	6336,44	6448,57	8582,89
5	3038,81	2820,62	20,46	3275,86	5555,73	0,00	15,77	4045,99	4341,34	5102,17	7115,53	5527,27
6	3026,15	2807,96	7,80	3263,20	5543,07	15,77	0,00	4033,33	4328,68	5089,51	7102,87	5514,61
7	1225,67	1377,13	4030,56	7225,77	2505,31	4045,99	4033,33	0,00	1262,44	4789,63	4901,76	7036,08
8	1521,02	1672,48	4325,91	7521,12	2533,46	4341,34	4328,68	1262,44	0,00	3946,21	4058,34	6192,66
9	4604,38	4755,84	5086,74	3568,39	6336,44	5102,17	5089,51	4789,63	3946,21	0,00	2038,39	2271,47
10	4716,52	4867,97	7100,10	5581,75	6448,57	7115,53	7102,87	4901,76	4058,34	2038,39	0,00	3944,61
11	6389,66	6171,48	5511,83	2593,15	8582,89	5527,27	5514,61	7036,08	6192,66	2271,47	3944,61	0,00

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